(incorporated with limited liability under the laws of the Republic of Italy)

€250,000,000

3.625 per cent. Notes due 28 January 2027

The issue price of the €250,000,000 3.625 per cent. Notes due 28 January 2027 (the "**Notes**") of Salini Impregilo S.p.A. (the "**Issuer**" or "**Salini Impregilo**") is 100 per cent. of their principal amount. The Notes will comprise €126,659,000 in aggregate principal amount of Notes to be issued in exchange for existing securities pursuant to the Exchange Offer referred to under "*Exchange Offer*" below (the "**Exchange Notes**") and €123,341,000 in aggregate principal amount of additional Notes to be issued for subscription for cash (the "**Additional Notes**")**.** The Exchange Notes and the Additional Notes constitute the same class and form a single series of Notes.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 28 January 2027. The Notes are subject to redemption, in whole but not in part, at their principal amount, plus interest, if any, to the date fixed for redemption at the option of the Issuer at any time in the event of certain changes affecting taxation in the Republic of Italy. In addition, the holder of a Note may, by the exercise of the relevant option, require the Issuer to redeem such Note at 100 per cent. of its principal amount together with accrued and unpaid interest (if any) upon the occurrence of a Change of Control (as defined below). The Issuer may also elect to redeem all, but not some only, of the Notes at an amount calculated on a "make whole" basis. See "*Terms and Conditions of the Notes — Redemption and Purchase*".

The Notes will bear interest from 28 January 2020 (the "**Issue Date**") at the rate of 3.625 per cent. per annum payable annually in arrears on 28 January each year commencing on 28 January 2021. Payments on the Notes will be made in Euro without deduction for or on account of taxes imposed or levied by the Republic of Italy to the extent described under "*Condition 9 (Taxation)*".

The Notes will constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for certain mandatory exceptions of applicable law.

The prospectus (the "**Prospectus)** has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This Prospectus constitutes a prospectus for the purposes of the Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to its official list (the "**Official List**") and trading on the Regulated Market of Euronext Dublin (the "**Market**") with effect from the Issue Date. References in this Prospectus to Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended ("**MiFID II**").

This Prospectus is available for viewing on the website of Euronext Dublin (www.ise.ie).

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Managers (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of certain restrictions on transfers of the Notes, see "*Subscription and Sale*".

Investing in the Notes involves risks. See "Risk Factors" beginning on page 5 of this Prospectus for a discussion of certain risks prospective investors should consider in connection with any investment in the Notes.

The Notes will be in bearer form in the denomination of €100,000 each and, for so long as the Notes are represented by a Global Note (as defined below) and Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") (or other relevant clearing system) allow, in denominations of €1,000 in excess of €100,000, up to and including €199,000. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or around the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg. The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**", and together with the Temporary Global Note, each a "**Global Note**"), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in principal amounts equal to €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000, each with interest coupons attached. No Notes in definitive form will be issued with a denomination above €199,000. See "*Summary of Provisions Relating to the Notes in Global Form*".

This Prospectus will be valid for a year from 24 January 2020. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid. For this purpose, "valid" means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement the Prospectus is only required within its period of validity between the time when the Prospectus is approved and the closing of the offer period for the Notes or the time when trading on a regulated market begins, whichever occurs later.

The Notes will be rated BB- by Standard & Poor's Credit Market Services Italy S.r.l. ("**Standard & Poor's**"). Standard & Poor's is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). S&P appears on the latest update of the list of registered credit rating agencies on the ESMA website http://www.esma.europa.eu.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

JOINT LEAD MANAGERS

Banca Akros S.p.A. – Gruppo Banco BPM

Banca IMI

BofA Securities

Citigroup

Goldman Sachs International

Natixis

UniCredit Bank

Co-Managers

BBVA

Equita SIM

MPS Capital Services Banca per le Imprese S.p.A.

Prospectus dated 24 January 2020

IMPORTANT NOTICES

This document comprises a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has confirmed to Banca Akros S.p.A. – Gruppo Banco BPM, Banca IMI S.p.A., Citigroup Global Markets Limited, Goldman Sachs International, Merrill Lynch International, Natixis and UniCredit Bank AG (the "**Joint Lead Managers**") and Banco Bilbao Vizcaya Argentaria S.A., Equita SIM S.p.A. and MPS Capital Services Banca per le Imprese S.p.A. (the "**Co-Managers**" and together with the Joint Lead Managers, the "**Managers**") that this Prospectus contains or incorporates all information regarding the Issuer and the Group as of the date of this Prospectus (where "**Group**" means the Issuer and its consolidated subsidiaries) and the Notes which are (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer or the Group are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

To the fullest extent permitted by law, none of the Managers, BNY Mellon Corporate Trustee Services Limited as trustee (the "**Trustee**") or The Bank of New York Mellon, London Branch, as principal paying agent (the "**Principal Paying Agent**") accepts any responsibility for the contents of this Prospectus or for any other statements made or purported to be made by any of the Managers or on its behalf or by the Trustee or on its behalf or by the Principal Paying Agent or on its behalf in connection with the Issuer or issue and offering of any Note. Each of the Managers, the Trustee and the Principal Paying Agent disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*"). This Prospectus should be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

Investors should rely only on the information contained in this Prospectus. The Issuer has not authorised anyone to provide investors with different information. The initial purchasers are not and the Issuer is not making any offer of the Notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover of this Prospectus regardless of the time of delivery of this Prospectus or of any sale of the Notes.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Managers.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes will be (subject to Condition 5 (*Negative pledge*)) unsecured obligations of the Issuer. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with the Issuer's other unsecured senior indebtedness. The Notes are unsecured and, although they restrict the giving of security by the Issuer and its Material Subsidiaries (as defined in the Terms and Conditions of the Notes) over Indebtedness (as defined in the Terms and Conditions of the Notes) and guarantees in respect of such Indebtedness, a number of exceptions apply, as more fully described in Condition 5 (*Negative pledge*). Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such secured indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that the information contained herein concerning the Issuer and/or its Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer and/or the Group since the date of this Prospectus.

Neither this Prospectus nor any other information supplied in connection with the offering, sale or delivery of any Note (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Managers that any recipient of this Prospectus or any other information supplied in connection thereto should purchase any Note. Each investor contemplating purchasing any Note should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group. Neither this Prospectus nor any other information supplied in connection with the issue of the Note constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Notes.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Group (as defined below) and of the rights attaching to the Notes.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been, and will not be, registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area and references to "**€**", "**EUR**" or "**Euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended. References to "**billions**" are to thousands of millions.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Stabilisation

In connection with the issue of the Notes, Merrill Lynch International (the "Stabilising Manager") (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over allot Notes or effect transactions for a limited time with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail in the open market. However,

stabilisation may not necessarily occur. Any stabilisation action, if commenced, may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, and must be brought to an end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any Person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

Forward-looking statements

This Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “will”, “would” or similar words. These statements are based on the Issuer’s current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer’s strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

Market share information and statistics

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Group’s business contained in this Prospectus consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on the Issuer’s knowledge of its reference markets. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates. While the Issuer has compiled, extracted and accurately reproduced market or other industry data from external sources, including third parties or industry or general publications, neither the Issuer nor the Managers have independently verified that data. As far as the Issuer is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer cannot assure investors of the accuracy and completeness of, and takes no responsibility for, such data other than the responsibility for the correct and accurate reproduction thereof.

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RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the Group and the industry in which it and the Group operate together with all other information contained in this Prospectus, including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this section.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to them and which they may not currently be able to anticipate.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

1. Risks relating to the Issuer's financial situation

The Group carries a significant amount of debt, which may increase in the future, and this may restrict its operational flexibility and competitiveness.

As of June 30, 2019 and December 31, 2018, the Group's financial indebtedness was mainly composed of bank and other loans and borrowings (respectively €538.0 million and €617.9 million), current portion of bank loans and borrowings and current account facilities (respectively €590.7 million and €499.4 million), bonds (respectively €1,090.0 million and €1.088,2 million).

As of June 30, 2019 and December 31, 2018, the Group's Gross Indebtedness was €2,399.8 million and €2,338.5 million, respectively.

The Group's significant financial indebtedness and any future increase in such indebtedness - as well as the constraints on its operations resulting from the indebtedness - may have a number of negative effects including the following: (i) the use of a significant portion of the cash flows from operations to service the Group's debt, with a consequent reduction of the cash flows available for its operations; (ii) greater vulnerability of the Issuer to deterioration of its business, the economy or its industry; (iii) greater difficulty in meeting the Group's debt obligations and a significant limitation or impairment of its ability to refinance such debts; (iv) exposure to interest rate increases; (v) a disadvantage compared to competitors that have a lower level of indebtedness compared to cash flows and therefore a lower financial burden; (vi) reduced ability to seize certain business opportunities or to make acquisitions or investments; and (vii) reduced ability to obtain further loans and new credit lines to finance the Group's commercial activities and issue supporting guarantees. Any of the foregoing circumstances may result in a material adverse effect on the Group's business, results of operations, financial condition or prospects.

In the future, the Group's indebtedness may increase for various reasons, such as potential fluctuations in operating performance of its projects, the need to fund current operations in the event of any delays in the collection of payments as part of operating activities, as well

as for any investments, and potential acquisitions or joint ventures. In addition, the Group may need to borrow significant amounts to cover any margin calls under hedging arrangements. An increase in the level of indebtedness of the Issuer and its subsidiaries would entail a corresponding increase in the risks assumed.

With the support of various financing institutions, the Issuer has put together a complex package of additional financial resources to support the implementation of Progetto Italia (including the Astaldi Transaction), including (i) the extension of the maturities relating to the repayment of certain loans for €268 million; (ii) a €150 million medium-term loan facility aimed at supporting Astaldi's needs prior to court approval of its pending Plan (which was granted in September 2019 to the Issuer's subsidiary, Beyond S.r.l.); and (iii) a new €200,000,000 supplemental revolving credit facility (which was executed in December 2019). See also ''*Description of the Issuer - Recent Developments - Progetto Italia and the Astaldi Transaction - Financial package to support Progetto Italia*'' and ''*Description of the Issuer - Financing*".

In October 2019, the Issuer has drawn €86.1 million under the above mentioned €150 million loan facility and used the proceeds to acquire the debtor-in-possession €75,000,000.00 Super-senior Secured PIYC Floating Rate Notes due on February 12, 2022 issued by Astaldi. The Issuer expects to fully draw such loan facility and use the relevant proceeds to buy tap notes to be issued by Astaldi.

Existing indebtedness and related covenants and restrictions could adversely affect the Issuer's business.

The Group's loan agreements and other debt instruments include a number of covenants that impose restrictions on the way the Group can operate, including restrictions on its ability to, inter alia: (a) make acquisitions or investments; (b) issue loans or otherwise extend credit to other entities; (c) incur indebtedness; (d) under limited circumstances, pay dividends; or (e) create or incur liens on the Group's assets. Any of the foregoing may affect the Group's reputation and have negative effects on its business, financial condition and results of operations. In addition, (i) breaches under one facility may trigger cross-default and cross-acceleration clauses under other facilities or debt instruments; (ii) certain of the Group's debt instruments and financing agreements contain change of control provisions which give the lenders or noteholders a right to request prepayment or, in the case of notes, to exercise a put option vis-à-vis the Issuer. Any of the foregoing may affect the Group's reputation and have negative effects on its business, financial condition and results of operations. See "*Description of the Issuer - Financing*" and "D*escription of the Issuer - Recent Developments - Progetto Italia and the Astaldi Transaction - The Astaldi Transaction*".

A breach of any of these covenants or restrictions could result in a default that would enable the Group's creditors to declare all amounts due and payable, together with accrued and unpaid interest, and the commitments of the relevant lenders to make further extensions of credit could be terminated.

Should market conditions deteriorate or fail to improve, or in the event the Group's operating results decrease, the Group may need to request waivers to such covenants. However, there can be no assurance that it will be able to obtain such waiver.

Failure to comply with the covenants and financial commitments undertaken, or with other contractual provisions, including forecasts on the possibility to enforce change of control provisions, failure to make agreed repayments of principal and interest, or failure to refinance

existing loans could have a material adverse effect on the Group's operations, financial condition and results of operations or prospects.

Downgrading of the Issuer's ratings may have a material adverse effect.

The Issuer's credit ratings are an assessment of its creditworthiness, *i.e*. its ability to meet its financial commitments. In connection with bond issuances, a rating represents an assessment of the credit recoverability, i.e. the Issuer's ability to meet its obligations to pay principal and interest at the maturity dates set out in the terms and conditions of the notes. Any downgrade, actual or expected, of the Issuer's ratings or the related outlook could limit its access to the capital markets and increase the cost of raising and/or refinancing outstanding debt. At the same time, an improvement in rating would not decrease the other investment risks related to the Issuer and the Group.

The assessments from Fitch and Standard & Poor's dated July 10, 2019 and March 21, 2019, respectively, resulted in a downgrade of the Issuer's ratings. On December 3, 2019, Standard & Poor's has revised its outlook from negative to positive ("BB-" rating is still unchanged). Credit rating agencies continually revise their ratings and outlook for the companies that they follow, including Salini Impregilo. The credit rating agencies also evaluate the Group's industry as a whole and may change their credit ratings or outlook for the Issuer based on their overall view of such industry.

Downgrades may depend on risks or events concerning the Salini Impregilo Group, but also on contingent circumstances and/or circumstances beyond the Group's control, including the market conditions, exposure in countries deemed to be at risk or uncertainties underlying particular transactions.

See also "*Description of the Issuer*".

The €150,000,000 financing agreement entered into by Beyond S.r.l. includes an event of default for the loss of the long-term credit rating assigned by Standard & Poor's and/or Moody's Investors Service Limited to the Issuer. See "*Description of the Issuer-Financing*".

The Group may not be able to raise the funds necessary to carry out its activities or refinance its existing indebtedness and is exposed to liquidity risks.

The Group's cash needs in connection with its business are generally high. The Group finances these needs principally through borrowings under new or existing committed and uncommitted credit facilities. These facilities may need to be renewed periodically. The Group may be unable to renew them on economically attractive terms or at all, which could have a material adverse effect on its business, financial condition and results of operations.

The Group is exposed to liquidity risks, including risks associated with the failure to refinance existing indebtedness, the risk that borrowing facilities are not available to meet cash requirements and the risk that the Group's financial assets may not readily be converted to cash without loss of value.

In addition, the international credit crisis and the subsequent worsening of macroeconomic conditions have given rise to restricted access to credit, reduced liquidity in the financial markets and severe volatility in debt and equity markets. Failure to obtain necessary liquidity in a timely fashion may have a material adverse effect on the Group's business, financial condition, results of operations or prospects. For example, the Group won a contract to construct certain projects under concession during the Eurozone financial crisis, in a context of limited access to credit, with particular regard to medium/long-term credit typical of project

financing transactions. This led to delays in the start-up of the concession and an increased burden on the consortium of which the Group was part.

As of June 30, 2019, at a consolidated level, the Group recorded cash and cash equivalents of €812.3 million. A significant portion of this liquidity is attributed to specific projects and held locally, by the projects company, in order to meet their short-term funding needs and, therefore, the Group may not have immediate access to such liquidity. In particular, liquidity management is designed to ensure the financial independence of ongoing contracts, considering the structure of the consortia and SPEs, which may result in financial resources being available only to the related projects.

A failure, even temporary, to maintain adequate liquidity could have a material adverse effect on the Group's business, financial condition, result of operations or prospects.

The Group may be unable to meet the obligations deriving from current guarantees (including bid bonds and performance bonds) granted to the Group to complete its ongoing projects, or to obtain new guarantees.

The infrastructure market requires the provision of guarantees by, among others, banks or insurance companies in favor of the Group's customers, partners and suppliers in order to participate in competitive tenders or enter into and execute contracts. These guarantees cover the proposal stage (bid or tender bond) and the execution of the works under contract (performance bond or other similar bonds). As of June 30, 2019, the aggregate amount of the guarantees provided by the Group and issued by third parties was €15,173.7 million (€13,765.2 million as of December 31, 2018). These are off-balance sheet items.

In addition, the Issuer generally enters into indemnities and provide guarantees and counterguarantees in favor of the Group companies (including guarantees for credit lines of the joint ventures, affiliated companies and other associates).

The ability to obtain such guarantees and bonds from banks and insurance companies depends on their assessment of the Group's overall financial condition and, in particular, the financial condition of the individual company concerned, the risks of the project and the experience and competitive positioning of the company concerned in the sector in which it operates. Further, these guarantees and bonds are typically issued on a ''first demand basis'' and, therefore, if due, payment may be demanded without conditions, without prejudice to the possibility of recourse against the Group. If called upon, the Group would be required to reimburse the entity issuing the guarantee immediately or risk default under the contract.

If (i) the Group is unable to obtain new guarantees and bonds, (ii) the Group obtains new guarantees or renegotiate existing guarantees and bonds on less favorable financial terms, (iii) an existing guarantee relating to an ongoing project is cancelled, expires or is not renewed, or (iv) banks or insurance companies request additional guarantees to cover their exposure, the Group may incur higher costs, fail to meet the terms and conditions of existing contracts and its ability to obtain new orders may be prejudiced or be more costly, which could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, in the event the guarantees provided by the Group are enforced, it would be exposed to the risk of substantial cash outflows, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The controlling interest in Salini Impregilo held by Salini Costruttori is pledged under a loan agreement and could lead to a change of control of the Issuer.

Salini Costruttori, Salini Impregilo's controlling shareholder, informed the Issuer that it entered into a loan agreement ("**SC Financing Agreement**") with Banca IMI S.p.A., Intesa Sanpaolo S.p.A. and Natixis S.A. (the "**Lenders**"), which is secured by a pledge on all the Salini Impregilo ordinary shares from time to time held by Salini Costruttori. The maturity of the SC Financing Agreement is September 30, 2022.

In the event Salini Costruttori breaches its obligations under the SC Financing Agreement, or if it fails to identify one or more new lenders within the deadline set to enforce the loan, the enforcement of the pledge by the Lender Institutions and the resulting sale of Salini Impregilo's ordinary shares could lead to a change of control of the Issuer, which, in turn, may trigger a change of control under the Group's outstanding debt instruments and agreements, with potential material adverse effect on share price, as well as on the Group's business, financial condition, results of operations or prospects.

A portion of the Group's debt bears interest at floating rates.

The Salini Impregilo Group uses various external sources of financing in the form of both short-term and medium/long-term debt and is therefore exposed to borrowing costs and interest rate volatility, with particular reference to contracts that provide for variable interest rates, which do not enable it to predict the exact amount of interest payable during the term of the loan.

If significant interest rate fluctuations occur and are not adequately covered through hedging transactions, the Group's interest expense could increase, which could have a material adverse effect on its business, financial condition, results of operations or prospects. See also "Description of the Issuer - Financing".

2. Risk Factors relating to the Issuer's business activities and industry

Due to the extensive international operations, the Group is exposed to risks inherent to its operations in foreign countries and international business.

The Group has an established international presence, and it intends to continue the expand into new geographical areas, exploring opportunities in markets that the Issuer believes can lower the Group's risk profile. As of the date of this Prospectus, the geographical areas of greater interest to the Group include Canada and the countries of Northern Europe. In deciding whether to enter a new geography and/or to maintain its strategic presence in international markets, the Issuer takes into account the political, economic and financial risks of the markets, the reliability of the potential clients and the development opportunities in the medium and long-term.

For the six-month period ended June 30, 2019 and the year ended December 31, 2018, respectively, 83.5% and 90.5% of the Group's total revenues and other income were generated abroad. As of the same dates, the construction backlog for foreign projects represented, respectively, approximately 73.4% and 69.4% of the Group's total construction backlog, and backlog for foreign projects represented 66.6% and 62.9% of the backlog.

Consequently, the Group is exposed to risks associated with social, economic, political, geographical and regulatory conditions in each of the countries in which it operates, including: (i) unexpected differences and changes in the overall regulatory framework; (ii) the need to comply with, and compare, new and different legislative and regulatory provisions, their application and interpretation, and the related compliance costs; (iii) changes in government policies; (iv) the possible lack of adequate protection of contractual rights, the inexperience of the judicial bodies in the interpretation of the new rules (and

sometimes the limited independence of these bodies), the retroactive application of the rules and the difficulty in enforcing judgments; (v) longer payment periods and difficulties in collecting the Group's account receivables, also due to the lengthiness of the court proceedings; (vi) tariffs, duties, export controls, import restrictions and other trade barriers; (vii) union unrest; (viii) litigation, regulatory and administrative proceedings, including proceedings that could take years to resolve; (ix) higher interest rates and inflation rates; (x) the seizure of property by nationalization or expropriation without fair compensation; (xi) monetary policy, foreign exchange controls and restrictions on repatriation of funds (such as restrictions on the export of liquidity relating to contracts in Ethiopia); (xii) sanctions and embargoes; (xiii) an increase in the risk of corruption (such as, for example, that found in South America following the emergence of corrupt practices, for which operators in the sector outside the Group are accused); (xiv) acts of war, civil unrest, force majeure and terrorism, armed conflicts; and (xv) political, economic and social instability at the local level, which involves aspects such as the security of the country, criminal acts, riots, terrorism—as, for example, experienced by the Group, in the past, in the context of the realization of the Cetin project in Turkey, a contract no longer in the portfolio—as well as armed conflicts, sanctions and seizure of equipment.

Any of the foregoing factors could prevent the Group from implementing its strategy or result in a loss on an investment or in a cost that could have a material adverse effect on the Group's business, financial condition or results of operations.

The sovereign rating of Argentina has been recently downgraded by the main rating agencies. In addition, political and economic uncertainty of the countries in which the Group operates may require it to write down its assets, as it did in 2017 and 2018, in relation to the works in Venezuela. In addition, the Group has also suspended building activities on its projects in Venezuela and Libya due to social unrest and political instability. See also "*—The Group is exposed to counterparty risk and may incur losses because of such exposure, which may adversely affect its business, financial condition and results of operations*". The occurrence or the deterioration of any of the foregoing circumstances or situations, could have a material adverse effect on the Group's business, financial condition and results of operations.

If any of the above risks were to materialize or if the foregoing circumstances or situations the Group is currently experiencing were to deteriorate, there could be a material adverse effect on its business, financial condition and results of operations.

Progetto Italia may not be successfully implemented if the Issuer incorrectly assesses the value of an acquisition or its integration with the Group.

Progetto Italia is an industrial project that the Issuer promoted with a view to (i) consolidating the Italian infrastructure and construction sector through the acquisition of Italian operators; (ii) supporting the recovery of the construction sector in Italy; and (iii) increasing the competitiveness of Italian companies in the international markets. See "*Description of the Issuer - Recent Developments - Progetto Italia and the Astaldi Transaction*".

As of the date of this Prospectus, the Issuer has made only two binding offers in furtherance of Progetto Italia: the Offer in connection with the Astaldi Transaction and an offer to acquire Seli Overseas S.p.A. and Grandi Lavori S.r.l., owner of 100% of GLF Construction (USA), in connection with which the Court of Rome granted the Issuer a right of usufruct on the shares and stakes in these companies. See "*Description of the Issuer - Recent Developments - Progetto Italia and the Astaldi Transaction—Cossi and Seli-GLF acquisitions*."

Even where the Issuer is able to identify a target, any assessments of its merits are inherently uncertain and are, inter alia, subject to a number of estimates and assumptions regarding profitability, growth, interest rates and business valuations which are in turn based on a limited set of information, generally obtained through the customary due diligence exercise. All such evaluations, estimates and assumptions may prove to be incorrect or incomplete. Such assessments and estimates may differ significantly from actual circumstances and developments. Furthermore, even following the completion of this activity, the Issuer may not be able to identify all the critical aspects relating to the target company and the future risks that could arise from the transaction, or to accept unfavorable conditions or relations in view of the overall benefits expected from the transaction (for example, by acquiring financial contracts containing more onerous commitments and covenants than those typically negotiated by the Group). In addition, such transactions may expose the Issuer to risks associated with liabilities and/or disputes arising from the previous operations of the acquired companies or businesses. See, for example, "*Description of the Issuer—Litigation and arbitration proceedings—Criminal proceedings—Cossi S.p.A.*". Any of the foregoing circumstances may result in a material adverse effect on the Group's business, financial condition and results of operations.

After the acquisition of a target company, the Issuer may also face unexpected problems or other issues, for example, capital losses and/or non-existence of assets or the occurrence of liabilities not found in the course of due diligence activity. If the Issuer cannot recover such amounts under the indemnity provisions of the relevant acquisition agreement, or it is not otherwise able to recover the full amount of the damages it may suffer, this would have a material adverse effect on the Group's business, results of operations and financial condition, as well as on its reputation, with potential negative effects also on the market price of the shares.

The Group is highly dependent on the investment policies of public authorities.

Contracts with public entities represent a significant majority of the Group's current projects. Consequently, a significant portion of the Group's activities depends heavily on the spending and infrastructural development policies adopted by the governments and public administration of the countries in which the Group operates.

Government clients and local public authorities are under no obligation to maintain investment at any specific level and funds for any program may even be eliminated for a number of reasons, including public budget constraints. The Group may start works on a specific government project but, due to the lack or revocation of government funding, the project may subsequently not be completed within the original time frame or at all. Governments and authorities could also change their procurement methodologies, which could have an adverse impact on the Group including, for example, if the new methodologies entail additional commercial risks or involve reduced margins. Global economic instability and recessionary economic conditions in many countries in which the Group operates could result in PSEs facing significantly reduced tax revenue and budget deficits, which, in turn, could adversely affect their borrowing capacity and prevent them from funding infrastructure maintenance and construction projects. As a consequence, PSEs may abandon, delay or reconsider potential projects, exercise their right to terminate contracts or redefine their terms or defer payment in order to reduce costs or delay the time of payment.

Any future changes in investment policies, the allocation of funds for public works, infrastructure development policies; delays in the allocation of major projects; the deferment or cancellation of projects previously awarded or changes in their economic terms could

compromise the operations and have a material adverse effect on the Group's activities, financial position and results of operations or prospects.

Counterparty risk.

As of June 30, 2019, the Group had trade receivables totaling €2,072.1 million, equal to 26.7% of its consolidated total assets (as of December 31, 2018, €1,930.7 million, equal to 25.9% of the consolidated total assets). The Group is exposed to the risk of its counterparties' failure to perform their obligations, which include not only customers but also, inter alia, project partners, subcontractors and financial counterparties (see also "—*The Group depends on subcontractors, suppliers and other third parties for the operations of its businesses*"), who may become insolvent or default under their contracts, or be significantly late in paying the Group companies, especially during economic downturns. For the six-month period ended June 30, 2019, the average days of collection of trade receivables from customers (calculated as the ratio of trade receivables to contract revenues on an annual basis) were 153 (143 as of December 31, 2018).

The Group usually operates through partnerships with other primary operators, consortia and joint ventures. As is customary in the relevant industry and as required in the tender process, most of the Group's agreements provide for joint and several liability with its partners. If there is a breach of an agreement by one of these partners, the Group could be held liable for their obligations (without prejudice to the right of recourse). If any such third-party partner becomes insolvent or is otherwise unable to meet its obligations in connection with a particular project, the Group will need to find, in a timely manner, suitable replacement to carry out that party's obligations. The Group may also be exposed to the risk that it may have to fulfill the obligations of the insolvent or defaulting counterparty autonomously, bearing the related costs and any organizational complexities. Certain sizeable Italian operators in the construction sector are experiencing a period of financial difficulty or are involved in bankruptcy or insolvency proceedings, including certain of the Group's partners, including Astaldi and Società Italiana per Condotte d'Acqua S.p.A., which hold equity investments in entities in which the Group has an interest.

Furthermore, the Issuer cannot exclude that the Group's financial counterparties may also become unable to meet their obligations. If banks, credit institutions or other third parties in their capacity as lenders or guarantors, for any reason whatsoever (for example due to situations of political and economic instability within individual countries), were to default on their obligations under loan agreements or other agreements, the Group would need to replace such credit lines in a timely manner, thereby incurring additional costs. In addition, cases of insolvency or late performance by financial or commercial counterparties could lead to an increase in the Group's costs or liabilities.

In the event of failure to meet or delay in meeting payment obligations to the Group, the Group may also be exposed to the risk of anticipating the costs and resources required to complete the projects. While the Group may be able to bring legal action before courts or arbitration panels against the defaulting financial institution, such action is not guaranteed to succeed and would lead to an increase in costs.

Furthermore, in the event the Group is unable to collect its trade receivables, it may be necessary to write down or even write off these receivables and the Group may need to seek alternative sources of financing to meet its working capital requirements. For example, in light of the uncertainty of the political and economic situation and the social tensions in Venezuela, the Group decided to write down certain of its assets. As of June 30, 2019, the

Issuer made an estimate of the recoverable value of its overall exposure to entities associated with the Venezuelan government, according to which, in addition to trade receivables, written down by €239 million, it wrote down its financial receivables and net contractual assets by €242 million, for a total of €481 million.

Failure or delays by the Group's partners to carry out their obligations under the relevant agreements could have a material adverse effect on the Group's business, financial position and results of operations or prospects.

The Group may be unable to meet contractual milestones and qualitative or quantitative benchmarks.

The Construction business is highly schedule- driven and failure to meet contractual milestones and, in some projects, the contractually agreed quantitative and qualitative benchmarks (e.g., guaranteed minimum production of energy for production plants) may adversely affect the execution of the contract.

During the execution of construction works, the Group may encounter unexpected operational issues or difficulties, including, without limitation, technical engineering issues in areas characterized by significant geological and geotechnical issues, adverse weather conditions, the discovery of contaminated soils not identified by the soil samples, analysis and investigations conducted during the planning phase, or unexpected archaeological finds during construction works. These risks are also more frequent in the case of larger or more complex projects. As a result, the Group may not be able to complete the works and may be required to submit variations to working plans for approval.

Although the construction contracts and the agreements entered into by the Group usually include specific provisions aimed at governing operational risks, which are customarily borne by the customer the occurrence of operating difficulties may result in the delayed delivery of the works, cost overruns and negotiations with the customers for the execution of specific contractual addenda, to acknowledge time extensions and possibly increase the contract price or, in extreme cases, the impossibility for the Group to complete the project, with a consequent material adverse effect on its business, financial condition and results of operations or prospects.

Furthermore, the occurrence of a force majeure or other unpredictable event that affects a project on which the Group is working may cause delays, suspensions and cancellations or otherwise prevent it from completing and/or operating such project. In particular, if one or more of the Group's facilities or construction sites were to be subject to fire, flood, adverse weather conditions, earthquakes, other natural disasters, terrorism, power loss or other catastrophe, in the absence of contractual indemnities or insurance policies, the Group may not be able to carry out its business activities at that location or such operations could be significantly reduced.

The foregoing may also entail, in addition to the application of penalties and, in certain cases, the early termination of the relevant contract (with possible negative impacts on the Group's reputation), a loss of the revenues from projects affected by the aforementioned events and/or increase in costs and potential enforcement of the contractual guarantees. See also "*—Risks relating to the Issuer's financial situation —The Group may be unable to meet the obligations deriving from current guarantees (including bid bonds and performance bonds) granted to the Group to complete its ongoing projects, or to obtain new guarantees*".

In addition, any delay or underperformance in relation to Group projects could lead to inefficiencies in the management of resources to be allocated to other projects. See also "*—Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs.*"

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

There are risks associated with the significant variation in the Group's financial results.

The construction sector is characterized by a high level of uncertainty and results may be affected by the occurrence of unforeseeable events. There are risks associated with investing in the Issuer's shares, given the significant variation in its financial results, which is primarily attributable to certain non-recurring events. For the year ended December 31, 2018 the Issuer recorded a loss from continuing operations of €73.5 million, mainly due to the impairment of assets related to infrastructure works in Venezuela of €165.5 million, with a related tax effect of €39.7 million, and which had an impact on net result from continuing operations equal to €125.7 million.

For the six-month period ended June 30, 2019, the Issuer recorded a profit from continuing operations of €74.5 million.

The Group's financial results are also influenced by its ability to win the major works that represent its core business.

The Group is exposed to risks related to the quantification and recovery of claims, variations of projects and indemnities.

During the execution of the projects, as typical in the construction sector, the Group may incur costs above those included in the contract price that are attributable, directly or indirectly, to the customer (e.g., delays or changes in the initial project scope) thus entitling the Group to request additional costs or refunds.

In such circumstances, the possibility of increasing the costs to be borne by the customer (e.g., personnel or materials costs) may be legally or contractually limited. For example, in Italy, the ability to revise prices was abolished several years ago and currently the law provides only for limited recognition of compensation as a result of the increase in the costs of certain materials. In line with applicable accounting standards, the Issuer records as revenue the amount subject to these claims or relating to variation of projects when it is highly probable that it will obtain their recognition by the customers, even if the amounts have not yet been approved by the customers. As of June 30, 2019, the aggregate amount of claims and variation of projects was equal to €1,660 million. However, the Issuer cannot guarantee the outcome of the negotiations and arbitrations, which are inherently uncertain, and it may be obligated to write off some or all of these amounts. Possible delays in negotiations with the customers or in the recognition by the customers of the works already performed or the relevant payment terms could also have a negative impact on the timing of the Group's cash flows or on revenue, which could in turn require the Group to incur additional indebtedness.

The recognition, quantification and collection of additional compensation from customers or higher costs incurred by the Group involve complex procedures and, often, recourse to judicial or arbitration procedures, sometimes lengthy and costly. In addition, even in the presence of a favorable decision, it may be necessary to proceed with enforcement actions,

which would require the Group to incur additional costs and increase the time required for the collection of amounts, with the risk that the customer lacks sufficient assets to satisfy the judgment. Further, the claims submitted could be accepted for amounts that are significantly lower than those requested, or with a considerable delay.

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs.

Regardless of the experience and track record of the Group in the field of construction activities, it cannot be excluded that actual project costs could differ, even significantly, from those originally estimated.

For EPC contracts, pricing is based in part on cost and scheduling estimates that rely on a number of assumptions, including those relating to future economic conditions, prices, the availability of labor, equipment and materials, as well as on partners' expertise in assessing the costs associated with certain contracts. All the bids that the Group submits are subject to a risk classification procedure that involves the assessment by a committee comprised of professionals and risk managers, who monitor the entire process, from the preparation of the bid, to the award of the contract, up to the delivery of the work.

If estimates prove to be inaccurate, if costs increase due to errors or ambiguities in contract specifications, design or construction services, or if circumstances change as a result of unforeseen technical or operational problems, or the Group's suppliers, subcontractors or partners are unable to perform, the Group may face significant cost overruns. As a consequence, the Group could face a reduction in estimated profits, or, in extreme cases, a loss on an individual contract, and therefore a reduction in EBIT, EBITDA and, ultimately, the net result, as well as a possible negative effect on liquidity.

Not all of the Group's contracts provide protection mechanisms and, even where such mechanisms are present, such as clauses that allow all or part of the related risks to be borne by the customer, there is no guarantee that the Group will be able to enforce them successfully. Variable consideration (including variable elements of fixed-price contracts) was equal to 4.8% of revenue from contracts with customers during the six months ended June 30, 2019 (and 15.5% of revenue from contracts with customers for the year ended December 31, 2018).

Significant cost overruns that the Group is not able to recover from the client would have a material adverse effect on its business, financial condition and results of operations or prospects.

The Group's backlog is subject to unexpected adjustments and project cancellations and is, therefore, not necessarily indicative of future revenue or results of operations.

The Issuer calculates its construction backlog to include the contract value of projects that it is reasonably certain will be executed, which includes those projects that have either been awarded (i.e., after tender submission and upon receipt of official notification from the customer, but prior to signing of definitive and binding project contracts) or for which definitive binding project contracts have been signed by the relevant parties.

As of June 30, 2019, the Group's construction backlog amounted to €28.914.4 million and its total backlog amounted to €35,736.9 million.

The construction backlog also includes the contract value of projects that have been postponed or suspended, even indefinitely (i.e., projects in Venezuela and Libya), but, in this case, the Issuer does not reduce the value of its construction backlog until that contract has formally been cancelled or reduced. If the customers cancel or reduce orders that the Group has in its construction backlog (e.g., as in the case of the bridge over the Strait of Messina project or the S3, S8 and A1F road projects in Poland), expected revenues would be reduced and the Group may be unable to secure replacement contracts equivalent in scope and duration to replace the current construction backlog.

Furthermore, there is no certainty that the Group's construction backlog will generate expected revenues or cash flows or generate them at the time expected or at all, as the Group may encounter unforeseen events or circumstances, including, inter alia, cancellation, interruption or scaling down of projects, change of orders, delays to complete projects, delays in commencing work, disruption of work, irrecoverable cost overruns or other unforeseen events, may affect the profitability of each project comprising the construction backlog, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. See also "*—Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs.*"

For reasons not attributable to the Group and in many cases related to the political and economic environment of the countries in which the Group operates, the Group has experienced significant construction delays or slowdowns with respect to certain projects, which in certain cases have been suspended entirely. For example, the Group has suspended building activities on its projects in Venezuela and Libya due to social unrest and political instability.

Construction backlog measurement is not subject to generally accepted accounting principles (IFRS) and construction backlog figures are unaudited. In addition, other companies in the Group's industry may calculate their backlog differently, thereby limiting the usefulness of this metric as a comparative measure. The measurement method of the Group's construction backlog differs from the method used to prepare the disclosure on "unsatisfied performance obligations" in accordance with IFRS 15 as set out in note 32 to the 2019 Interim Consolidated Financial Statements. For instance, as of June 30, 2019 and as of December 31, 2018, unsatisfied performance obligation amounted, respectively, to €25,285 million and €22,295 million (as opposed to, respectively, a construction backlog of €28,914 million and (26,565 million).

Consequently, backlog as of any particular date is not necessarily indicative of the Group's future revenues or operating results and may not result in actual revenue during the expected time periods or at all, resulting in a material adverse effect on the Group's business, financial condition and results of operations.

Lastly, the Group's concessions backlog, which includes projects the Group operates through unconsolidated minority-owned special-purpose companies, is not indicative of its future revenue, because the Issuer accounts for the majority of those companies' financial results on the equity method and record them as "Share of profit (loss) of equity-accounted investees". Therefore, the Group depends on unconsolidated minority-held special-purpose companies generating distributable profits distributing a dividend, which may be outside its control.

The Group depends on subcontractors, suppliers and other third parties for the operations of its businesses.

For the six-month period ended 30, 2019, subcontract costs represented 38.1% of the Group's total operating costs (32.3% as of December 31, 2018).

The Group's ability to fulfil its obligations vis-à-vis the customer is also influenced by the correct and timely fulfilment of contractual obligations by subcontractors and suppliers. The failure, incomplete or late execution of the contractual obligations of a subcontractor or supplier may give rise to the Group's liability vis-à-vis the customer, which will worsen should the Group be unable to promptly replace the defaulting subcontractor or supplier.

The Group employs subcontractors in the performance of its obligations under certain contracts. It also relies on third-party manufacturers and suppliers to provide much of the equipment and raw materials, respectively, used for its projects. If a subcontractor fails to provide timely or adequate services or works, or if a supplier fails to provide equipment or raw materials, the Group may be required to source such services, equipment or raw materials at a higher price than anticipated and it may not be able to pass on any or all of such increased costs to its customers. See also "*—Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs.*" Furthermore, delivery by the Group's suppliers of faulty equipment or raw materials could also negatively impact the projects, resulting in claims against the Group for failure to meet required project specifications. See also "*—The Group may be unable to meet contractual milestones and qualitative or quantitative benchmarks.*"

While the contractual arrangements with subcontractors or the applicable laws would ordinarily provide for the Group to receive compensation or indemnification in such circumstances and despite the provision of appropriate policies to ensure the proper performance of obligations, there can be no guarantee that such compensation/indemnification will be actually obtained or will fully cover the costs incurred in an attempt to mitigate the effects of such non-performance and to properly perform the existing contract. Sometimes the applicable laws provide for particular forms of joint liability between the contractor and the subcontractor. For example, under Italian law, the contractor is jointly and severally liable with the subcontractor for the remuneration, social security and insurance obligations of the subcontractor's employees. Consequently, if one of the Group's subcontractors does not pay the amounts due, the Group may be held liable for its share as well.

These risks are significant during times of economic downturn or stagnation as the Group's suppliers and subcontractors may experience financial difficulties or find it difficult to obtain sufficient financing to fund their shipments or operations and therefore, may not able to provide the Group with the contracted supplies or services for its projects.

If any of these risks were to materialize, there would be a material adverse effect on Group's business, financial condition and results of operations or prospects.

Risks associated with fluctuations in currency exchange rates.

While preparing the Issuer's consolidated financial statements in Euro, it holds assets and liabilities in a number of different currencies, some of which are not freely convertible or subject to government restrictions. As a result, fluctuations in foreign currencies relative to the Euro impact the Group's results of operations. In addition, the Group is exposed to foreign exchange translation risk with respect to certain of its subsidiaries that keep their financial statements and accounts in currencies other than the Euro. The contribution of these subsidiaries to the consolidated financial statements is affected by the exchange rate between their reporting currency and the Euro. Indeed, changes in foreign currency

exchange rates can potentially affect the value of the Group's foreign assets, revenues, liabilities and costs when translated and reported in Euro. For the six-month period ended June 30, 2019, the consolidated net exchange gain represented 0.3% of the Group's revenue and other income.

Consequently, the Group's exposure to exchange rates varies according to a number of factors, including, but not limited to, the timing of financial transactions and the currency denomination of revenues and costs, including capital investment.

The sensitivity analysis carried out on the Group's data as of December 31, 2018 showed that, against a 5% change in the exchange rates of selected foreign currencies, up or down compared to the actual exchange rates used to prepare the consolidated financial statements, there was a change in the net result and shareholders' equity equal to, respectively, -/+ Euro 21.15 million considering the US currency (USD), -/+ Euro 9.75 million considering the Ethiopian currency (ETB), -/+ Euro 3.39 million considering the Australian currency (AUD), -/+ Euro 2.36 million considering the Colombian currency (COP), +/- Euro 0.94 million considering the Tajik currency (TJS) and +/- Euro 1.04 million considering the South African currency (ZAR). The above analysis excludes the effects generated by the translation of the shareholders' equity of Group companies with functional currencies other than the Euro.

In 2017, net exchange losses of €122.8 million mainly arose on the performance of the US dollar and Ethiopian birr vis-à-vis the Euro. Unforeseen fluctuations in exchange rates may occur and may reduce the value of the Group's foreign assets and revenues, and increase its costs when translated and reported in Euro, the impact of which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group operates in a highly competitive and cyclical industry.

The construction industry is cyclical in nature and largely dependent on investments undertaken by both the public and private sectors. The level of investment by the public and private sectors is, in turn, connected to general economic conditions. See "—*The Group is highly dependent on the investment policies of public authorities.*" Generally, investments increase in times of economic growth and decrease during a recession. Slow economic growth or a deterioration in global economic conditions could affect governments' borrowing capacity and prevent them from funding capital investment, asset maintenance and infrastructure construction projects.

Despite the global economic environment, characterized in the last decade by a severe financial and liquidity crisis that has hindered and penalized the willingness and ability of certain governments to finance their infrastructure projects, global infrastructure demand, particularly for complex and large-scale projects, has increased and encouraged consolidation among engineering and construction firms, resulting in companies that are increasingly larger and more diversified, with specific skills for executing more technologically complex and higher value-added projects, and thus better able to compete with the Group.

In addition, construction companies in developing countries have grown in size and experience and, having expanded significantly domestically, are increasingly building upon that experience in the international construction market. Many companies from Korea, China and India, for instance, have become major players in the international construction market. As a result, the Group is subject to increased competition in its core business sectors. In

order to successfully compete in this environment, the Group must rely on its track record, technical expertise, a solid financial structure and a sustained ability to attract and retain new, talented personnel, demonstrating its ability to react promptly to changes in the factors that affect competition in the sector.

Adverse macroeconomic conditions that negatively impact public works contracts or failure to maintain the Group's competitiveness could have a material adverse effect on its business, financial condition, results of operations or prospects.

The Group's concession agreements are subject to termination or amendment and the concession may be expropriated.

According to the applicable laws and administrative regulations in the countries in which the Group operates, the public entities granting the concessions may unilaterally terminate, early terminate or amend the relevant agreement in the public interest. Although the exercise of these powers generally involves the reimbursement of damages, costs and loss of profits, the Group may not receive sufficient compensation.

If such a governmental authority or grantor exercises its rights of material amendment, termination or recovery over any concessions, the Group, proportionally to its equity participation in each concessionaire special purpose vehicle, will generally be entitled to an indemnification contemplated by law or in the concession contract, which, in principle, would cover the estimated lost profit during the remaining term of the concession contract. Any of these unilateral actions, under extreme circumstances, could be adopted by a governmental authority with or without paying the Group any compensation. However, such indemnification would be assigned preferentially to the lenders financing the relevant project and, therefore, there can be no assurance that such amount would allow the Group to recover its investment.

In addition, the grantor may terminate a concession in the event of a serious breach of the concessionaire's contractual obligations, in which case the concessionaire would only be entitled to recover a limited part of its investment. For example, with regard to the Ruta del Sol concession under development in Colombia, during 2017, the grantor initiated a procedure to assess alleged serious breaches of the concession contract by the concessionaire company, threatening termination of the contract. See also "*Description of the Issuer—Litigation and arbitration proceedings—Civil Proceedings—Colombia—Yuma and Ariguani.*"

Furthermore, the concessionaire may not be entitled to withdraw from the concession in case of failure to obtain the relevant financing, to the extent that its shareholders do not intend to finance the works with full equity. Any such failure to obtain the private funds necessary for the completion of the works would represent an event of termination of the concession due to a breach by the concessionaire and would entitle the grantor to enforce the guarantees provided. Until such termination, the Group would remain responsible for its equity commitments and any costs borne would not be recoverable.

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

The Group's concession projects have significant investment requirements and depend upon obtaining adequate financing for future projects.

The Group's concession projects typically have a medium-to long-term time horizon and have required, and require, significant investments, both in the form of shareholder loans

and capital injections into special-purpose vehicles (where the Group holds a minority interest and therefore cannot control the flow of dividends or other distributions therefrom) and used as concessionaire exclusively in the context of specific contracts.

Any recovery of the Group's investments will occur over a substantial period of time. Moreover, the Group may be unable to recover its investments in these projects due to, for example, delays and cost overruns.

The Group's business strategy includes the development and financing of numerous projects in the industries in which it operates. The Issuer cannot ensure that market conditions will favor the Group's obtaining the necessary financing. Disruptions, uncertainty and volatility in capital and credit markets may limit the Group's access to additional capital required to operate its business, including its access to project finance, which it uses to fund construction of current and future concession projects.

Such market conditions may limit the Group's ability to replace, in a timely manner, maturing liabilities and access the capital necessary to grow its business, which could have an adverse effect on its business, financial condition, results of operations or prospects.

Risks associated with fluctuations in the price and problems with the supply of raw materials.

The Group's raw materials suppliers vary in each market in which the Group operates due to the specific requirements of each of its markets and projects. Although the Group includes raw material cost estimates in its tender offers, raw material costs are subject to price fluctuations. Moreover, the possibility of passing any or all of the increased raw material costs to the Group's customers is not always contractually provided for, and even when provided, it could be limited by certain deductibles or exclusions.

In addition, the supply of essential raw materials may be delayed or interrupted due to factors beyond the Group's control, which could result in project delays and increased costs if alternative suppliers are unable to provide replacement raw materials at competitive prices or at all. As of December 31, 2018, the purchase costs of raw materials represented 16.8% of the Group's total operating costs.

Such price fluctuations or supply interruptions could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks deriving from the concentration of the Group's activities on a limited number of customers and projects.

The Group's strategy is focused on securing large projects. This has led to a concentration of activities on a small number of customers and projects, which is customary in the industry in which the Group operates. For the six-month period ended June 30, 2019, 52% of the Group's revenue was generated by its top ten projects (48% for the year ended December 31, 2018).

The high concentration of activities on a limited number of customers and projects means that any loss of, or a significant reduction in, business from a significant customer, or any variation, suspension, delay, scope reduction or adjustment of any significant project, could have a material adverse effect on the Group's business, financial condition or results of operations.

Risks associated with systems and information technology interruption and breaches in data security.

As a global company, the Issuer is heavily reliant on computer, information and communications technology and related systems, which may be subject to temporary system interruptions and delays. If the Group is unable to continually implement, improve and add software and hardware, effectively upgrade its systems and network infrastructure and take other steps to improve the efficiency of and protect its systems, systems operation could be interrupted or delayed or the Group's data security could be breached. For example, in Italy, the Issuer's corporate functions are handled by the two operating offices in Milan and Rome, and the systematic and timely sharing of information flows through the information systems, as well as access to and updating of the Issuer's archives and databases, is essential in order to guarantee functional and operational continuity. In addition, the data supporting the Group's business and corporate activities need to be effectively protected, both from unauthorized access (confidentiality) and from unauthorized changes (integrity), and be made constantly available (availability). Failure to meet any of the above requirements may lead to the interruption of operations, loss of competitive advantage, vulnerability to fraud or reputational damage.

The Group's computer and communications systems and operations could also be damaged or interrupted by natural disasters, power loss, telecommunications failures, acts of war or terrorism, acts of God, computer viruses, physical or electronic break-ins and similar events or disruptions including breaches by computer hackers and cyber-terrorists.

Any of these or other unpredictable events could cause system interruption, delays, loss of critical data (including private data) or loss of funds, could delay or prevent operations (including the processing of financial transactions and reporting of financial results), could result in the unintentional disclosure of information (including proprietary intellectual property), and could adversely affect the Group's business, financial condition, results of operations or prospects.

Public opposition related to certain projects, including "not in my backyard" claims, could prevent the Group from completing such projects.

Local residents and/or associations may oppose and dispute the realization of large infrastructure and/or transportation improvement schemes (including, without limitation, new roads, railways, power plants, bridges, motorways).

The reasons against the development of these projects are varied and may include environmental and noise pollution, additional costs to be borne by the local residents, the loss of residential property value or the related expropriation risk, the impact on people living on site or the disfigurement of the surrounding landscape. For example, in Italy, the execution of works relating to certain high-speed railway projects has met, and currently meets, opposition from political parties, local communities and environmental associations, with slowdowns in the development of projects. See "*—The Group may be unable to meet contractual milestones and qualitative or quantitative benchmarks.*" and "*—Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs*".

Protests or claims against the Group by local residents or associations acting on their behalf, either during the planning activity or during the construction phase, may result in delays or cause works paralysis which may last for a long time. These circumstances may affect the agreed timeline for the works completion and involve significant cost overruns. Moreover, such events may also cause adverse publicity and reputational harm to the Issuer and the Group. Although it is the responsibility of the customers to decide on the execution of a

project, it cannot be excluded that local communities or national or international organizations may cause the Group to bear the costs, damages and charges for alleged violations of the rights of such communities or organizations. Any such event could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

3. Legal and regulatory risk

Risks associated with legal proceedings.

The Group is currently involved in certain civil, administrative, labor and tax legal disputes and arbitration proceedings, in the ordinary course of business.

The Group's estimates are based on information available as of the date of approval of the relevant financial statements. However, they are subject to inherent uncertainties. In many cases, there is substantial uncertainty regarding the outcomes of the proceedings and the amount of any possible losses. These cases include proceedings for which the amount of any claims for compensation and/or potential liabilities that the Group is responsible for are not and cannot be determined based on the claims presented and/or the nature of the actual proceedings. In such cases, given the significant difficulty of predicting possible outcomes in a reliable manner, no provisions have been made. Where it is possible to make a reliable estimate of the amount of any loss and this is considered probable, provisions are made in the financial statements to an extent deemed appropriate, also with the support of specific opinions provided by the Group's consultants and in accordance with the international accounting standards applicable from time to time.

In addition, any unfavorable outcomes of disputes in which the Group is involved - particularly those with a high media impact - or the commencement of new disputes (regardless of the outcome), could have repercussions, even material, on the Group's reputation and on the market price of the Issuer's shares, with potential material adverse effects on the Group's business, financial condition and results of operations or prospects.

Despite the estimates the Group made, it cannot be excluded that risks considered remote or possible by the Group may become probable and result in adjustments to the value of the provisions for risks, or that, in the event of loss in litigation for which the relevant provisions for risks were deemed adequate, the Group is required to incur disbursements in excess of the amount allocated.

The above circumstances, in the event of any significant claim or compensation the Group may be required to pay, may have a material adverse effect on its business, financial position and results of operations or prospects.

For more information on the Group's legal proceedings, see "*Description of the Issuer—Litigation and arbitration proceedings.*".

The Group is subject to extensive legal, administrative and regulatory requirements and to changes in regulation.

In each of the jurisdictions in which the Group operates, it is subject to a number of specific and demanding legal, administrative and regulatory requirements, in particular with respect to public works, construction, town planning, public health, work safety, environment and employment. Furthermore, public sector customers may be subject to more stringent regulations than those in the private sector, in particular with respect to awarding new projects.

Violations of the relevant applicable laws or the interpretation thereof may significantly increase the cost of ongoing projects and subject the Group to investigations, criminal prosecutions (including proceedings pursuant to Decree 231, as described below), penalties, sanctions, fines, or other unforeseen costs. If violations occur during the construction phase of a contract, the Group may be subject to proceedings by the competent authorities and the construction and completion of works may be delayed. See "*—The Group may be unable to meet contractual milestones and qualitative or quantitative benchmarks.*" and "*—Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs*". Failure to meet contractual milestones and qualitative or quantitative benchmarks could harm the Group's results of operations and its reputation. In addition, if the violation results in serious damage to employees, subcontractors, the public or the environment, the Group could also be exposed to claims for damages for large sums and significant reputational damage.

For example, as part of the activities relating to the disposal of solid urban waste in Campania, which the Group has undertaken since the end of the 1990s, the Group successfully faced administrative measures concerning the reclamation and safety of the sites of certain landfills, storage areas and plants for the production of fuel deriving from waste. The Group is currently subject to some related proceedings and in the event of an unsuccessful outcome, it may be required to pay considerable sums to comply with the requirements imposed by the relevant authorities. Another case of the Group's involvement in environmental proceedings concerns the Emilia/Tuscany High Speed Consortium (Consorzio Alta VelocitàEmilia/Toscana, C.A.V.E.T.), in charge of works for the Bologna-Florence railway line, in which the Group held a majority stake. The Consortium and a number of natural persons, including former executives of the Consortium itself, were involved in criminal proceedings initiated in 2009 for alleged environmental damage. Although the outcome of the criminal proceedings was an acquittal pursuant to a decision of the Court of Cassation of April 21, 2016, the proceedings lasted for 9 years and involved various degrees of judgement, with related costs and charges for consultancies and technical defense. In addition, civil proceedings relating to this matter are still ongoing. See "*Description of the Issuer—Litigation and arbitration proceedings.*"

National and supranational laws that the Group is required to comply with are often complex, fragmented, and subject to change and their application and interpretation is often complex and unpredictable. This circumstance, in addition to requiring the constant updating of the Group competent internal functions' knowledge and monitoring costs, including with the assistance of legal consultants, increases compliance costs as well as the risk of violations.

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

If an individual within the Group, or a third party acting on behalf of any Group entity, commits certain crimes, the Issuer or that Group entity may be subject to quasi-criminal liability and may face the application of sanctions.

As of the date of this Prospectus, the Group is involved in proceedings pursuant to Decree 231. In particular, these proceedings concern the alleged commission of administrative offences by: (i) Fibe S.p.A. and FISIA Ambiente S.p.A. (formerly FISIA Italimpianti S.p.A.), in the broader context of criminal proceedings against, among others, certain executives and employees of the aforesaid companies with regard to activities relating to urban solid waste disposal projects in Campania; and (ii) Cossi Costruzioni S.p.A., a company the Issuer acquired in the first half of 2019 in the context of Progetto Italia. Both proceedings are under

investigation, see "*Description of the Issuer—Litigation and arbitration proceedings proceedings—Criminal proceedings—Campania Project/Fibe*" and "*Description of the Issuer—Litigation and arbitration proceedings proceedings—Criminal proceedings—Cossi S.p.A.*". The Issuer cannot exclude that, as of the date of this Prospectus, additional proceedings have been or will be initiated for significant offences pursuant to Decree 231 against one or more of the companies of the Group.

Under Decree 231 Italian corporate entities may be held responsible for certain crimes committed by individuals having a functional relationship with the Group companies, such as employees, directors and representatives. In particular, crimes which could cause a corporate entity's administrative liability pursuant to Decree 231 include, among others, those committed when dealing with public administrations (including bribery, misappropriation of public contributions and fraud to the detriment of the state, corporate crimes, environmental crimes and crimes of manslaughter or serious injury in violation of provisions on health and safety at workplace).

In the event of liability, the company concerned is exposed to the risk of financial penalties and disqualifications, including the prohibition to contract with the public administration or the foreclosure of access to public funds. The liability regime to which the Issuer and its Italian subsidiaries are subject may lead to an increase in compensation in the event of environmental damage or extensive damage to third-party property or in the event of serious personal injury or death of a Group employee, subcontractor or third party. Such accidents could expose the Group and its key personnel to claims for compensation in addition to the penalties provided for under Decree 231, at the request of customers, subcontractors, governments, public authorities, employees or stakeholders. Proceedings relating to alleged offences, even if the absence of liability by the Group entities concerned is ultimately ascertained, may be characterized by burdensome management and may divert the Issuer's attention from other aspects of the business. In addition to the above, such events (even without a final decision) could cause a negative image return which, whether justified or not, could damage the reputation of the Group and induce customers to choose the services provided by competitors, also as a result of any public pressure.

Decree 231 also provides that the entity may be exempted from liability if it demonstrates that it has adopted and effectively implemented an organizational, management and control model suitable for preventing the commission of the offences in question. As of the date of this Prospectus, the Issuer and its main Italian subsidiaries have adopted a 231 Model in order to establish a system of rules to prevent the adoption of unlawful conduct considered relevant to the application of the applicable laws in relation thereto. With reference to the foreign companies of the Group, since the offences provided for in Decree 231 cannot be applied directly, the Issuer has adopted a process management and control procedures that reflect the provisions of its Model 231.

The adoption of a Model 231 does not prevent the application of sanctions under Decree 231 provided that, where the commission of a relevant offence is ascertained, the competent court will examine the Model 231 and the controls adopted by the Issuer and, should they be considered inadequate or ineffective, the Issuer would be exposed to incur in the risk of the above sanctions.

With regard to the activities carried out by the Group, the latter is exposed to the risk of initiating proceedings pursuant to Decree 231, regardless of the adoption, updating and implementation of Model 231 and the validity of any allegations. The payment of pecuniary or disqualifying sanctions against the company involved and/or criminal proceedings with

potential custodial measures against key figures of the Group could have adverse effects, even substantial depending on the nature of the crime charged and the amount of the sanction, on its business, financial condition and results of operations or prospects.

The Group could be adversely affected by violations of anti-bribery laws applicable in the countries or territories where it conducts its business.

The Group, its partners, agents, subcontractors and competitors must comply with certain anti-corruption laws, sanctions or other similar regulations. In particular, the Group's international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"), the U.K. Bribery Act of 2010 (the "Bribery Act") and French Law No. 2016-1691 (Sapin II) and economic sanction programs, including those administered by the United Nations, the European Union and the U.S. Office of Foreign Asset Control ("OFAC").

Over the years an increasing number of anti-bribery laws and regulations have been approved worldwide. However, certain of the jurisdictions in which the Group operates or intends to operate lack a developed legal system and, therefore, have high perceived levels of corruption. The lack of developed legal systems in these jurisdictions also makes it more difficult to determine the scope of their anti-corruption regimes and whether certain actions constitute violations or not. Moreover, the Group's continued expansion, development of joint venture relationships with local contractors and the use of local agents increases the risk of non-compliance with applicable anti-corruption regulations and similar laws.

As of the date of this Prospectus, the Issuer and its main foreign subsidiaries and joint ventures have adopted an anti-corruption system in order to establish rules and procedures which are aimed at preventing the adoption of unlawful conduct considered relevant to the application of the anti-bribery laws. Since 2017, the Issuer's Anti-corruption system has been certified by an Authorized Certifier according to UNI ISO 37001:2016 "*Anti-bribery management system*". Should the models and procedures adopted by the Group (including the 231 Model) fail to protect the Group from the possible reckless or criminal acts committed by its employees, agents, partners, subcontractors or suppliers, the Group could face criminal or civil penalties or other sanctions, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts, termination of existing contracts, revocations or restrictions of licenses, criminal fines or imprisonment of key personnel. In addition, given that compliance with anti-corruption laws is a clause contained in the loan agreements entered into by the Group companies, failure to comply with anti-corruption laws could result in an event of default under certain of the Group's financing agreements. Such violations could also have an adverse effect on the Group's reputation and, consequently, on its ability to win future business.

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group is exposed to a number of different tax uncertainties, which would have an impact on tax results.

The Group is required to pay taxes in multiple jurisdictions. The Group determines the taxation it is required to pay based on its best interpretation of the applicable tax laws and regulations in the jurisdictions in which it operates.

Tax legislation is complex and is characterized by an application based on the interpretation of articulated provisions and on the subjective assessment of the cases. The tax authorities

may therefore challenge the interpretation or positions taken or proposed by the Group with respect to the tax laws and rules applicable to the Group's ordinary and extraordinary transactions. With regard to specific transactions, the Group may also violate, unintentionally or for reasons beyond its control, laws or tax regulations.

Any disputes could have a negative impact on the position vis-à-vis the tax authorities and could lead to lengthy and costly tax disputes and the payment of high amounts in the form of taxes, penalties and interest on arrears. In addition, the applicable taxes, both direct and indirect, for which the Group makes specific provisions, could be subject to increases, even significant, as a result of any regulatory changes or following new interpretations by the competent authorities or, again, as a result of specific tax assessments. The impact of these factors depends on the types and mix of income produced in the different countries.

For example, in January 2019, the Danish tax authority (SKAT) sent a notice to the company Seli Denmark, concerning the adjustment of the balance sheet result for the fiscal year 2015, challenging the tax treatment relating to a waiver of the receivable made by a bank in favor of Seli Denmark, with a total claim of approximately €1.8 million. The company filed an application for internal review (*difesa in sede di autotutela*), arguing that the waiver of the claim should be exempt from taxation since it was carried out in full compliance with Danish tax law. As of the date of this Prospectus, the time limits for filing an appeal have not elapsed.

Deferred tax assets are recognized in accordance with accounting standards and relate to the (temporary) differences between statutory and tax regulations, as well as on the probability of generating future taxable income. The absence of future taxable income, which is not currently foreseeable, could lead to the reduction of the Group's deferred tax assets, with potential material negative effect on its business, financial position and results of operations or prospects. The Group may also incur unforeseen tax charges, with an unfavorable impact on its position. Due to the unpredictable nature of the tax burden, it is not possible to ensure that the income tax rate assumed by the Group in the long term remains at current levels, nor can the stability of cash flows relating to taxes be ensured.

Significant penalties or payment could have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

For information on tax disputes, see "*Description of the Issuer—Litigation and arbitration proceedings—Tax proceedings.*"

Risks associated with transfer pricing rules.

The existence of numerous contractual relationships between Group companies that are tax residents of different countries may result in the application by the tax authority of transfer pricing rules which require that all transactions with non-resident related parties be priced using arm's length pricing principles. The observance of the above principle for price determination is therefore influenced by parameters of judgement of an estimatory nature, which by their nature are not certain and are therefore likely to give rise to valuations by the tax authorities that are not necessarily in line with those made by the Group.

Although the Issuer believes the Group operates in full compliance with national and international rules and principles on transfer pricing (generally referring to the guidelines drawn up by the OECD), since the relevant regulatory framework is complex and potentially subject to different interpretations by the tax authorities of the various countries, there can be no guarantee that the methods and conclusions the Group has reached are or will be compliant with those expressed by the tax authorities. For example, for the years 2011, 2012

and 2013, the Issuer received notices of assessment in connection with transfer pricing for amounts of less than €1 million, subsequently reduced in the context of the settlement of the relevant dispute.

The Issuer cannot exclude the risk that, in the event of assessments by the tax authorities, disputes arise regarding the appropriateness of the transfer prices applied in intra-group transactions between Group entities resident in different countries, which could lead to a different distribution of the tax burden among the entities involved in the individual transaction flow and the possible application of administrative sanctions, with potential material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group may be exposed to third-parties' claim and liabilities.

The Group is involved in projects that require constant monitoring and management of environmental, health and safety risks, both during the construction and the operational phases. The construction project and related activities the Group undertakes often put its employees and other subjects involved in the works in close proximity to large pieces of mechanized equipment and plants, moving vehicles, industrial processes and hazardous materials (regulated by applicable laws on health and safety in the workplace and environment), which, if improperly handled, could subject the Group to civil and criminal liabilities.

Any failure in health and safety practices or environmental risk management procedures that results in serious harm to employees, subcontractors, the public or the environment could expose the Group to investigations, prosecutions and/or civil litigation, each of which could result in costs for fines, penalties, sanctions, compensation of damages and significant demands of management time, including any potential liability under Decree 231. See also "*—If an individual within the Group, or a third party acting on behalf of any Group entity, commits certain crimes, the Issuer or that Group entity may be subject to liability pursuant to Decree 231 and may face the application of sanctions*".

The Group enters into insurance policies aimed at covering losses resulting from its activities. As customary, insurance policies are subject to limits and exclusions (including deductibles and caps) and, therefore, may not adequately cover all the risks to which the Group is exposed. In addition, entering into an insurance policy may be uneconomic or even impossible due to the unavailability of the insurance company. Losses exceeding the amount for which the Group is insured, as well as losses for which it is not compensated by its insurance companies, as not covered by the insurance policies the Group maintains, could lead to unexpected and material costs.

Furthermore, the Group's business involves professional judgements regarding the planning, design, development, construction, operations and management of infrastructure. Failure to make judgements and recommendations in accordance with applicable professional standards, including engineering or technical standards, could subject the Group to claims from third parties and customers. The occurrence of harmful events may also cause delays in production and/or an interruption of projects because of temporary site closures. The Group may also be held liable if such an event or circumstance is found to be caused by negligence. Such liability may be increased if the event it results in the personal injury or death of one or more of the Group's employees, employees of subcontractors working on the project or third parties, environmental harm, and/or extensive damage to third-party property.

While the Group does not generally accept contractual liability for consequential damages, and although it has adopted a range of insurance, risk management and risk avoidance programs designed to reduce potential liabilities, a catastrophic event at one of the Group's project sites or completed projects resulting from the services the Group has performed could result in significant professional or product liability, warranty or other civil and criminal claims against it as well as reputational harm, especially if public safety is impacted. These liabilities could exceed the Group's insurance limits and could impact its ability to obtain insurance in the future. Furthermore, if a claim falls outside the scope of the coverage, the Group would be liable for covering the entirety of the relevant unreimbursed claim.

In addition, customers, partners, subcontractors or suppliers who have agreed to indemnify the Group against any such liabilities, third parties' claims or losses might refuse or be unable to make payments under such indemnities.

The Issuer believes that the operational risks referred to herein are deeply inherent in the activities the Group carries out. If any of the foregoing circumstances were to occur and any uninsured claim, if successful and material, were to arise, this could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group is required to obtain and maintain permits, licenses and authorizations.

The Group is required to obtain, maintain and comply with certain required licenses, permits and authorizations for the construction, operation and maintenance of its projects. Procedures for obtaining licenses, permits and authorizations vary from country to country and they can be complex and require very lengthy approval procedures. Requests may be rejected by the relevant authorities for many reasons, or they may be approved, but with significant delays.

The process of obtaining permits can be further delayed or hindered by changes in national or other legislation or regulation or by opposition from communities in the areas affected by a project. See "*—Public opposition related to certain projects could prevent the Group from completing such projects.*" Moreover, certain operating or construction permits the Group has obtained could be contested or challenged by third parties, who may also intervene in relation to permits, licenses and authorizations already issued in favor of the Group. For example, during 2010 the Issuer entered into a concession agreement with Infrastrutture Lombarde S.p.A. for the design, construction and management of a new regional motorway section called "Broni-Mortara", which was challenged in July 2016 by the Italian Ministry of the Environment, which issued a measure containing a negative assessment of the environmental compatibility of the work, preventing the execution of the work as planned. See "*Description of the Issuer—Litigation and arbitration proceedings.*"

Failure to obtain or renew required permits, licenses and authorizations, or any challenge relating to any license, permit or authorization could prevent the award of contracts, cause the early termination of existing contracts and the suspension of projects in progress, or lead to the imposition of sanctions or other measures relevant to the Group's operations, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

Risks associated with compliance with data protection regulation.

The entry into force, in May 2016, of the new European Regulation 2016/679 on data protection (General Data Protection Regulation, GDPR) requested companies operating in the European Union to review their data protection management model in order to comply

with the requirements set forth by GDPR. GDPR has introduced significant changes in the measures and procedures to be adopted to ensure the protection of personal data (including an effective privacy organizational model, the role of data protection officer, obligations to notify particular data breaches), thus increasing the level of protection of individuals and introducing, among other things, more significant sanctions applicable to data controllers and processors in the event of a breach of the GDPR provisions.

The Group is exposed to the risk of being involved in claims brought by individuals whose data have been processed, for damages caused by (i) the breach of rules relating to data protection or (ii) incorrect processing of such protected data. Failure to comply or maintain compliance with GDPR rules or to adapt the Group's risk management structure to comply with GDPR prescriptions could cause considerable harm to the Issuer and its reputation and may result in regulatory fines and litigation, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

4. Internal control risks

Risk associated with maintenance and adequate development of appropriate risk management, compliance and internal control systems.

The Group's risk management system is designed to assist with the assessment, avoidance and reduction of risks which jeopardize its business. The Group's operating risks primarily include the selection and assessment of contracts as well as the execution of projects and the performance of contracts. There are, however, inherent limitations on the effectiveness of any risk management system. These limitations include the possibility of human error and the circumvention or overriding of the system. Accordingly, any such system can provide only reasonable assurances, and not absolute assurances, of achieving the desired objectives. For example, risks include possible instances of manipulation, acceptance or giving of advantages, fraud, deception, corruption or other infringements of the law.

There can be no absolute assurance that violations of internal policies and procedures, applicable law and regulations or criminal acts by employees or third parties retained by the Group such as subcontractors or consultants and their employees can be entirely prevented. Such circumstances could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

5. Environmental, social and governance risks

Risks associated with the loss of certain key persons within the Group.

The Group's results and the success of its business depend to a significant extent on its ability to attract and retain professional resources with considerable experience in the sectors of activity in which the Group operates. As of December 31, 2018, 80% of the Group's workforce, excluding indirect personnel (employees of subcontractors, temporary agencies and other service providers employed on Group projects), was represented by employees belonging to technical and production functions. Any inability to attract and hire new qualified personnel, or to retain experienced technical personnel and managers, could limit or delay the business development efforts. In 2018, voluntary departure turnover accounted for 14%.

The continuous expansion of the Group into new geographical areas and sectors of activity that require additional knowledge causes the necessity to hire managerial and technical staff, including local staff, with diversified skills. Moreover, during market expansion phases,

the Group could suffer delays in finding qualified personnel due to a higher demand for specialized resources, with possible negative impacts on the Group's results and reputation.

If certain key members of the Salini Impregilo Group's senior management team or key engineering and technical staff were to terminate their relationships with the Group for any reasons, there can be no assurance that the Group will be able to replace them in a timely manner with equally qualified persons capable of ensuring the same operational and professional contribution in the short term. These events and any inability to attract and hire new qualified personnel, may limit and/or cause delays in the commercial developments, with possible material adverse effect on the Group's business, financial condition, results of operations or prospects.

Risks associated with related parties' transactions.

During the last financial year, the Group has entered into, and as of the date of this Prospectus continues to enter into, business, financial and administrative transactions with certain of its related parties.

Transactions with related parties entail the typical risks associated with transactions with parties that, being part of the Group's decision-making structures or otherwise closely connected to them, may not be objective or impartial in their decisions relating to these transactions. It cannot be guaranteed that if such transactions had been concluded between or with unrelated third parties, such third parties would have negotiated and executed such agreements, or concluded the transactions, on the same conditions and in the same manner. Related-party transactions could result in inefficiencies in the resource allocation process, expose the Group to risks that are not adequately measured or monitored, and cause damage to the Group and its stakeholders.

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE NOTES

1. Risk Relating to the specific characteristics of the Notes

The claims of Noteholders are structurally subordinated with respect to the Issuer's subsidiaries

The operations of the Group are principally conducted through subsidiaries of the Issuer. Noteholders will not have a claim against any subsidiaries of the Issuer. The claims of creditors of any of the Issuer's subsidiaries will have priority to the assets and earnings of such subsidiary over the claims of creditors of the Issuer (whether such creditors are secured or unsecured). The obligations under the Notes will be "structurally" subordinated to the claims of creditors of the Issuer's subsidiaries, meaning that in the event of a bankruptcy, liquidation, reorganisation or similar proceedings relating to our subsidiaries, holders of their debt and their trade creditors will generally be entitled to payment of their claims from the assets of such subsidiaries before any assets are made available for distribution to the Noteholders.

2. Risks relating to Italian taxation, changes in law or administrative practice and modification of the Terms and Conditions of the Notes

Payments in respect of the Notes may in certain circumstances be made subject to withholding or deduction of tax

All payments in respect of Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required. The Issuer's obligation to gross up is, however, subject to a number of exceptions, including withholding or deduction of *imposta sostitutiva* (Italian substitute tax), pursuant to Italian Legislative Decree No. 239 of 1 April 1996, a brief description of which is set out below.

Prospective purchasers of Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws of any country or territory. See also the section headed "*Taxation*" below.

Imposta sostitutiva

Imposta sostitutiva (*Italian substitute tax*) is applied to payments of interest and other income (including the difference between the redemption amount and the issue price) at a rate of 26 per cent. to (i) certain Italian resident Noteholders and (ii) non-Italian resident Noteholders who have not filed in due time with the relevant depository a declaration (*autocertificazione*) stating, *inter alia*, that he or she is resident for tax purposes in a country which allows for an adequate exchange of information with the Italian tax authorities.

Change of law or administrative practice

The terms and conditions of the Notes are based on English law in effect as at the date of this Prospectus, save that, due to the fact that the Issuer is incorporated in Italy, provisions convening meetings of Noteholders and the appointment of a Noteholders' Representative are subject to compliance with mandatory provisions of Italian law. As such, the conditions of the Notes may be affected by changes to both English and Italian law, and no assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law (where applicable) or administrative practice after the date of this Prospectus.

3. Risks related to the market as a whole

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

There is no active trading market for the Notes and one may never develop

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Group. Although application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

The audited consolidated financial statements of the Issuer as of and for the years ended, respectively, 31 December 2017 and 31 December 2018 incorporated by reference in this Prospectus have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("**IFRS**"). These audited consolidated financial statements are referred to in this Prospectus as, respectively, the "**2017 Audited Consolidated Financial Statements**" and the "**2018 Audited Consolidated Financial Statements**".

The unaudited condensed interim consolidated financial statements of the Issuer as of and for the six months ended June 30, 2019 incorporated by reference in this Prospectus have been prepared in accordance with IFRS applicable to interim financial reporting (IAS 34), endorsed by the European Union. These unaudited condensed interim consolidated financial statements are referred to in this Prospectus as the "**2019 Interim Consolidated Financial Statements**".

Financial data included in this Prospectus has been derived from the 2018 Audited Financial Statements and 2019 Interim Consolidated Financial Statements. The financial information as at and for the periods ended 31 December 2017 and 30 June 2018 included in this prospectus has been taken from the comparative information included in the 2018 Consolidated Financial Statements and the 2019 Interim Consolidated Financial Statements respectively.

Alternative Performance Measures

In order better to evaluate Salini Impregilo Group's financial management performance, management has identified Alternative Performance Measures (each an "**APM**"). The Issuer believes that these APMs provide useful information for investors as regards the financial position, cash flows and financial performance of the same, because they facilitate the identification of significant operating trends and financial parameters. This Prospectus contains the following alternative performance measures as defined by the European Securities and Markets Authority's Guidelines on Alternative Performance Measures (ESMA/2015/1415), which are used by the management of the Issuer to monitor its financial and operating performance:

- Gross Indebtedness: shows the sum of (i) bank and other loans and borrowings; (ii) bonds; (iii) lease liabilities; (iv) current portion of bank loans and borrowings and current account facilities; (v) current portion of bonds; (vi) current portion of lease liabilities; and (iii) net financial position of unconsolidated special purpose entities ("**SPEs**").

- Gross operating profit (EBITDA): shows the sum of the following items included in the statement of profit or loss:

a. Total revenue.

b. Total costs, less amortisation, depreciation, impairment losses and provisions.

- **Net Financial Indebtedness**: shows the sum of (i) Bank and other loans and borrowings; (ii) Bonds; (iii) Finance lease liabilities; (iv) Current portion of bank loans and borrowings; (v) Current portion of bonds; (vi) Current portion of finance lease liabilities; (vii) Derivative liabilities; (viii) Net financial position with unconsolidated SPEs; net of (ix) Non-current financial assets; (x) Current financial assets; (xi) Cash and cash equivalents and (xii) Derivative assets.

- Operating profit (EBIT): shows the sum of total revenue and total costs.

It should be noted that:

i. the APMs are based exclusively on Salini Impregilo Group historical data and are not indicative of future performance;

ii. the APMs are not derived from IFRS and, as they are derived from the consolidated financial statements of the Salini Impregilo Group prepared in conformity with these principles, they are not subject to audit;

iii. the APMs are non-IFRS financial measures and are not recognised as a measure of performance or liquidity under IFRS and should not be recognised as alternative to performance measure derived in accordance with IFRS or any other generally accepted accounting principles;

iv. the APMs should be read together with financial information for the Salini Impregilo Group taken from the consolidated financial statements and condensed interim financial statements of the Issuer; and

the APMs and definitions used herein are consistent and standardised for all the period for which financial information in this Prospectus are included.

Adjusted financial information

In accordance with IFRS, joint ventures which the Group does not control are not consolidated on a line by line basis in the Group's financial statements, but the relevant impact is included using the equity method. The Group monitors the key figures of Lane group for management purposes by adjusting the IFRS figures prepared for consolidation purposes to present the result of joint ventures not controlled by Lane as if they were consolidated on a proportionate basis. These adjusted figures are obtained by adding to the revenues of Salini Impregilo Group the pro-quota share of revenues of the joint ventures not controlled by Lane (the "**Adjusted Revenues**") and by adding to the EBITDA of Salini Impregilo Group the pro-quota share of profits and losses of the joint ventures not controlled by Lane (the "**Adjusted EBITDA**").

In addition, for comparability purposes, we also adjusted (i) the figures as of and for years ended December 31, 2018 for the impairment losses related to certain projects in Venezuela; and (ii) the figures for the first half of 2018 for the effects of the first time application of IFRS 16.

INFORMATION INCORPORATED BY REFERENCE

The following information has been filed with the Central Bank and Euronext Dublin and shall be deemed to be incorporated in, and to form part of, this Prospectus:

(a) the Issuer's 2017 Audited Consolidated and Separate Financial Statements;

(b) the Issuer's 2018 Audited Consolidated and Separate Financial Statements; and

(c) the Issuer's 2019 Interim Consolidated Financial Statements.

Copies of the Documents Incorporated by Reference will be available, without charge, on the website of the Issuer as set out below:

(i) https://salini-pdf-archive.s3-eu-west-1.amazonaws.com/investitori/en/financial-reports/2017/annual-report-2017.pdf as to the Issuer's 2017 Annual Consolidated Financial Statements;

(ii) https://salini-pdf-archive.s3-eu-west-1.amazonaws.com/investitori/en/financial-reports/2018/annual-report-2018-updated-version.pdf as to the Issuer's 2018 Annual Consolidated Financial Statements; and

(iii) https://salini-pdf-archive.s3-eu-west-1.amazonaws.com/investitori/en/financial-reports/2019/interim-financial-report_30-june-2019.pdf as to the Issuer's 2019 Interim Consolidated Financial Statements.

Cross-reference lists

The following table shows where the information incorporated by reference in this Prospectus can be found in the above-mentioned documents.

2017 Audited Consolidated and Separate Financial Statements

Consolidated financial statements as at and for the year ended 31 December 2017

Information	Page(s)
Statement of financial position	212-213
Statement of profit or loss	214
Statement of comprehensive income	215
Statement of cash flows	216-217
Statement of changes in equity	218-219
Notes to the consolidated financial statements	220-387
Independent Auditors' Report	612-619

Separate financial statements of Salini Impregilo S.p.A. as at and for the year ended 31 December 2017

Information	Page(s)
Statement of financial position	442-443
Statement of profit or loss	444

2018 Audited Consolidated and Separate Financial Statements

Consolidated financial statements as at and for the year ended 31 December 2018

Separate financial statements of Salini Impregilo S.p.A. as at and for the year ended 31 December 2018

2019 Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2019

Statement of comprehensive income	92
Statement of cash flows	93-94
Statement of changes in equity	95
Notes to the consolidated financial statements	96-156
Independent Auditors' Report	174-175

The Documents Incorporated by Reference have been previously published or are published simultaneously with this Prospectus and have been filed with the Central Bank and Euronext Dublin. The Documents Incorporated by Reference shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Those parts of the documents incorporated by reference in this Prospectus which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Any websites referred to in this Prospectus are for information purposes only and do not form part of this Prospectus.

CAPITALISATION

The following table sets forth the Issuer's consolidated cash and cash equivalents, non-current financial liabilities, total shareholders' equity and total capitalization as of June 30, 2019 on an actual basis, without giving effect to (i) the net proceeds of the issue of the Additional Notes, expected to amount to €122,354,272 after deduction of the commission, or (ii) the use of proceeds therefrom. The historical consolidated financial information has been derived from the Issuer's Audited Consolidated Financial Statements.

Prospective investors should read this table in conjunction with the section entitled "*Use of Proceeds*", and the Issuer's 2018 Audited Consolidated Financial Statements.

	As of June 30, 2019
	(in € thousands)
Cash and cash equivalents	**812,317**
Total current indebtedness (A)	660,794
Total non – current indebtedness (B)	1,726,264
Total indebtedness (A+B)	**2,387,058**
Share capital	544,740
Share premium reserve	120,798
Other reserves	136,713
Other comprehensive expense	(110,119)
Profit for the period/year	63,288
Retained earnings	140,416
Equity attributable to the owners of the parent (C)	**895,836**
Non-controlling interests(D)	115,551
Total Equity (C+D)	**1,011,387**
Total Capitalization (A+B+C+D)	**3,398,445**

TERMS AND CONDITIONS OF THE NOTES

The €250,000,000 3.625 per cent. Notes due 28 January 2027 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 16 (Further issues) and forming a single series therewith) of Salini Impregilo S.p.A. (the "**Issuer**") are issued on 28 January 2020 (the "**Issue Date**") and are subject to, and have the benefit of, a trust deed dated 28 January 2020 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer and BNY Mellon Corporate Trustee Services Limited (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes (the "**Noteholders**" and the holders of the interest coupons appertaining to the Notes (the "**Couponholders**" and the "**Coupons**", respectively). The issue of the Notes was authorised by a resolution (*determina*) of the managing director of the Issuer dated 17 January 2020 pursuant to the powers delegated to the managing director by the resolutions of the board of directors of the Issuer passed on 2 December 2019, 7 and 16 January 2020. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and the Coupons. Copies of the Trust Deed, and of the Paying Agency Agreement (the "**Paying Agency Agreement**") dated the Issue Date relating to the Notes between the Issuer, the Trustee and the initial principal paying agent and the other paying agents named in it, are available for inspection by Noteholders during usual business hours at the specified office of the Trustee (presently at One Canada Square, London E14 5AL, United Kingdom) and at the specified offices of the principal paying agent for the time being (the "**Principal Paying Agent**") and the other paying agents for the time being (the "**Paying Agents**", which expression shall include the Principal Paying Agent). The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Paying Agency Agreement.

1 Definitions and interpretation

(a) **Definitions:** In these Conditions:

"Accounting Principles" means generally accepted accounting principles in Italy, including IFRS.

"Acting in Concert" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, either Directly or Indirectly, through the acquisition of shares in the Issuer by any of them, to obtain or strengthen its or their control over the Issuer.

"Auditors" means one of PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte & Touche or any other firm appointed by the Issuer and approved in writing in advance by the Trustee.

"Calculation Amount" means €1,000 in principal amount of the Notes.

A **"Change of Control"** will be deemed to occur if any Person (other than the SAPA Relevant Shareholders) or group of persons Acting in Concert (other than the SAPA Relevant Shareholders acting in concert among themselves) acquires, Directly or Indirectly, Control of the Issuer.

"Compliance Certificate" means the compliance certificate to be delivered on each Reporting Date and signed by a duly authorised director of the Issuer, certifying, amongst others, that the Issuer is and has been in compliance with the covenants set out in Condition 4 (Covenants) at all times during the Relevant Period.

"**Consolidated Coverage Ratio**" means, as of any Determination Date, the ratio of (i) the Consolidated EBITDA for the Relevant Period ending on that Determination Date and (ii) the Consolidated Gross Interest Expenditure for that Relevant Period. In the event that the Issuer or any Subsidiary incurs, assumes, guarantees, repays, repurchases, redeems or otherwise discharges any Indebtedness subsequent to the commencement of the period for which the calculation of the Consolidated Coverage Ratio is made, then the Consolidated Coverage Ratio will be calculated giving pro forma effect (as determined in good faith by reference to the most recent Compliance Certificate) to such incurrence, assumption, guarantee, repayment, repurchase, redemption or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable Relevant Period.

"Consolidated EBITDA" means, in respect of any Relevant Period, the consolidated operating profit of the Group before taxation (including the results from discontinued operations):

(i) **before deducting** any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments, whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that Relevant Period;

(ii) **not including** any accrued interest owing to any member of the Group;

(iii) **after adding back** any amount attributable to provisions and the amortisation, **depreciation** or impairment of assets of members of the Group (and taking no account of the reversal of any previous impairment charge made in that Relevant Period);

(iv) **before taking into account** any Exceptional Items related to the members of the Group;

(v) **before taking into account** any unrealised gains or losses on any derivative **instrument** (other than any derivative instrument which is accounted for on a hedge accounting basis);

(vi) **before taking into account** any gain or loss arising from an upward or **downward** revaluation of any other asset; and

(vii) **excluding** the charge to profit represented by the expensing of stock options,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation.

"Consolidated Gross Interest Expenditure" means, for any Relevant Period, all interest expense of the Group for such period (including capitalised interest) determined on a consolidated basis in accordance with the Accounting Principles.

"Consolidated Total Assets" means, at any time, the consolidated total assets of the Group.

"Control" or **"Controlled"** has the meaning given to it by article 2359 of the Italian Civil Code and/or article 7 of Law No. 287 of 10 October 1990 and/or (where applicable) article 93 of Legislative Decree No. 58 of 24 February 1998.

"DCM Indebtedness" means (i) any indebtedness for or in respect of moneys borrowed or raised which is in the form of, or represented by, any bond, note, debenture, debenture

stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange, over the counter or on any other organised market for securities or (ii) any guarantee and/or indemnity in relation to any such indebtedness.

"Determination Date" means each of 31 December and 30 June in each year.

"Directly or Indirectly" means ownership in any Person either (i) directly through the ownership of shares in that Person or (ii) indirectly through the ownership of shares held in one or more controlling companies of that person.

"Event of Default" has the meaning given to it in Condition 10.

"Exceptional Items" means any exceptional, one-off, non-recurring or extraordinary items which represent gains or losses, including those arising on:

(i) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;

(ii) disposals, revaluations, write-downs or impairment of non-current assets or any reversal of any write-down or impairment; and

(iii) disposals of assets associated with discontinued operations.

"Finance Lease" means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease.

"Financial Year" means the annual accounting period of the Group ending on 31 December in each year.

"Fitch" means Fitch Ratings Ltd or any successor thereto from time to time.

"Group" means the Issuer and its Subsidiaries from time to time.

"Indebtedness" means any indebtedness for or in respect of:

(i) moneys borrowed and debit balances at banks or other financial institutions (including any overdraft);

(ii) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);

(iii) any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

(iv) the amount of any liability in respect of Finance Leases;

(v) receivables sold or discounted (other than any receivables sold on a non-recourse basis);

(vi) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

(vii) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial

institution in respect of an underlying liability (but not, in any case, Trade Instruments) of an entity which is not a member of the Group, which liability would fall within one of the other paragraphs of this definition;

(viii) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) or are otherwise classified as borrowings under the Accounting Principles);

(ix) any amount of any liability under an advance or deferred purchase agreement if (A) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (B) the agreement is in respect of the supply of assets or services and payment is due more than 120 days after the date of supply;

(x) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and

(xi) (without double counting) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (i) to (x) above.

An **"Insolvency Event"** will have occurred in respect of the Issuer or any of its Material Subsidiaries if:

(i) any one of them becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, composition or reorganisation (including, without limitation, *fallimento, liquidazione coatta amministrativa, concordato preventivo, accordi di ristrutturazione* and *amministrazione straordinaria*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which it is deemed to carry on business, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings, or the whole or a substantial part of its undertaking or assets are subject to a *pignoramento* or similar procedure having a similar effect, unless such proceedings (A) are being disputed in good faith with a reasonable prospect of success as confirmed by an opinion of independent legal advisers of recognised standing or (B) are discharged or stayed within 60 days;

(ii) an application for the commencement of any of the proceedings under paragraph (i) above is made in respect of, or by, any one of them, or the same proceedings are otherwise initiated against any one of them, or notice is given of intention to appoint an administrator in relation to any one of them, unless (A) the commencement of such proceedings is being disputed in good faith with a reasonable prospect of success as confirmed by an opinion of independent legal advisers of recognised standing or (B) such proceedings are discharged or stayed within 60 days;

(iii) any one of them takes any action for a re-adjustment or deferral of any of its obligations, or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or is granted by a competent court a

moratorium in respect of any of its indebtedness, or any guarantee of any of its indebtedness, or applies for suspension of payments; or

(iv) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of any one of them (except a winding-up for the purposes of or pursuant to Permitted Reorganisation), or any of the events under article 2484 of the Italian civil code occurs with respect to any one of them.

"Insolvent" means that the Issuer or any of its Material Subsidiaries is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due, or is insolvent.

"Interest Period" means the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

"Material Subsidiary" means, at any time, any Subsidiary of the Issuer which (consolidated with its own Subsidiaries, if any) accounts for at least 10 per cent. of the Consolidated EBITDA, the Consolidated Total Assets or the Group's gross revenues (excluding intra-group items), or any holding company of any such company. For the purposes of this definition, compliance with the conditions set out above shall be determined by reference to the most recent Compliance Certificate and/or the latest audited financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited consolidated financial statements of the Group. However, if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by the Group's Auditors as representing an accurate reflection of the revised the Consolidated EBITDA, the Consolidated Total Assets or the Group's gross revenues (excluding intra-group items)). A report by the Auditors of the Issuer or a certificate signed by a duly authorised director of the Issuer that a Subsidiary is or is not a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee, the Noteholders and all other persons.

"Moody's" means Moody's Investors Service Limited or any successor thereto from time to time.

"Permitted Indebtedness" means:

(i) any Indebtedness of the Issuer or a Subsidiary outstanding on the Issue Date and any extension, renewal, refunding or refinancing thereof (the **"Existing Permitted Indebtedness"**), provided that the principal amount thereof outstanding immediately before giving effect to such extension, renewal, refunding or refinancing is not increased so as to exceed the principal amount of such Existing Permitted Indebtedness outstanding on the Issue Date;

(ii) any Indebtedness of a Subsidiary outstanding at the time such Subsidiary becomes a Subsidiary and any extension, renewal, refunding or refinancing of such Indebtedness (the **"Acquired Subsidiary Indebtedness"**), provided that (A) such Acquired Subsidiary Indebtedness shall not have been incurred in contemplation of such Subsidiary becoming a Subsidiary and (B) immediately after such Subsidiary becomes a Subsidiary, no Event of Default shall exist;

(iii) any Indebtedness of a Subsidiary owing to or in favour of the Issuer or any other Subsidiary;

(iv) any Project Indebtedness incurred in relation to any Project (other than the Indebtedness referred to paragraph (v) below);

(v) any Indebtedness of a Subsidiary which is not a Material Subsidiary (the **"Other Permitted Indebtedness"**); and

(vi) any Indebtedness of the Issuer and/or the Material Subsidiaries (other than the Indebtedness referred to in paragraphs (i) to (v) above) up to an aggregate principal amount equal to 15 per cent. of Consolidated Total Assets, determined as of the latest Determination Date (the **"Material Permitted Indebtedness"**).

"Permitted Reorganisation" means:

(i) any solvent amalgamation, merger, demerger or reconstruction involving the Issuer or any Subsidiary under which the assets and liabilities of the Issuer or the relevant Subsidiary are assumed by the entity resulting from such amalgamation, merger, demerger or reconstruction and, where the same involves the Issuer:

(ii) such entity assumes all the obligations of the Issuer in respect of the Notes, and an opinion of an independent legal adviser of recognised standing in the Republic of Italy has been delivered to the Trustee, on behalf of the Noteholders, confirming the same prior to the effective date of such amalgamation, merger or reconstruction; and

(iii) (A) within 120 days of the completion of such transaction, such entity will be assigned at least the same corporate credit rating as the Issuer and (B) at the time of such transaction the Consolidated Coverage Ratio of such entity relating to the Relevant Period referred to in the latest Compliance Certificate (to the extent applicable pursuant to Condition 4 (Covenants) and as determined on a *pro forma* basis) is higher than the threshold set out in Condition 4 (Covenants)),

unless such amalgamation, merger, demerger or reconstruction has been approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, and provided, however, that, in case of any solvent amalgamation, merger, demerger or reconstruction between the Issuer and any Subsidiary fully owned by the Issuer, (A) where the assets are transferred to or otherwise vested with the Issuer, the opinion set out in paragraph (i) will not be required or necessary and (B) the condition set out in paragraph (ii)(B) shall not apply.

"Permitted Security Interest" means:

(i) any Security Interest arising by operation of law;

(ii) any Security Interest to secure, respectively, the Existing Permitted Indebtedness, the Acquired Subsidiary Indebtedness and the Other Permitted Indebtedness;

(iii) any Security Interest to secure the Material Permitted Indebtedness;

(iv) any Project Security Interest;

(v) any Security Interest to secure the Indebtedness upon, or with respect to, any present or future assets, receivables, remittances or payment rights of the Issuer or any of its Subsidiaries (the **"Charged Assets"**) which is created pursuant to

any securitisation or like arrangements whereby all or substantially all the payment obligations in respect of such Indebtedness are to be discharged solely from the Charged Assets; and

(vi) any Security Interest created in substitution of, or supplementing, any Security Interest permitted under paragraphs (ii) to (v) above over the same or substituted assets, provided that (A) the principal amount secured by the substitute Security Interest does not exceed the principal amount outstanding and secured by the initial Security Interest, (B) in the case of substituted assets, the market value of the substituted assets as at the time of substitution does not exceed the market value of the assets replaced, as determined and confirmed in writing by the Issuer (acting reasonably), (C) in the case of a Security Interest being supplemented, such supplementing was provided for under the relevant contractual arrangements at the time of creation of the Security Interest and is required to comply with such contractual arrangements, and (D) the duration of the substitute Security Interest does not exceed the duration of the initial Security Interest.

"Proceedings" means any legal action or proceedings arising out of or in connection with the Notes or the Coupons.

"Project" means the ownership, acquisition, construction, development, design, leasing, maintenance and/or operation of an asset or assets and/or subscription of equity or shareholder loans by shareholders of the entity promoting such project.

"Project Company" means a company incorporated for the exclusive purpose of carrying out a Project in which the Issuer or any of its Subsidiaries has an equity interest.

"Project Indebtedness" means any Indebtedness to finance or refinance a Project where the recourse of the creditors thereof is limited to any or all of (i) the relevant Project (or the concession or assets related thereto), (ii) the share capital of, or other equity contribution to, the Project Company or Project Companies developing, financing or otherwise directly involved in the relevant Project, and/or (iii) other credit support (including, without limitation, completion guarantees and contingent equity obligations) customarily provided in support of such indebtedness.

"Project Security Interest" means a Security Interest over the shares or the assets of a Project Company to secure the Project Indebtedness of such Project Company.

"Rating Agencies" means Fitch, Moody's and S&P.

A **"Rating Event"** will have occurred if, and will be deemed to be outstanding for so long as:

(i) (A) the unsecured, unsubordinated debt obligations of the Issuer are rated by at least two of the Rating Agencies and (B) at least one of the Rating Agencies has assigned such debt obligations a rating of not lower than (I) Baa3 by Moody's, (II) BBB by S&P or (III) BBB by Fitch; and

(ii) no Event of Default has occurred and is continuing.

"Reference Dealer Rate" means, with respect to the Reference Dealers and the Optional Redemption Date, the average of the mid-market annual swap rate as determined by the Reference Dealers at 11:00 a.m. London time on the third business day in London preceding such Optional Redemption Date, quoted in writing to the Issuer by the Reference Dealers. For the purposes of this definition, the "mid-market annual

swap rate" means the arithmetic mean of the bid and offered rates for the annual fixed leg calculated on a 30/360 day count basis on a fixed-for-floating Euro interest rate swap transaction maturing on 28 January 2027, on such Optional Redemption Date.

"Reference Dealers" means Banca Akros S.p.A. – Gruppo Banco BPM, Banca IMI S.p.A., Citigroup Global Markets Limited, Goldman Sachs International, Merrill Lynch International, Natixis and UniCredit Bank AG or their successors.

"Relevant Jurisdiction" means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons.

"Relevant Period" means a 12-month period ending on a Determination Date.

"Reporting Date" means a date falling no later than 60 days after (i) the approval by the board of directors of the Issuer's consolidated financial statements, with respect to the Relevant Period ending on 31 December, or (ii) the approval by the board of directors of the Issuer's unaudited semi-annual consolidated financial statements, with respect to a Relevant Period ending on 30 June, provided that the first Reporting Date shall be the date falling no later than 60 days after the approval by the board of directors of the Issuer's consolidated financial statements as of, and for the period ended, 31 December 2019.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. or any successor thereto from time to time.

"SAPA Relevant Shareholders" means Mr Pietro Salini, born in Rome on 29 March 1958 and/or Mr Simonpietro Salini, born in Rome on 4 June 1932 and/or any company Controlled, Directly or Indirectly, jointly or severally, by any of them and/or any trustee, fiduciary or similar Person appointed to administer assets of any of the foregoing where they are the sole beneficiaries and which administration is made exclusively in the interests of any of them.

"Security Interest" means, without duplication, a mortgage, charge, pledge, lien or other security interest or other preferential interest or arrangement having a similar economic effect, excluding any right of set-off, but including any conditional sale or other title retention arrangement or any finance leases.

"Subsidiary" means, in relation to any company, corporation or legal entity (excluding, for the avoidance of doubt, any consortium pursuant to article 2602 of the Italian civil code) (a "holding company"), any company, corporation or legal entity (excluding, for the avoidance of doubt, any consortium pursuant to article 2602 of the Italian civil code) which is Controlled, Directly or Indirectly, by the holding company.

"TARGET Settlement Day" means any day on which the TARGET System is open.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

"Trade Instruments" means any bid bonds, performance bonds, advance payment bonds, retention money bonds or documentary letters of credit issued in respect of the

obligations of any member of the Group arising in the ordinary course of trading of that member of the Group.

"Treasury Transactions" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

(b) **Interpretation:** In these Conditions:

(i) **"business day"** means a day on which commercial banks and foreign exchange markets are open in the relevant city and which is a TARGET Settlement Day;

(ii) **"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

(iii) **"Relevant Date"** means whichever is the later of (A) the date on which such payment first becomes due and (B) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders;

(iv) any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed; and

(v) any reference in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to Condition 16 (Further issues) and forming a single series with the Notes.

2 Form, denomination and title

(a) **Form and denomination:** The Notes are serially numbered and in bearer form in the denomination of €100,000 each with Coupons attached on issue and integral multiples of €1,000 in excess thereof, up to and including €199,000, with Coupons attached at the time of issue. No Notes in definitive form will be issued with a denomination above €199,000.

(b) **Title:** Title to the Notes and Coupons passes by delivery. The holder of any Note or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no Person will be liable for so treating the holder.

3 Status

The Notes and Coupons constitute (subject to Condition 5 (Negative pledge)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 5 (Negative pledge), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

4 Covenants

(a) **Limitation on Indebtedness:** So long as any of the Notes or Coupons remains outstanding (as defined in the Trust Deed), the Issuer shall not, and shall procure that

none of its Subsidiaries will, incur any additional Indebtedness (other than the Permitted Indebtedness) if, on the date of the incurrence of such additional Indebtedness, the Consolidated Coverage Ratio relating to the Relevant Period referred to in the latest Compliance Certificate is less than 2.5 to 1.0, determined on a pro forma basis, assuming for these purposes that such additional Indebtedness has been incurred, and the net proceeds thereof applied, on the first day of the applicable Relevant Period.

(b) **Compliance certificate:** For so long as the Notes remain outstanding, the Issuer will deliver the Compliance Certificate to the Trustee on each Reporting Date.

(c) **Suspension of covenants:** To the extent that the Rating Event has occurred and for so long as such Rating Event is outstanding, Condition 4(a) (Limitation on Indebtedness), Condition 4(b) (Compliance certificate) and Condition 5 (Negative pledge) shall not apply, provided, however, that Condition 5 (Negative pledge) will continue to apply to the DCM Indebtedness only.

5 Negative pledge

So long as any Note or Coupon remains outstanding, the Issuer shall not, and shall procure that none of its Material Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its undertaking, assets or revenues, present or future to secure any Indebtedness or to secure any guarantee or indemnity in respect of any Indebtedness, without, at the same time or prior thereto, according to the Notes and the Coupons:

(a) the same security as is created or subsisting to secure any such Indebtedness, guarantee or indemnity; or

(b) the benefit of such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, provided that, for the avoidance of doubt, in the circumstances described in Condition 4(c) (Suspension of covenants), any reference to the Indebtedness set out in this Condition 5 shall be construed as a reference to the DCM Indebtedness only.

6 Interest

The Notes bear interest from and including the Issue Date at the rate of 3.625 per cent. per annum, payable annually in arrear on 28 January in each year, commencing on 28 January 2021 (each an **"Interest Payment Date"**) and will amount to €36.25 per Calculation Amount.

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) the day which is seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day.

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period, the day-count fraction used will be the number of days in the Relevant Period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the Relevant Period falls (including the first such day but excluding the last).

Interest in respect of any Note shall be calculated per Calculation Amount. The amount of interest payable per Calculation Amount for any period shall be equal to the product of 3.625 per cent., the Calculation Amount and the day-count fraction for the Relevant Period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

7 Redemption and Purchase

(a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 28 January 2027. The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition.

(b) **Redemption for taxation reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (Taxation) as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer shall deliver to the Trustee (A) a certificate signed by a duly authorised director of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will be obliged to pay such additional amounts as a result of such change and the Trustee shall be entitled to accept such certificate and legal opinion as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(c) **Redemption at the option of Noteholders upon a Change of Control:** If a Change of Control occurs, the holder of each Note will have the option (a **"Put Option"**) (unless, prior to the giving of the relevant Put Event Notice (as defined below), the Issuer has given notice of redemption under Condition 7(b) (Redemption for taxation reasons)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Put Date (as defined below) at 100 per cent. of its principal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Put Date.

Promptly upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall, and, at any time upon the Trustee becoming similarly so aware, the Trustee may, and, if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a **"Put Event Notice"**) to the Noteholders in accordance with Condition 17 (Notices) specifying the nature of the Change of Control and the procedure for exercising the Put Option.

To exercise the Put Option, the holder of a Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the **"Put Period"**) of 30 days after a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **"Put Notice"**). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Put Period (the **"Put Date"**), failing which, the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 12 (Replacement of Notes and Coupons)) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 7(c) shall be treated as if they were Notes. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed (or purchased) and cancelled.

If 85 per cent. or more in principal amount of the Notes then outstanding has been redeemed or purchased pursuant to this Condition 7(c), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

The Trustee is under no obligation to ascertain whether a Change of Control or any event which could lead to the occurrence of, or could constitute, a Change of Control has occurred and, until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control or other such event has occurred.

(d) **Redemption at the option of the Issuer:** Unless a Put Event Notice has been given pursuant to Condition 7(c) (Redemption at the option of Noteholders upon a Change of Control) above, the Issuer may, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 17 (Notices) (which notice shall be irrevocable and shall specify the date fixed for redemption (the **"Optional Redemption Date"**)), redeem all, but not some only, of the Notes at a redemption price per Note equal to the higher of the following, in each case together with interest accrued to but excluding the Optional Redemption Date:

(i) 100 per cent. of the principal amount of the Note; and

(ii) the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the Notes to, but

excluding, the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Dealer Rate (as defined above) plus 0.50 per cent., in each case as determined by the Reference Dealers.

(e) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 7(b), 7(c) (Redemption at the option of Noteholders upon a Change of Control) and 7(d) (Redemption at the option of the Issuer).

(f) **Notice of redemption:** All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

(g) **Purchase:** The Issuer and its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price (provided that, if they should be cancelled under Condition 7(h) (Cancellation) below, they are purchased together with all unmatured Coupons relating to them). The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of these Conditions and the Trust Deed. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to the Paying Agent for cancellation.

(h) **Cancellation:** All Notes which are (i) purchased by or on behalf of the Issuer or any such Subsidiary and surrendered for cancellation or (ii) redeemed, and any unmatured Coupons attached to or surrendered with them, will be cancelled and may not be re-issued or resold.

8 Payments

(a) **Method of payment:** Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by transfer to a Euro account specified by the payee with a bank in a city in which banks have access to the TARGET System. Payments of interest due in respect of any Note other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note.

(b) **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (Taxation). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) **Surrender of unmatured Coupons:** Each Note should be presented for redemption together with all unmatured Coupons relating to it, failing which, the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (for the relevant payment of principal in respect of the relevant Note).

(d) **Payments on business days:** A Note or Coupon may only be presented for payment on a day which is a business day in the place of presentation and, in the case of payment by credit or transfer to a Euro account as described above, is a TARGET Settlement Day. No further interest or other payment will be made as a consequence of the day on which the relevant Note or Coupon may be presented for payment under this Condition 8 falling after the due date.

(e) **Paying Agents:** The initial Paying Agents and their initial specified offices are listed in the Paying Agency Agreement. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will maintain (i) a Principal Paying Agent and (ii) Paying Agents having specified offices in at least two major European cities in a jurisdiction other than Italy approved by the Trustee.

9 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

(a) presented for payment in the Republic of Italy; or

(b) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon; or

(c) presented for payment by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of the Note or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption, and fails to do so in due time; or

(d) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or

(e) on account of imposta sostitutiva pursuant to Legislative Decree No. 239 of 1 April 1996 (as, or as may subsequently be, amended or supplemented) and related regulations of implementation which have been, or may subsequently be, enacted ("**Decree 239**") with respect to any Note or Coupon, including all circumstances in which the procedures to obtain an exemption from imposta sostitutiva or any alternative future system of deduction or withholding set forth in Decree 239, have not been met or complied with, except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents.

For the avoidance of doubt, notwithstanding any other provision of the Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 to 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other Person will be required to pay any additional amounts in respect of FATCA Withholding.

10 Events of Default

If any of the following events occurs, the Trustee, at its discretion, may, and, if so directed by an Extraordinary Resolution, shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

(a) **Non payment:** the Issuer fails to pay the principal of, or any interest on, any of the Notes when due, and such failure continues for a period of seven business days; or

(b) **Breach of other obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed, which default is incapable of remedy or, if, in the opinion of the Trustee, capable of remedy, is not, in the opinion of the Trustee, remedied within 60 days after notice of such default shall have been given to the Issuer by the Trustee; or

(c) **Cross-default:** (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised (other than the Project Indebtedness) becomes due and payable prior to its stated maturity by reason of any actual or potential default or event of default (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred equals or exceeds €50,000,000 or its equivalent; or

(d) **Enforcement proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries (excluding, for the purposes of this Condition 10(d), any Material Subsidiary which is also a Project Company) having an aggregate value of at least €50,000,000 or its equivalent unless such distress, attachment, execution or other legal process (i) is being disputed in good faith with a reasonable prospect of success as confirmed by an opinion of independent legal advisers of recognised standing or (ii) is discharged or stayed within 60 days; or

(e) **Security enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries (excluding, for the purposes of this Condition 10(e), any Material Subsidiary which is also a Project Company) having an aggregate value of at least €50,000,000 or its equivalent becomes

enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar Person) unless discharged or stayed within 60 days; or

(f) **Insolvency:** an Insolvency Event occurs in relation to either the Issuer or any of its Material Subsidiaries (other than for the purposes of, or pursuant to, a Permitted Reorganisation) or the Issuer or any of its Material Subsidiaries becomes Insolvent; or

(g) **Cessation of business:** the Issuer or any of its Material Subsidiaries (excluding, for the purposes of this Condition 10(g), any Material Subsidiary which is also a Project Company) ceases or threatens to cease to carry on all or a substantial part of its business (other than for the purposes of, or pursuant to, a Permitted Reorganisation), provided that the occurrence of a Change of Control set out in Condition 7(c) (Redemption at the option of Noteholders upon a Change of Control) will not trigger the Event of Default set out in this Condition 10(g); or

(h) **Analogous event:** any event occurs which, under any applicable laws has an analogous effect to any of the events referred to in Conditions 10(d) (Enforcement proceedings) to 10(g) (Cessation of business) (both inclusive); or

(i) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed.

11 Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 8 (Payments) within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

12 Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent, subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13 Meetings of Noteholders, modification and waiver

(a) **Meetings of Noteholders:** The Trust Deed contains provisions consistent with the laws, legislation, rules and regulations of the Republic of Italy for convening meetings of the Noteholders to consider any matter affecting their interests, including any modifications of the Conditions or of any provisions of the Trust Deed. The above provisions are subject to compliance with mandatory laws, rules and regulations of the Republic of Italy in force from time to time.

The quorum and the majorities for passing resolutions at any such meetings are established by article 2415 of the Italian civil code, the Issuer's by-laws in force from time to time and, as long as the Issuer has shares listed on a regulated market of the Republic of Italy or any other EU member country regulated markets, by Legislative Decree No. 58 of 24 February 1998, as amended and implemented.

Resolutions validly passed at any meeting of the Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders. In accordance with the Italian civil code, a *rappresentante comune*, being a joint representative of Noteholders, may be appointed in accordance with article 2417 of the Italian civil code in order to represent the Noteholders' interest hereunder and to give execution to the resolutions of the meeting of the Noteholders. The *rappresentante comune* may be a person who is not a Noteholder and may be (i) a company duly authorised to carry on investment services (*servizi di investimento*) or (ii) a trust company (*società fiduciaria*). The *rappresentante comune* shall not be a director, statutory auditor or employee of the Issuer or a person who falls within one of the categories specified by article 2399 of the Italian civil code. The *rappresentante comune* is appointed by resolution passed at the Noteholders' meeting. In the event the Noteholders' meeting fails to appoint the *rappresentante comune*, the appointment is made by a competent court upon the request of one or more relevant Noteholders or the directors of the Issuer. The *rappresentante comune* shall remain in office for a period not exceeding three financial years from appointment and may be reappointed; remuneration shall be determined by the meeting of Noteholders which makes the appointment. The *rappresentante comune* shall have the powers and duties set out in article 2418 of the Italian civil code.

(b) **Modification and waiver:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

(c) **Entitlement of the Trustee:** In connection with the exercise of its functions (including, but not limited to, those referred to in this Condition), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders, and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

14 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such steps, actions or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

15 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may act and rely, without liability to Noteholders or Couponholders, on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept, and shall be entitled to rely on, any such report, confirmation or certificate or advice, and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

16 Further issues

The Issuer may, from time to time, without the consent of the Noteholders or Couponholders, create and issue further securities, either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them), and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes), or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 16 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

17 Notices

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper (which is expected to be the *Financial Times*) and, so long as the Notes are admitted to trading on the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in the Republic of Ireland or published on the website of Euronext Dublin (www.ise.ie) or, in either case, if, in the opinion of the Trustee, such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 17.

18 Contracts (Rights of Third Parties) Act 1999

No Person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any Person which exists or is available apart from that Act.

19 Governing law

(a) **Governing law:** The Trust Deed, the Notes and the Coupons, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law. Condition 13(a) (Meetings of Noteholders)

and the provisions of Schedule 3 of the Trust Deed which relate to the convening of meetings of Noteholders and the appointment of a Noteholders' representative are subject to compliance with Italian law.

(b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons, and, accordingly, any Proceedings may be brought in such courts. Pursuant to the Trust Deed, the Issuer has irrevocably submitted to the jurisdiction of such courts.

(c) **Agent for service of process:** Pursuant to the Trust Deed, the Issuer has irrevocably appointed an agent in England to receive service of process in any Proceedings in England based on any of the Notes or the Coupons.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes will initially be in the form of a Temporary Global Note which will be deposited on or around the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common safekeeper on behalf of Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

The Notes will be issued in new global note ("**NGN**") form. On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ECB credit operations" of the central banking system for the Euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The Notes are intended to be held in a manner which would allow Eurosystem eligibility – that is, in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") in the denomination of €100,000 each and integral multiples of €1,000 in excess thereof, up to and including €199,000 each, at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Principal Paying Agent if Euroclear or Clearstream, Luxembourg or any alternative clearing system through which the Notes are held is closed for business for a continuous period of 14 days (other

than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business.

So long as the Notes are represented by a Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of €100,000 and higher integral multiples of €1,000, notwithstanding that no Definitive Notes will be issued with a denomination above €199,000.

As the Notes have a denomination consisting of the minimum denomination plus a higher integral multiple of amounts which are integral multiples of €1,000, up to a maximum of €199,000, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €1,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payments on business days: In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note Condition 8(d) (*Payments on business days*) shall not apply, and all such payments shall be made on a day on which the TARGET System is open.

Redemption of the option of the Issuer: In order to exercise the option contained in Condition 7(d) (*Redemption at the option of the Issuer*) the Issuer shall give notice to the Noteholders and the relevant clearing system (or procure that such notice is given on its behalf) within the time limits set out in and containing the information required by that condition and Condition 7(f) (*Notice of Redemption*).

Exercise of put option: In order to exercise the option contained in Condition 7(c) (*Redemption at the option of Noteholders upon a Change of Control*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Notices: Notwithstanding Condition 17 (*Notices*), while all the Notes are represented by the Permanent Global Note (or, as the case may be, by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or, as the case may be, the Permanent Global Note and/or the Temporary Global Note are) held on behalf of Euroclear or Clearstream, Luxembourg or an alternative clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg or such alternative and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg except that, for so long as such Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall be published on the website of Euronext Dublin (www.ise.ie).

EXCHANGE OFFER

The Issuer, in an exchange offer memorandum dated 10 January 2020 (the "**Exchange Offer Memorandum**"), invited holders of its €600,000,000 3.75 per cent. Notes due 24 June 2021 (XS1435297202) (the "**2021 Notes**") that are outstanding to offer such notes for exchange in consideration, *inter alia*, for the issue to such holders of the Notes (the "**Exchange Offer**"). Pursuant to a dealer manager agreement dated 10 January 2020 (the "**Dealer Manager Agreement**), the Managers have agreed to act as dealer managers in relation to the Exchange Offer. In the Dealer Manager Agreement, the Issuer has agreed to reimburse the Dealer Managers for certain of their expenses, and has agreed to indemnify them against certain liabilities, incurred in connection with the Exchange Offer.

ESTIMATED NET AMOUNT AND USE OF PROCEEDS

€126,659,000 in principal amount of the Notes are being issued in exchange for the 2021 Notes and therefore the Issuer will not receive any proceeds from this portion of the Notes. The net proceeds of the issuance of the Notes that are not being issued in exchange for the 2021 Notes (the "**Additional Notes**"), expected to amount to €122,354,272 after deduction of the commissions, will be used by the Issuer for repayment of existing indebtedness (which may include indebtedness provided by some or all of the Managers) and for general corporate purposes of the Group.

Actual amounts will vary from estimated amounts depending on several factors, including estimated costs, fees and expenses.

DESCRIPTION OF THE ISSUER

OVERVIEW

Salini Impregilo Società per azioni or Salini Impregilo S.p.A. ("**Salini Impregilo**" or the "**Issuer**") is the parent company of the Salini Impregilo group of companies (the "**Salini Impregilo Group**" or the "**Group**"). The Issuer originated from the reverse merger of Salini S.p.A. into Impregilo S.p.A. (see "*History and Development*").

The registered and head office of the Issuer is located in Milan (Italy), Via dei Missaglia, 97, telephone No. +39 02.444.22111. The Issuer is incorporated under the laws of the Republic of Italy and it is registered with the Register of Companies of Milan-Monza-Brianza-Lodi under No. 00830660155 - VAT No. 02895590962. The Legal Entity Identifier (LEI) of the Issuer is 549300UKR289DF4UXQ47. Pursuant to Article 5 of its by-laws, the duration of the Issuer is until 31 December 2050, which may be extended by resolution of the shareholders' meeting.

The Salini Impregilo Group is a global group specialized in the construction of major complex infrastructure projects and major civil engineering works (including dams and hydroelectric plants, hydraulic works, railways, subways, airports and highways as well as hospitals and civil and industrial construction)in more than 50 countries throughout the world, with over 100 years of experience in the construction industry . Its customers primarily consist of public sector entities, although the Group also works with private companies such as, for example, grid operators and holders of concessions.

Within the Salini Impregilo Group, the Issuer is an operating company and is active prominently in the construction business, although it also acts as concessionaire in relation to certain projects.

The issued and paid-in share capital of the Issuer as of the date of the Prospectus is €600,000,000, divided into 893.788.182 shares with no par value, comprising 892.172.691 ordinary shares and 1,615,491 savings shares. The share capital referred to above is the result of a share capital increase which was resolved by the Issuer's Board of Directors on November 6 and 7, 2019, in the exercise of the delegation of power which was conferred by the extraordinary shareholders' meeting dated October 4, 2019, pursuant to Article 2443 of the Italian Civil Code (see "*Recent Developments-Capital Increase*"). The Issuer's shares are listed and traded on the Mercato Telematico Azionario ("**MTA**"), the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A. As at January 7, 2020, the Issuer's market capitalization was approximately €1.4 billion. For a description of the Group's business, see "*Business Overview*".

The table below sets forth the Issuer's long-term ratings, assigned by Standard & Poor's and Fitch Ratings, as of the date of this Prospectus:

Agency	Long Term	Outlook	Last update
Standard & Poor's	BB-	Positive	December 3, 2019
Fitch Ratings	BB	Negative	July 10, 2019

As of January 17, 2020, based on the Issuer's corporate records and other available public information, Salini Costruttori S.p.A. ("**Salini Costruttori**") owned 44.99 per cent. of Salini Impregilo's ordinary shares. Salini Costruttori is the Issuer's controlling shareholder and directs and co-ordinates the activities of the Issuer pursuant to Articles 2497 et seq. of the Italian Civil Code (see "*Principal Shareholders-Controlling shareholder - Salini Costruttori*").

HISTORY AND DEVELOPMENT

The Issuer is the entity resulting from the reverse merger of Salini S.p.A. ("**Salini**") into Impregilo S.p.A. ("**Impregilo**"), which became effective on January 1, 2014.

Salini

Salini was incorporated on December 6, 2011 by Salini Costruttori, a company incorporated on February 7, 1972, which primarily focused on construction, both in Italy and abroad, but also operated in real estate management. Effective from January 1, 2012, Salini Costruttori contributed its construction business unit to Salini, while retaining its real estate management business.

Impregilo

Impregilo was historically one of the leading Italian construction companies active in the design and construction of large-scale infrastructure works in Italy and abroad, including highways, ports, hydraulic works and railways. Impregilo originated from the combination of four Italian companies, Girola S.p.A. ("**Girola**"), Lodigiani S.p.A. ("**Lodigiani**"), Imprese Italiane all'Estero-Impresit S.p.A. ("**Impresit**") and Cogefar Costruzioni Generali S.p.A. ("**Cogefar**"). These companies were historically active in domestic construction, in particular in the period between the First and the Second World Wars. In 1959, Girola, Lodigiani and Impresit incorporated a new company, named Impresit-Girola-Lodigiani (Impregilo) S.p.A., with the aim of co-operating on a continuous basis on the construction of large hydroelectric and hydraulic plants outside Italy. In 1989, Impresit was merged into Cogefar and, in 1994, the combined entity, in turn, merged with Impresit – Girola – Lodigiani (Impregilo) S.p.A. and was renamed Impregilo S.p.A. Following these transactions FIAT S.p.A. (now FCA NV) was the main shareholder. The ordinary and savings shares of Impregilo were listed on the Italian stock exchange.

Merger between Salini and Impregilo

Between September 2011 and December 2012, Salini built a stake of 29.8% in Impregilo. In April 2012, Salini announced its plan to promote the creation of a "national champion", outlining the ultimate goal of merging Salini's and Impregilo's businesses.

In July 2012, at a shareholder' meeting of Impregilo convened by Salini and as a result of a proxy solicitation targeting its minority shareholders, Salini obtained approval from Impregilo's shareholders to replace Impregilo's Board of Directors with new directors designated by Salini.

Between February and May 2013, Salini launched and completed a voluntary public tender offer for all the outstanding ordinary shares of Impregilo, as a result of which Salini came to hold approximately 92.8% of Impregilo's voting capital. Finally, Salini was subject to a reverse-merger into Impregilo and Impregilo (as the surviving entity) changed its name to "Salini Impregilo S.p.A." (i.e., the current Issuer).

Acquisition of Lane Industries

On January 4, 2016, the Group completed the acquisition of the entire share capital of Lane Industries Inc. ("**Lane**"), a private company incorporated under the laws of the United States of America, with its registered offices in Cheshire, Connecticut. Lane, in turn, is the parent company of four operating companies, namely: The Lane Construction Corporation, Lane Power & Energy, Inc., Lane Infrastructure, Inc., and Lane Worldwide Infrastructure, Inc.

The Lane acquisition was implemented by the Issuer with the aim of expanding business in the U.S. infrastructures market and with a view to enabling the Salini Impregilo Group to create a local commercial platform from which it can access a larger pool of projects.

Recent Disposals

In December 2018, Lane completed the sale to Eurovia SAS of its division operating in the business of asphalt production and pavement for a provisional price (subject to price adjustment) of USD 573.6 million. See "*Material Contracts*". This transaction was to further the Group's strategy to focus on its core construction activities and dispose of its non-core assets.

RECENT DEVELOPMENTS

Progetto Italia and the Astaldi Transaction

Progetto Italia

Progetto Italia is an industrial project that the Issuer promoted with a view to (i) consolidating the Italian infrastructure and construction sector through the acquisition of Italian operators; and (ii) increasing the competitiveness of Italian companies in the international markets. In particular, the Issuer proposes to create a larger industry player with the size, technical capacity, professional know–how and financial and economic strength to compete with the major international players on a global scale.

Progetto Italia is a systemic consolidation project with significant financial support and based on a solid industrial rationale aimed at favoring growth in scale and strengthening of the Issuer's profitability and financial structure. These objectives were originally contemplated in the Issuer's Business Plan and, through Progetto Italia, are being accelerated.

The strategic lines of Progetto Italia are a part of the wider Business Plan of the Issuer for the three-year period 2019-2021. The project envisages that, with the Group's operational track record, managerial qualities and skills, its national and international competitive positioning, the Group would act as an aggregator of other Italian companies and business units that represent excellence in diverse segments of the infrastructure and construction sector, including companies that are in good financial health as well as those in financial difficulty including, for example, Astaldi S.p.A. ("**Astaldi**"), which represents the Issuer's main target as of the date of this Prospectus. In particular, the Issuer intends to create value for its stakeholders by acquiring and integrating in the Group businesses, business units, controlling shareholdings (as well as projects of such entities) of Italian companies operating in the construction sector.

The Issuer expects to implement Progetto Italia within 18 months from the completion of the share capital increase, which occurred on November 12, 2019 (see "—*Capital Increase*" below).

Parties involved in Progetto Italia

Progetto Italia involves the following parties, each with a different role:

- Salini Impregilo: as aggregator Salini Impregilo has a solid M&A track record and proven ability to deliver on M&A execution and target integration;
- Salini Costruttori: as Salini Impregilo's controlling shareholder, who subscribed for €50 million in new ordinary shares in the Global Offering (see "—*Capital Increase*" below) and controls the Issuer (see also "*Principal Shareholders-Controlling Shareholder-Salini Costruttori*");
- CDP Equity S.p.A. ("**CDP Equity**" or "**CDPE**"), a company belonging to the Cassa Depositi e Prestiti S.p.A.'s ("**CDP**") group: as a strategic partner - who subscribed for €250 million in new ordinary shares in the Global Offering (see also "*Principal Shareholders-Shareholders holding an interest in excess of 3 per cent.*") - will provide institutional support to Salini Impregilo;

- Banco BPM S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A. (jointly, the "**Financing Banks**"): as financial partners, which will provide financial support to the development of the Group's business (following the Capital Increase and the transactions envisaged within the framework of Progetto Italia, including the Astaldi Transaction, as defined below), increasing its financial flexibility, in particular by providing financing and guarantees. In connection with Progetto Italia, the Financing Banks subscribed for total €150 million in new ordinary shares in the Global Offering (see also "*Principal Shareholders*").

Financial package to support Progetto Italia

With the support of various financing institutions, the Issuer has put together a complex package of additional financial resources to support the implementation of Progetto Italia (including the potential investment in Astaldi) and provide the appropriate level of financial flexibility for the new group. This financial package may be used for additional acquisitions within the framework of Progetto Italia.

In addition to the Capital Increase (see "—*Capital Increase*" below), the overall financial package provides in particular for:

- the extension of the maturities relating to the repayment of certain loans for an amount equal to €268 million granted by some financing institutions to the Issuer;
- subject to Astaldi's admission to the composition with creditors procedure (which occurred on August 5, 2019):
  - (a) the granting of a facility (*linea di credito per cassa*) to the Group aimed at, inter alia, supporting Astaldi's needs during the interim period prior to the court's approval (*omologa*), through the provision of debtor-in-possession, super-secured interim financial resources (*finanza interinale prededucibile*). In September 2019, the Issuer's newly established subsidiary Beyond S.r.l. was granted a €150 million loan agreement and used part of the proceeds to acquire the €75,000,000.00 Super-senior secured PIYC Floating Rate Notes due February 12, 2022 of Astaldi ("**Astaldi Notes**"). See also "*Material Contracts*";
  - (b) the granting of a pre-deductible credit line (*linea di credito per firma*) to Astaldi by certain financing institutions, for the issue of guarantees aimed at the continuation of Astaldi's business activities and the execution of the plan and the proposal for the composition with creditors procedure submitted by Astaldi to the Court of Rome on June 19, 2019 and updated and supplemented on July 16, 2019, July 20, 2019 and August 2, 2019 (see "*The Astaldi Transaction*"). In particular, in August 2019, Astaldi entered into a credit line (*linea di credito per firma*) with a pool of institutions for €384 million to allow the issuance of certain guarantees, in the interest of Astaldi, in the context of certain projects involving Astaldi;
- subject to Astaldi's admission to the composition with creditors procedure (which occurred, as mentioned, on August 5, 2019) and the completion of Astaldi's capital increase reserved for Salini Impregilo (see "—*Potential investment and Astaldi's court-supervised composition with creditors procedure*"), the grant to Astaldi by certain lending institutions of a pre-deductible €200 million revolving cash credit line (*linea di credito per cassa*) in execution of the composition with creditors procedure that may be used (i) to refinance the interim finance granted to Astaldi before the approval of the composition with creditors procedure, and (ii) to support Astaldi's ordinary business activities;
- the granting to Salini Impregilo of a new €200 million back-up revolving credit facility aimed at covering the Group's financial needs also to implement Progetto Italia. This credit line,

although granted as part of the implementation of Progetto Italia to meet any sudden and unforeseen financial needs – and regardless of the manner in which Progetto Italia will be implemented – will continue to be available to the Issuer.

The above-mentioned financial package is not reflected in the net financial indebtedness as of June 30, 2019.

Cossi and Seli-GLF acquisitions

In October 2018, the Court of Rome granted Salini Impregilo the right of usufruct over the shares and quotas, respectively, of Seli Overseas S.p.A. ("**Seli Overseas**") and Grandi Lavori S.r.l., owner of a 100% interest in GLF Construction (USA), with a view to the potential acquisition of such participations, following a binding offer submitted by the Issuer ("**Seli-GLF Transaction**"). Such binding offer is subject to the fulfillment of certain conditions. The sale of such interest will be made through a competitive tender process (*procedura competitiva ad evidenza pubblica*). As of the date of this Prospectus, such public tender has not been initiated yet.

In March 2019, the Issuer completed the purchase of the interests in Cossi Costruzioni S.p.A. ("**Cossi Costruzioni**") held by Società Italiana Condotte d'Acqua S.p.A., which is under extraordinary administration (*amministrazione straordinaria*) and by Ferfina S.p.A., also under extraordinary administration and now hold a controlling interest of 63.5% in Cossi Costruzioni. The acquisition of Cossi Costruzioni ("**Cossi Acquisition**") is aimed at consolidating and developing the Group's experience in tunnel construction and expanding its presence in Switzerland.

As of the date of this Prospectus, the Cossi Acquisition and the Seli-GLF Transaction had no significant impact on the Group's financial statements. In particular, Cossi Costruzioni was included in the Group consolidation perimeter from April 2019. Neither Seli Overseas S.p.A. and GLF Construction S.r.l. are included in the Group consolidation perimeter, since the Issuer only has a right of usufruct in respect of its stakes in them.

The Astaldi Transaction

As indicated above, as of the date of this Prospectus, the main investment opportunity the Issuer has identified in the context of Progetto Italia is the potential investment in a controlling stake in Astaldi. Salini Impregilo believes this transaction would permit it to integrate two important companies operating in the market of the construction of large, complex infrastructure works and to lay the foundation for the establishment of a more domestically rooted and more competitive operator in the global market, reducing the gap in size with the Group's main international competitors.

Astaldi is the parent company of the Astaldi group ("**Astaldi Group**"), historically a global player in the sector of large complex infrastructures. Astaldi's ordinary shares have been listed on the Italian stock exchange since 2002. The Astaldi Group, which has been active for over 95 years, both nationally and internationally, develops complex and integrated projects in the field of design, construction and management of public infrastructure and major civil engineering works, mainly in the sectors of transport infrastructure, energy production plants, civil and industrial construction, facility management, plant engineering and management of complex systems.

The Astaldi Group is mainly active in Italy, Europe and Turkey, Africa (Algeria), North America (Canada, United States of America), Latin America and the East Asia (Indonesia, India), and operates through three main business lines: (i) Construction; (ii) Concessions; and (iii) O&M.

Since the middle of 2018, the Astaldi Group has been experiencing financial difficulties. On September 28, 2018, Astaldi's board of directors resolved to submit to the Court of Rome an

application for a court-supervised pre-bankruptcy composition with creditors procedure "subject to reservation" (*domanda di concordato preventivo "con riserva di deposito della proposta e del piano*"), pursuant to Articles 161(6), and 186–*bis et seq.* of the Italian Royal Decree No. 267 of March 16, 1942, as amended and supplemented ("**Italian Bankruptcy Law**"), preliminary to the filing of a proposal for a composition with creditors procedure with the continuation of the business of the debtor company (*procedura di concordato preventivo in continuità aziendale diretta*) pursuant to Articles 160, 161 and 186–bis et seq. of the Italian Bankruptcy Law. On October 17, 2018, the Court of Rome granted Astaldi 60 days, subsequently extended by a further 60 days, to submit its plan and proposal for the composition with creditors procedure, which Astaldi filed with the Court of Rome on February 14, 2019. On April 19, 2019, the Court of Rome found certain issues in the initial plan of arrangement filed by Astaldi, as a result of which Astaldi submitted a revised plan and proposal on June 19, 2019 (the "**Plan of Arrangement**"). Such Plan of Arrangement was updated and supplemented by Astaldi on July 16, 2019, July 20, 2019 and August 2, 2019. Astaldi also submitted the report prepared by an independent expert appointed by the debtor, assessing, inter alia, the feasibility of the composition proposal in accordance with the Italian Bankruptcy Law.

On February 14, 2019, Salini Impregilo submitted its initial offer for a potential investment in Astaldi, intended to support Astaldi's petition for admission to a composition with creditors procedure (*concordato preventivo*) (the "**Offer**", as subsequently updated on July 15 and on August 2, 2019). In particular, (a) in the context of the Plan of Arrangement, Astaldi is expected to carry out a preliminary reorganization aimed at transferring certain assets to a segregated fund to be liquidated in favour of Astaldi's creditors; (b) pursuant to the Offer, if certain conditions are met, Salini Impregilo undertook to subscribe for €225 million reserved capital increase (after Astaldi's debt is cancelled as a result of the composition with creditors procedure (*esdebitazione concordataria*)) and obtain a 65% stake in Astaldi (the "**Astaldi Transaction**"). For additional information, see "*—Potential investment and Astaldi's court-supervised composition with creditors procedure*" below.

The Court of Rome, by decree issued on August 5, 2019, admitted Astaldi to the composition with creditors procedure with the continuation of the business of the debtor company (*procedura di concordato preventivo in continuità aziendale diretta*), considering the Plan of Arrangement submitted by Astaldi – as supported by Salini Impregilo's Offer – to be feasible upon the proposed terms and conditions. By a separate decree, the Court of Rome also authorized Astaldi to obtain new pre-deductible loans (*nuova finanza in prededuzione*) to support the company's financial needs until the court's approval (*omologa*), and set a hearing for the summoning of creditors and the related vote for March 26, 2020.

Rationale of the Astaldi Transaction

The Issuer believes that the complementary nature of the geographies and infrastructure divisions of the two companies will contribute to the competitive strengthening of the resulting group on the international market, by enabling the combined group to achieve commercial and operational synergies through the enhancement of the respective technical and commercial skills. The completion of the Astaldi Transaction would also provide for continuity of Astaldi's existing projects and concessions, which Astaldi will continue to manage following the completion of the composition with creditors procedure, as well providing support to the related value chain, thus contributing to the stabilization of the large, complex infrastructure projects sector in Italy. This, in turn, would benefit the Italian construction sector as a whole.

The Issuer further believes that a potential combination with Astaldi may offer significant potential upsides, both in terms of:

- potential joint commercial development (in terms of increased number of tenders, win ratio, book-to-bill, pricing and new geographies), with more tangible effects after 2021;
- potential cost efficiencies (in terms of potential economies of scale, economies of scope, digitalization, alignment on internal policies, cost control and further savings, if and when Astaldi is fully integrated), which the Issuer expects to occur by 2021.

In addition, a potential upside for the enlarged group may result from the so-called "Sbloccacantieri" regulation approved in Italy in June 2019 and from the funding by the Italian Government of previously approved projects.

Potential investment and Astaldi's court-supervised composition with creditors procedure

The Offer, which was submitted on February 14, 2019 and lastly updated on August 2, 2019, is based on the contents of Astaldi's Plan of Arrangement (as amended) and provides for, inter alia:

- an economic and financial plan to support Astaldi's construction business line, the EPC business, its O&M business, and some minor concessions connected with infrastructure construction activities; and
- the spin–off into a segregated pool of assets (*patrimonio destinato a uno specifico affare*) ("**Segregated Fund**"), pursuant to Articles 2447–bis et seq. of the Italian Civil Code, of certain assets and receivables of Astaldi, including its 100% stake in Astaldi Concessioni S.p.A. ("**Astaldi Concessioni**") (or in a demerged company), and liquidation of other assets in line with the economic and financial forecasts set out in the Plan of Arrangement ("**Liquidation Perimeter**").

The financial package underlying the Offer and the Plan of Arrangement envisages, inter alia:

- a cash capital increase of €225.0 million by Astaldi, with the exclusion of pre–emptive subscription rights to existing shareholders, pursuant to Article 2441(5) of the Italian Civil Code, reserved for subscription by Salini Impregilo, and offered at an issue price of €0.230 per new share (the "**Reserved Capital Increase**"). The proceeds of the Reserved Capital Increase will be used to pay preferential (*privilegiati*) and pre–deductible (*prededucibili*) creditors and for the continuity of the business;
- the partial satisfaction of unsecured (*chirografari*) creditors, with the allocation in their favor of:
  - (a) new shares issued by Astaldi deriving from the partial conversion of their receivables. Following the Reserved Capital Increase and the issuance of new shares reserved to unsecured creditors, unsecured creditors are expected to hold a 28.5% stake of the share capital of Astaldi; and
  - (b) participative financial instruments (*strumenti finanziari partecipativi*) issued by Astaldi in connection with the liquidation of certain non–core assets segregated for the benefit of such creditors; and
- the issuance of:
  - (a) free antidilutive warrants in favour of Salini Impregilo, that would permit the Issuer to subscribe for and receive free of charge an additional number of Astaldi ordinary shares so that – if there is any subsequent issue of shares in favor of creditors not foreseen at the date of the Offer – Salini Impregilo is able to maintain the same ownership level in Astaldi; and

(b) warrants reserved to lenders that will grant to Astaldi additional financial resources, that will be exercisable. In the event of exercise of all such warrants, Astaldi's lenders will hold 5% of the share capital of Astaldi. The issuance of Astaldi shares to service the warrants will result in a dilution of shareholders' holdings at the time issuance; in particular, assuming the exercise of all such warrants, Salini Impregilo's shareholding is expected to decrease from 65% to 61.7% of the share capital of Astaldi.

The Plan of Arrangement and the Offer contemplate, *inter alia*, a reorganization of Astaldi to be carried prior to the execution of the Reserved Capital Increase, which is instrumental to the abovementioned transactions.

Following the Reserved Capital Increase and after Astaldi's debt is cancelled as a result of the composition procedure (*esdebitazione concordataria*), Salini Impregilo is expected to hold a 65% stake in Astaldi. Astaldi's current shareholders are expected to hold a 6.5% stake, while current creditors are expected to hold the remaining 28.5% stake, following conversion of a portion of their claims into Astaldi shares. On July 10, 2019, CONSOB confirmed that the acquisition of control by Salini Impregilo over Astaldi in accordance with the Offer will be exempt from the Italian law mandatory tender offer requirements.

The perimeter that is the subject of the Offer includes all the assets and other relationships that are not affected by the abovementioned reorganization for the benefit of Astaldi's creditors.

The Offer remains subject, inter alia, to the positive outcome of Astaldi's proposed composition with creditors procedure, with court's approval (*omologa*) by March 31, 2021, and to the absence of events that jeopardize the feasibility of Astaldi's Plan of Arrangement, without prejudice to the provisions of antitrust law and the absence of any commitments, conditions or obligations imposed on Salini Impregilo or on Astaldi.

If all the conditions are fulfilled, the execution of the Astaldi Transaction is expected to occur in the first half of 2020.

Capital Increase

On November 7, 2019, Salini Impregilo launched an offering (the "**Global Offering**") of €600 million in new ordinary shares, with no par value and with the same rights as the existing ordinary shares, by means of (i) an offering outside the United States to certain institutional investors in offshore transactions in reliance on Regulation S under the U.S. Securities Act of 1933, as amended; or (ii) an offering within the United States only to qualified institutional buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act of 1933 or another exemption from the registration requirements of the Securities Act.

More precisely, on November 6, 2019 the Board of Directors of Salini Impregilo resolved to exercise the mandate given by the extraordinary shareholders' meeting of October 4, 2019 pursuant to Article 2441(5) and Article 2443 of the Italian Civil Code, and approved the launch of a non–divisible capital increase of €600 million with the exclusion of pre–emptive subscription rights to existing shareholders (the "**Capital Increase**"). The Global Offering was completed on November 8, 2019 and the Capital Increase was eventually settled on November 12, 2019 (the "**Capital Increase Closing Date**"). Subscription price was determined at the end of the Global Offering at €1.50 per ordinary share. Within the context of the Global Offering, pursuant to the commitments undertaken in the relevant Investment Agreements, Salini Costruttori, CDP Equity and the Financing Banks subscribe for, respectively, €50 million, €250 million and €150 million in new shares at the subscription price (see "*Principal Shareholders-Investment Agreements*").

The Issuer intends to use the net proceeds from the Capital Increase principally to support Progetto Italia (including the Astaldi Transaction) and, more generally, its Business Plan, which includes Progetto Italia. If, among other things, Astaldi's composition with creditors is not approved by the Court, in accordance with the CDP Equity Investment Agreement with (see "*Principal Shareholders-Investment Agreements*" and "*Principal Shareholders-Shareholders' Agreement*") and, in any case, if the Issuer believes it would be in its best interest, it is envisaged that the proceeds intended for the Astaldi Transaction will be used, in the first place, to fund the acquisition of assets or business units of Astaldi in the context of a possible subsequent extraordinary administration procedure (*amministrazione straordinaria*, a procedure available under Italian law for large insolvent industrial and commercial enterprises) or otherwise to fund the acquisitions or other operations in the context of Progetto Italia.

Furthermore, in the context of the Capital Increase, Salini Impregilo, Salini Costruttori, CDP Equity and the Financing Banks, respectively, have agreed to abide by lock-up restrictions for a period of 6 months from the Capital Increase Closing Date, in line with the market standard for similar transactions.

The Capital Increase has improved the cash position of the Group, thus improving Net Financial Indebtedness of the Issuer, by €591 million.

Considering the Capital Increase (net of fees and commissions), the Net Financial Indebtedness resulting from the most recent historical financial information (i.e., the Issuer's 2019 Interim Consolidated Financial Statements for the six-month period ended 30 June 2019), which was equal to € 1,104 million, would amount to €513 million[1].

Other recent developments

The most significant new construction projects acquired by the Salini Impregilo Group after June 30, 2019 include the following (see also "*—Principal Activities-New Projects*"):

- in September 2019, Texas Central, the company developing a high-speed train in Texas (USA), announced the signing of a design and build contract with the joint venture between Salini Impregilo and its US subsidiary, Lane Construction. The joint venture will carry out the civil engineering work for the new high-speed service between Houston and Dallas. Work is expected to start in 2020 after the completion of the entire project approval process;
- in October 2019, Salini Impregilo and Astaldi, together with Canadian partners as members of the Mobilinx consortium, were awarded a civil construction contract by Infrastructure Ontario and Metrolinx for the Hurontario LRT ("**HuLRT"**). The complete Mobilinx team, which also consists of John Laing, Hitachi, Amico, Bot and Transdev, will design, build, finance, operate and maintain the HuLRT for a 30-year term. With a 42% stake in the joint-venture for the civil construction work, Salini Impregilo will lead the engineering, procurement and construction of the civil works. Astaldi has a 28% stake;
- in October 2019, the Group was awarded a contract in Norway to upgrade a railway section between the cities of Nykirke and Barkaker, south of the capital, Oslo. The project involves

[1] This number was calculated by subtracting the amount of the Capital Increase (net of fees and commissions) (€ 591 million based on the best estimation available as of January 7, 2020) from the amount of the Net Financial Indebtedness as at June 30, 2019. Therefore, it does not consider other items, including the financial package to support Progetto Italia and the short-term cash flow trends, which occurred in the period between June 30, 2019 and the date of this Prospectus.

the design and construction of a double-track line, including two bridges, three tunnels and a station near the town of Skoppum;

- in October 2019, Lane was awarded a design-build contract to widen and install a dual toll system on Washington's I-405 highway between Renton and Bellevue;
- in November 2019, CSC Impresa Costruzioni SA of the Salini Impregilo Group was awarded a contract for the renovation works of the Palais des Nations Historical Buildings of the United Nations in Geneva.

BUSINESS OVERVIEW

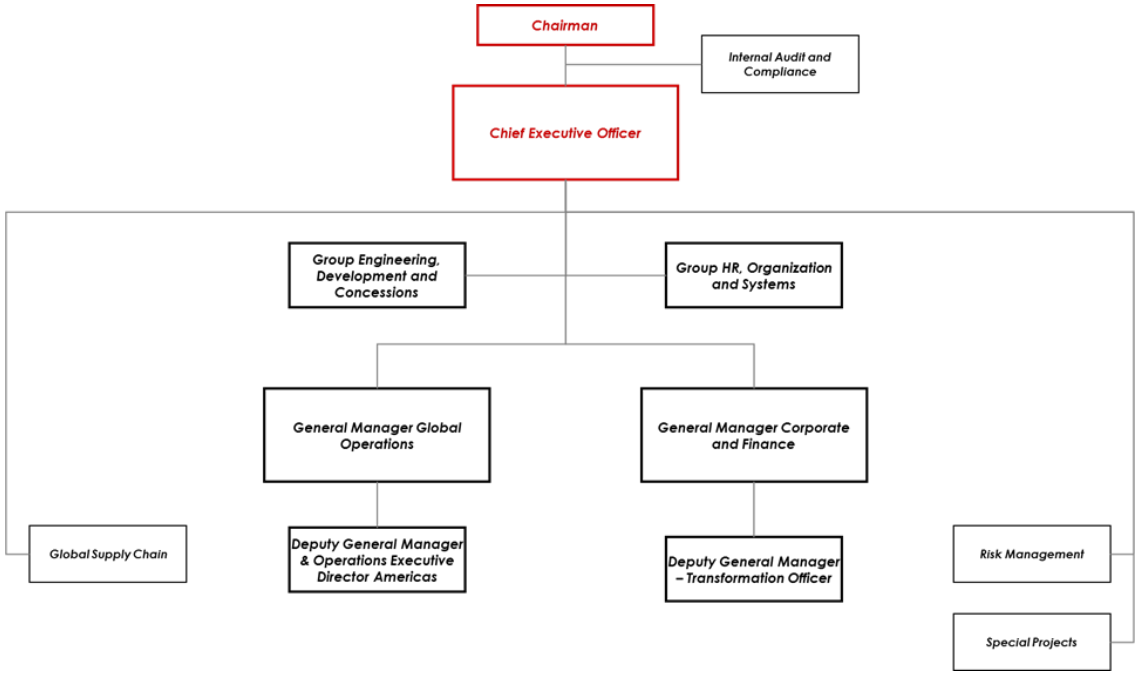
The Issuer is, by revenues, the largest Italian contractor as of December 31, 2018 and the Salini Impregilo Group is the largest global construction group in the water sector (dams and water management plants) (source: ENR Report, Top 250 International Contractors, August 19/26, 2019). According to ENR, the Group ranked among the Top 10 operators in the United States of America and the Middle East by revenues outside their home countries and among the Top 10 operators in the sewer & waste treatment sector by revenues (source: ENR Report, Top 250 International Contractors, August 19/26, 2019). With the acquisition of Lane in 2016, the Group expanded its international presence and it is ranked among the Top 10 US operators in the ''Transportation'' and ''Domestic Heavy Contractors'' sectors by revenue (Source: ENR Report, Top 400 Contractors, May 27–June 3, 2019).

Projects in the sector in which the Group operates are characterized by scale, complexities in construction and execution and/or working conditions that require high technical and engineering skills and qualifications. Examples of important ongoing projects, carried out independently by the Group or in partnership with other leading contractors, include the "Al Bayt" stadium in Doha, Qatar; the metropolitan transport system in Riyadh, Saudi Arabia; the "Grand Ethiopian Renaissance Dam" and the Koysha hydroelectric plant in Ethiopia; in Australia, the underground line connecting the airport with Forrestfield in Perth, and the expansion of the "Snowy Mountains Hydroelectric Scheme", a network of hydroelectric plants operating in the region called Snowy Mountains, in New South Wales; the High Capacity / High Speed railway project in the Milan–Genoa section, in Italy; in the United States of America, the "Anacostia River Tunnel", which involves the construction of a hydraulic tunnel that develops largely under the Anacostia, a tributary of the Potomac river in Washington D.C., and the projects called "I–10 Corridor Express Lanes", in California, and "Purple Line Light Rail", in Maryland. The Group is also involved in the construction of the Lima 2 metro line in Lima, Peru.

For the year ended December 31, 2018, the Group generated €5,414 million of Adjusted revenues, €400 million of Adjusted EBITDA and it had a Net Financial Indebtedness of €860 million as of December 31, 2018. For the six-month period ended June 30, 2019 the Group generated €2,710 million of Adjusted revenues€239 million of Adjusted EBITDA and it had Net Financial Indebtedness of €1,104 million as of June 30, 2019.

As at June 30, 2019, the Group employed a total of 23,685 employees, of which 1,778 (or 8%) were in Italy and 21,907, or (92%), were abroad.

The following chart illustrates the organisational structure of the Salini Impregilo Group.



Salini Impregilo's administrative functions are organised around its commercial activities related to bidding for new projects and executing the projects that the Group has been awarded.

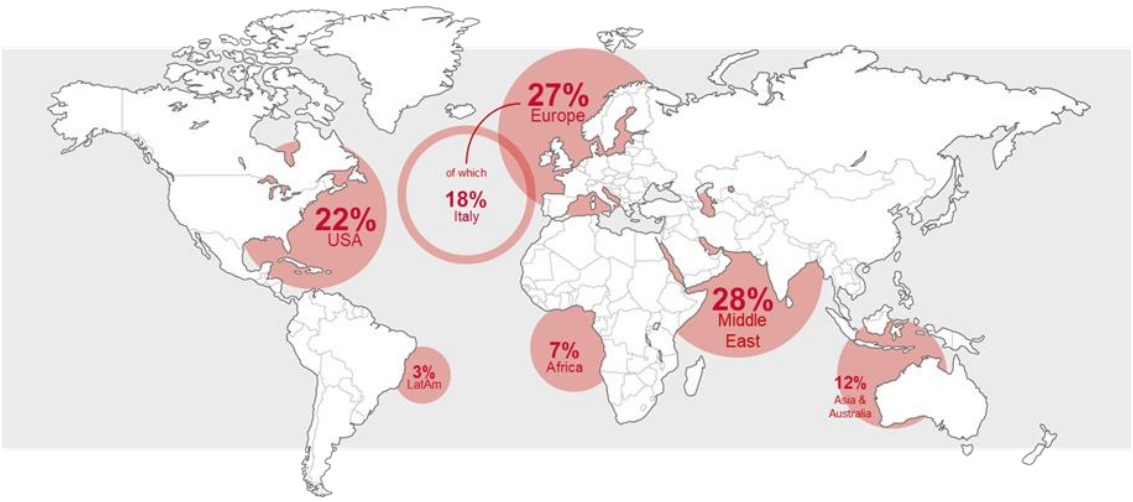
Operating activities are divided into six geographical areas, that provide technical contribution for bidding processes and manage the execution of construction projects. Each geographical operations area is further divided into regional clusters, to guarantee a more effective focus at country level.

Operating costs and projects progress are monitored by Group's headquarter functions.

PRINCIPAL ACTIVITIES

The Issuer reports the Group's results according to three operating segments: (i) Italy; (ii) International; and (iii) Lane Group (which mainly operates in the USA).

The following graph illustrates the Group's presence on a geographical basis in terms of Adjusted Revenues as at June 30, 2019.



For illustration purposes only, the Group's operations may be divided in: (i) Constructions activities, i.e., heavy civil engineering construction activities, the Group's core business, which in turn may be subdivided into four main categories (Hydroelectric Plants, Dams & Hydraulic Works; Rails & Undergrounds; Roads, Highways & Bridges; other projects); and (ii) Other activities, which includes the construction of plants, concessions and other non–construction activities.

(A) Construction Activities

The Group's core business is focused on heavy civil engineering and construction.

Set out below is a chart of the Group's primary pending construction projects by business sub-sectors in terms of backlog as of June 30, 2019. The projects that the Issuer deems most significant are described in more detailed tables on the following pages. Projects that have not commenced yet (and for which the completion percentage is 0%, (e.g., Broni Mortara (Italy), Line 16 of Grand Paris Express (France), Porto Ancona (Italy) or Riachuelo Lot2 (Argentina)), or that are suspended, even indefinitely (i.e., projects in Venezuela and Libya), have not been included in this table.

As of June 30, 2019, the Group's backlog related to its Construction Activities was approximately €28.9 billion. See "*Backlog*".

Project	**Country**	**Completion percentage[(1)]**	**Backlog[(2)]**
			(in € millions)
Hydroelectric plants, dams and hydraulic works			
Snowy Hydro 2.0	Australia	3.4%	3,178
Koysha	Ethiopia	26.2%	1,888
Rogun hydroelectric plant	Tajikistan	30.9%	1,418
Grand Ethiopian Renaissance Dam (GERD)	Ethiopia	76.7%	983
Caloosahatchee (C43) West Basin Storage Reservoir	USA	0.9%	456
Northeast Boundary Tunnel (NEBT)	USA	30.7%	339
Riachuelo	Argentina	71.5%	109
Adiyan	Nigeria	57.7%	87
Fort Wayne - Three rivers	USA	51.7%	83
Waste Water projects - Hydro	USA	35.6%	52
Rails and undergrounds			
Milano-Genova high speed/capacity railway line (COCIV)	Italy	38.3%	2,927
Verona-Padua high speed/capacity railway line (Iricav Due)	Italy	1.1%	1,431
Riyadh Metro Line 3	Saudi Arabia	79.4%	611

Project	Country	Completion percentage[1]	Backlog[2]
			(in € millions)
Metro Lima 2	Peru	18.5%	563
Purple Line	USA	29.8%	415
Perth -Forrestfield Airport Link	Australia	60.0%	321
Metro Blu (M4) - Line 4 of the Milan Underground	Italy	55.7%	265
Naples Cancello	Italy	4.6%	229
Roads, highways and bridges			
Ariguani	Colombia	36.5%	715
I-10 Corridor Express Lanes	USA	4.4%	565
State Jonica 106	Italy	4.4%	375
Southern Wake	USA	4.3%	339
I-440 Beltline Widening - Wake Cnty	USA	3.0%	295
I-77/I-40 Interchange Improvement	USA	5.2%	217
Wekiva	USA	7.4%	206
S7 Widoma Krakow	Poland	1.5%	200
Other projects			
Riyadh National Guard Military	Saudi Arabia	7.2%	1,038
Al Mutlaa Jv	Kuwait	75.3%	121
Centro Direzionale Eni	Italy	26.8%	111
CSC	Switzerland	89.4%	107
CSI Simplon	Switzerland	17.2%	80
Meydan One	UAE	89.9%	49

(1) Represents the percentage of the works completed through June 30, 2019, calculated by applying the cost-to-cost method, according to which the percentage of completion is calculated by comparing the costs effectively incurred with the estimated contract costs.

(2) Represents the construction contract value that remains to be executed, which is reflected in the Group's backlog as of June 30, 2019. Backlog regarding related concession contracts (if any) is not included.

The following table sets forth the Group's construction backlog for each geographical area for the periods indicated:

Backlog by geographic area – Construction backlog

	As of June 30,		As of December 31			
	2019		2018		2017	
	(in € million, except for percentages)					
Italy	**7,694.2**	***26.6%***	**8,134.1**	***30.6%***	**8,463.9**	***31.0%***
Asia	*3,457.5*	*12.0%*	*4,050.0*	*15.2%*	*5,442.6*	*19.9%*
Africa	*6,077.9*	*21.0%*	*6,122.8*	*23.0%*	*6,283.7*	*23.0%*
Americas (excluding Lane)	*2,615.4*	*9.0%*	*2,283.1*	*8.6%*	*2,584.7*	*9.5%*
Rest of Europe	*1,564.1*	*5.4%*	*1,525.4*	*5.7%*	*951.8*	*3.5%*
Oceania	*3,501.6*	*12.1%*	*391.8*	*1.5%*	*582.8*	*2.1%*
International	**17,216.5**	***59.5%***	**14,373.1**	***54.1%***	**15,845.6**	***58.0%***
Lane Group[(1)]	**4,003.6**	***13.8%***	**4,057.7**	***15.3%***	**3,000.8**	***11.0%***
Total	**28,914.4**	***100.0%***	**26,564.9**	***100.0%***	**27,310.3**	***100.0%***

(1) Backlog as of December 31, 2017 includes the backlog of the Plants & Paving Division disposed in 2018. See "*Material Contracts*".

While the Issuer's financial statements do not provide segment reporting for each of such business lines (and/or their respective sub-sectors), for purposes of this Prospectus, an unaudited breakdown of the Group construction backlog by each of its construction sub-sectors is also provided, which the Issuer believes provides additional information useful to the reader in understanding the Group's business mix and its trends.

The following table sets forth the Group's construction backlog for each sub-sector of its Construction Activities for the periods indicated.

	As of June 30,		As of December 31			
	2019		2018		2017	
	(in € million, except for percentages)					
Hydroelectric plants, dams and hydraulic works	8,653.1	29.9%	5,325.0	20.0%	6,088.8	22.3%
Rails and undergrounds	9,555.0	33.0%	10,113.4	38.1%	10,751.6	39.4%
Roads, highways and bridges	6,743.9	23.3%	6,903.9	26.0%	5,665.0	20.7%
Other projects	3,962.4	13.7%	4,222.6	15.9%	4,804.7	17.6%
Total[(1)]	**28,914.3**	**100.0%**	**26,564.9**	**100.0%**	**27,310**	**100.0%**

(1) Backlog as of December 31, 2017 includes the backlog of the Plants & Paving Division disposed in 2018. See "*Business—Material Contracts–Sale of the Plants & Paving Division of Lane*".

Hydroelectric Plants, Dams & Hydraulic Works

Among the large–scale infrastructure projects carried out by the Group, the design and construction of hydroelectric plants, dams, canals, aqueducts, and underground sewer and wastewater networks plays a prominent role. As indicated above, the Group is the leading operator in the sector of "turnkey" water projects where in 2019 it ranks as the world's largest contractor in the water construction sector by revenue (Source: ENR Report, Top 250 International Contractors, August 19/26, 2019). As of June 30, 2019, the Hydroelectric Plants, Dams & Hydraulic Works projects represented 29.9% of the Group's construction backlog.

The Salini Impregilo Group uses modern technology and relies on many years of experience to tackle geological or technical difficulties as well as any political, environmental and financial issues. In this respect, the Group has built many types of dams from concrete, compact concrete, earth and rocks and has successfully delivered complex hydropower plants on turnkey solutions, thus undertaking and developing design solutions aimed at being compliant and integrated with all other peculiar aspects of the project.

Examples of significant projects for the Group that have been completed include the Karahnjukar hydroelectric project in Iceland, the Gilgel Gibe I and II dams and the Gibe III (an extension of the greater complex that includes Gibe I and Gibe II) in Ethiopia, the Ponte de Pedra hydroelectric plant in Brazil and Mazar hydroelectric plant in Ecuador.

Rails & Undergrounds

The Group designs and constructs underground and above–ground railways, including high speed railways, subways/undergrounds, the related rail tunnels and other general underground projects. In particular, the activities include the design, excavation, construction, implementation, supervision and maintenance of above–ground and underground railways and other general underground projects. As of June 30, 2019, the Rails & Undergrounds projects represented 33.0% of the Group's construction backlog.

The Group has a long track record of designing and constructing tunnels, including under technically challenging conditions. In particular, the Group may rely on advanced tunneling technologies, such as "Tunnel Boring Machines" ("TBMs"), which enable it to completely mechanise the tunnel excavation process, regardless of soil type, and the "New Austrian Tunnelling Method", which allows tunneling through friable terrain.

Furthermore, the Group focuses on the design and construction of high–speed railways in Italy and abroad. Due to its reliability, energy efficiency and ecological sensitivity, many European countries have invested in high–speed railway infrastructure as a new and efficient means of transportation for long distances.

Examples of significant projects for the Group that have been completed include the high–speed railway line from Turin to Milan and from Bologna to Florence and construction of certain sections of the Paris and Athens subways.

Roads, Highways & Bridges

The Roads, Highways & Bridges business includes the design, excavation, construction, implementation, supervision and maintenance of roads and motorways, highways and other bridges, viaducts and related structures, such as tunnels, on/off ramps, overpasses and underpasses. The Group also has advanced technological expertise in excavating and ventilating large–diameter highway tunnels, complete with lighting systems. In particular, the bridges and viaducts constructed by the Group span a range of different design specifications, such as simple projects comprising concrete beams and caissons that are prefabricated or produced ad hoc, to extremely complex projects, such as suspension and cable–stayed bridges. By way of example, the Issuer was the

project leader of the Bosphorus Contractors Consortium, which was responsible for the construction of the second suspension bridge over the Bosphorus, which was completed in 1994.

As of June 30, 2019, the Roads, Highways & Bridges projects represented 23.3% of the Group's construction backlog.

Other Projects

The Other Projects activities include projects in areas other than the Group's three principal construction business activities, such as the design and construction of civil and administrative buildings, airports, educational facilities, car parks, hospitals and industrial complexes and plants. By way of example, as of the date of this Prospectus, the Group completed the construction of the Stavros Niarchos Foundation Cultural Centre in Athens (Greece) and the Plenary Chamber for the European Parliament in Strasbourg, France, Ushuaia International Airport in Argentina and Bergamo Airport in Italy. In addition to these projects, the Group has also undertaken additional works in Europe (Italy and Switzerland) and Africa and is currently building Gaziantep Hospital in Turkey.

(B) Other Activities

In addition to Construction Activities, the Group conducts operations in plants and concessions that were historically performed by Impregilo and managed as separate units. "Other Activities" include: (i) Plants, and (ii) Concessions.

Plants

Historically, the Group was active in plant design, construction and operation activities, primarily constructing and operating plants for the desalination of sea water, gas flue treatment (a process by which flue gas is treated) and waste–to–energy processes. Currently, these activities are of minor importance to the Group's business and certain related business lines, including Fisia Babcock Environment GmbH, have been sold.

Concessions

As of June 30, 2019, the Group had 18 ongoing concession projects, of which two are managed through holding companies, five are in the investment phase (i.e. the Group is investing in the construction of the projects), nine are in operation and two in liquidation. In particular, the concession activities involve the operation, management and maintenance of public infrastructure concessions in which the Group makes equity commitments and maintains an equity or similar type of ownership interest. The Group participates in concessions as either a partner of the concessionaire company, through joint venture companies and associations executing the projects, or as a contracting party. The most significant concessions are for transport infrastructure, energy distribution systems, power distribution lines, water systems, hospitals and car parks.

The Group has been present in the concessions sector for more than 20 years. Its main concessions projects are the Milan Metro Line 4 in Italy, the Metro Line 2 in Peru, the Ruta del Sol Highway in Colombia and the Gaziantep Hospital in Turkey. In the last few years, the Issuer has made a strategic decision to dispose of non–core assets, such as brownfield concessions (i.e., projects under concession aimed at the renovation, upgrading or expansion of existing infrastructures or the creation of infrastructures in addition to those already existing). Accordingly, since 2012, certain of these assets – including the Brazilian concessionaire EcoRodovias Infraestrutura e Logística S.A., in which the Group held a 29.74% interest – have been divested. On the other hand, the Group also intends to continue to bid strategically on greenfield concessions (i.e., projects under concession aimed at the *ex novo* creation of infrastructures) with the aim of reaping benefits in the "Construction Activities" sector while seeking to retain the right to exit from the concession to the extent an

opportunity for disposal arises, usually after the completion of the construction phase. In other words, although the Group is in the process of renewing its focus on construction operations by disposing of non–core concession assets, the Group continues to utilize concessionary structures as a means to increase its “Construction Activities” sector.

The following tables set forth the Group's principal concessions in Italy and outside Italy, respectively, as of June 30, 2019.

Italy

Country	Operator	% of investment	Stage
Highways			
Italy (Pavia)	SaBroM S.p.A. (Broni Mortara)	60.0	Not yet active
Italy (Ancona)	Passante Dorico S.p.A. (Porto Ancona)	47.0	Not yet active
Metros			
Italy (Milan)	SPV Linea 4 S.p.A. (Metropolitana Milano Linea 4)	9.7	Not yet active
Car Parks			
Italy (Terni)	Corso del Popolo S.p.A.	55.0	Active
Other			
Italy (Terni)	Piscine dello Stadio S.r.l.	70.0	Active

Abroad

Country	Operator	% of investment	Stage
Highways			
Argentina	Iglys S.A.	100.0	Holding
Argentina	Autopistas Del Sol	19.8	Active
Argentina	Mercovia S.A.	60.0	Active
Colombia	Yuma Concessionaria S.A. (Ruta del Sol)	48.3	Active
Metros			
Peru	Metro de Lima Linea 2 S.A.	18.3	Not yet active
Energy from Renewable Source			
Argentina	Yacylec S.A.	18.7	Active
Argentina	Enecor S.A.	30.0	Active
Integrated Water Cycle			
Peru	Consorcio Agua Azul S.A.	25.5	Active
Hospitals			
Great Britain	Ochre Solutions Ltd – Oxford Hospital	40.0	Active
Great Britain	Impregilo New Cross Ltd.	100.0	Holding
Turkey	Gaziantep Hospital	24.5	Not yet active

Concessions in Argentina related to Puentes del Litoral S.A, and Aguas del G. Buenos Aires S.A. are in liquidation.

New Projects

Recently awarded contracts include the following:

- in March 2019, the Issuer was awarded a contract for the design and construction of the section called Apice-Hirpinia of the Italian high-speed railway line connecting Naples and Bari. The project, which is part of the Transport European Network (TEN-T), the European programme aimed at integrating transport networks within the Member States of the European Union, includes an 18.7 km stretch between the cities of Benevento and Avellino, the construction of the Hirpinia station, natural tunnels and some viaducts;
- in May 2019, the Issuer was awarded a contract for the construction of a section of the new ‘‘Orient Express’’, the high-speed railway line that will cross the European part of Turkey, between Istanbul and the border with Bulgaria. The line, which will be part of the TEN-T, the integrated transport system of the European Union countries mentioned above, is part of the wider northsouth- east/east European rail corridor (Orient/East-Med Corridor), connecting Central Europe with the ports of the North Sea, the Baltic Sea, the Black Sea and the Mediterranean. The project will connect the stations of Halkali and Kapikule, Turkey;
- in June 2019, Fisia Italimpianti was awarded a contract for the construction of Lot 2 of the Riachuelo system in Buenos Aires (Argentina), a project aimed at reducing the organic pollution of Rio de la Plata where the Riachuelo river flows. The Group will build a waste pre-treatment plant and related pumping stations at the inlet and outlet. The project represents the second of three lots of the Riachuelo system;
- in September 2019, Texas Central, developer of a high-speed train in Texas between Houston and Dallas, announced the execution of a design-build contract with the Issuer and its US subsidiary, Lane Construction. The joint venture will carry out the civil engineering work for the project. Work includes the design and construction of the viaduct and embankment sections along the entire route, the installation of the track system and the alignment and construction of all buildings and services for the maintenance and storage of railway equipment. Start of works is expected in 2020 after the conclusion of the entire project approval process (see also “*Recent Developments*” above);
- in October 2019, Lane was awarded a contract to build a water storage tunnel to reduce polluted overflows into the Seattle, Washington Lake Washington Ship Canal, Washington, USA and (ii)
- in October 2019, the Issuer was awarded a contract in Norway to upgrade a railway section between the cities of Nykirke and Barkaker, south of the capital, Oslo. The project involves the design and construction of a double-track line, including two bridges, three tunnels and a station near the town of Skoppum;
- in October 2019, Salini Impregilo and Astaldi, together with Canadian partners as members of the Mobilinx consortium, were awarded a civil construction contract by Infrastructure Ontario and Metrolinx for the Hurontario LRT (see also “*Recent Developments*” above);
- in October 2019, Lane was awarded a design-build contract to widen and install a dual express toll system on Washington’s I-405 highway between Renton and Bellevue, USA;

- in November 2019, CSC Impresa Costruzioni SA of the Salini Impregilo Group was awarded a contract for the renovation works of the Palais des Nations Historical Buildings of the United Nations in Geneva.

Backlog

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

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

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

The value of the order backlog decreases:

– when a contract is cancelled or decreased as agreed with the customer;

– in line with the recognition of contract revenue in profit or loss.

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

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

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

The above measurement method differs from the method used to prepare the disclosure on performance obligations yet to be satisfied in accordance with IFRS 15 as set out in note 32 to the condensed interim consolidated financial statements. Specifically, the main contract revenue included in the order backlog and not considered in the notes includes:

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

Project phases

The Group's categorizes project cycles in the following phases: (a) research, project selection and business development (i.e., research and assessment of prospective business opportunity), (b) management of prequalifications and bidding process, and (c) project execution and (d) post-construction support.

The Issuer's Business Development Department is responsible for originating projects by researching business opportunities and forthcoming tenders, taking into account, *inter alia*, a risk-analysis assessment, the expected profit margin and revenue, the technical expertise required to execute the project as well as the probability of award of such project. The Business Development Department also proposes whether the Group should bid for the project alone or with partners, based on risk assessment. size of the project and technical requirements.

The Group is awarded contracts for new projects primarily through competitive bidding processes which typically include solicitations by public announcements and invitations when short-listed for projects. In the public sector, contracts are generally awarded through tenders. In some instances, participation in the bidding process is only permitted following a pre-qualification procedure, where the bidder's eligibility to carry out the project is examined on the basis of certain parameters such as financial capability, experience, personnel and equipment. As customary, in order to participate in competitive tenders, enter into contracts with customers or guarantee performance thereunder, contractors are required to provide customers with commercial guarantees (including bid bonds, performance bonds, advance bonds, retention money bonds or other forms of guarantees).

Construction activities may be typically carried out with different management options:

(i) direct management, whereby the construction activity is performed directly by the Issuer without any third parties' involvement, regardless they are or not Group's subsidiaries;

(ii) management through consortia, joint ventures, other partnerships or limited liability entities in cooperation with other operators. As the case may be, the Issuer may hold a majority or minority stake in the relevant partnership or entity;

(iii) management through subsidiaries whose capital is entirely held by the Issuer or other Group's entities.

The first step of the execution process is to identify the project team and the project manager to execute the project. The next step is the budget approval and allocation of the resources needed to execute the project, followed by the project mobilization, which includes sourcing and contracting with suppliers and subcontractors and managing logistics.

The project is monitored on a monthly basis to ensure the Group is in line with the budget, and twice a year an in-depth analysis of each project's budget is undertaken. Where allowed by applicable law, projects are initially financed through advances on the contract price. In some countries in which the Group operates or according to certain typologies of contracts, advances may not be contractually customary or foreseen and, as a result, the Group, or the partnership involved in the project, must undertake must undertake all of the project's cost, which are recovered by the generation of cash resulting from operational activities, or through loans. The project execution process ends with the customer taking over the management of the project.

At the end of the execution phase, after the customer has taken over the project, the Group provides post construction support by conducting any contractually-agreed maintenance works and managing any claims that have arisen during the defects liability period, which is normally contractually agreed to be between 12 and 24 months.

Significant changes

Without prejudice to Progetto Italia, the Offer in relation to the Astaldi Transaction and the Capital Increase (see "*Recent Developments*" above) and the new projects awarded (see "*New Projects*" above), the Issuer is not aware of any significant changes which had an impact on the Group's operations and principal activities during 2019, including any material changes in the Issuer's regulatory environment.

Trend information

The Issuer is not aware of any significant recent trends in production, sales and inventory, and costs and selling prices since the end of the 2018 financial year to the date of this Prospectus, which may affect - positively or negatively - the Issuer's activities, nor the Issuer is aware of any significant change in the financial performance of the Group during the same period.

As of the date of this Prospectus, the Issuer is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for the current financial year.

BUSINESS STRATEGY

The business strategy of the Salini Impregilo Group is focused on sustainable long-term growth and value creation for shareholders, the key factors of which are as follows:

Focus on core construction operations.

In contrast to many of the Group's peers who are "diversified contractors," the Group's strategy primarily consists of focusing on heavy civil engineering and construction, specializing in large, complex infrastructure projects, plants, and water and waste treatment plants, instead of activities related to concessions (which are extremely capital intensive). On the other hand, the Group also intends to continue to bid strategically on greenfield concessions that benefit its Construction Activities while seeking to retain the right to exit from these concessions to the extent an opportunity for disposal arises, usually after the completion of the construction phase.

The Issuer hopes to benefit from the revival of the infrastructure market, having already identified €630 billion of large projects for 2019-2021 around the world, driven by urbanization, mobility, digitalization, and sustainability. In Italy, the so-called "Sbloccacantieri" regulation approved in June 2019, which is expected to unlock €36 billion of projects in Italy, also represents potential business opportunities. Although the size, technical requirements and bidding considerations of the Group's target projects are such that it must frequently operate through joint ventures or consortia, the Group intends to increase to the extent possible its focus on construction projects in which it has a controlling interest, or alternatively, assume the role of project leader, in order to exercise increased control over costs and efficiencies.

As part of this strategy to focus on its core construction operations, the Group also may consider the potential sale of non-core assets.

Focus on the de-risking of the Group's international footprint by expanding its presence in less risky markets.

The Group intends to expand its presence in lower-risk countries (such as the United States, Australia, Canada and Northern Europe) with a high GDP and increasing infrastructure spending programs.

Strengthening presence in these core markets is also expected to allow the Group to leverage on its increased scale and reduce the exposure to risks related to specific geographical areas, although

higher performance guarantee requirements in some of these markets (such as the United States, where 100% guarantees are usually required) may require additional financial resources.

Sustainable development

The Group's business model pursues the objective of combining the creation of economic value for shareholders, investors and customers with the creation of social and environmental value for customers and the stakeholders of the countries in which the Group operates

In particular, the Issuer is a member of the United Nations Global Compact, a worldwide initiative for sustainable development, which requires a commitment to aligning strategies and operations with ten universal principles relating to human rights, labor, the environment and the fight against corruption.

The Group has adopted a corporate management and organisation model based on a set of principles (code of ethics, policies) and management and control tools (risk management, procedures, controls) aimed at monitoring relevant sustainability issues, in compliance with the applicable laws and regulations in the various countries in which the Group operates, as well as with the main international standards and guidelines.

The Issuer publishes a yearly Sustainability Report produced in compliance with the Global Reporting Initiative (GRI) standards and verified by an external certification body. In addition, the Issuer is regularly assessed by investors, specialised non-financial rating agencies, customers and other stakeholders on the Group's ESG (Environmental, Social and Governance) performance.

In 2018, the Issuer was rated ''C+ Prime'' by ISS-Oekom, ranking among the top construction sector operators. The Issuer also obtained the recognition as the ''Best Improver'' by Vigeo, a ''B'' rating on the CDP Climate Change questionnaire and a ''BB'' rating from MSCI. In addition to ESG ratings, the Issuer is also assessed by other organisations on specific issues. For example, in 2019, it ranked first in the ''Best Employer of Choice'' ranking of the most desired companies in Italy among recent graduates in technical-scientific faculties.

The Quality, Health & Safety and Environment Management System

The quality, health & safety and environment management system (''QHSE System'') is a management tool used by the Group's senior management to maintain the expected and desired quality of the Group's projects, in order to: (i) comply with the technical requirements defined by the contract specifications; (ii) focus on the health and safety of employees and of those involved in the Group's projects; and (iii) reduce the environmental impact of the projects. Processes that may have an impact on the QHSE System and requirements are planned, developed and monitored according to documented procedures, to the full satisfaction of the Issuer's stakeholders. The QHSE System meets the highest international standards, which allowed Salini Impregilo to obtain a renewal of its ISO 9001, ISO 14001 and ISO 45001 certifications in April 2019, based on the audit carried out by an independent entity.

All parties with which the Group interfaces, in particular its suppliers and subcontractors, are required to comply with the Group's requirements and standards.

Environmental Matters

The Group places great importance on environmental protection and reflect its environmental sensitivity in its business operations. The approach of the Group's environment management system is based on the PDCA (Plan, Do, Check and Act) method and the continual improvement of its processes is based on objective measurement. The environmental system has been certified for EN ISO 14001 since 2007 and the Group remains committed to achieve the following objectives:

- protecting the environment and preventing environmental damage;
- guaranteeing natural resources and biodiversity protection; and
- ascertaining those aspects of company's activities that can a have significant impact on the environment.

The analysis of the applicable regulatory requirements is made during all stages of a project (i.e., design, procurement and construction). At each stage, a relative identification of the requirements needed for the proper performance of the work is identified.

The working methods are planned and developed taking into consideration:

- the legal and regulatory requirements
- the identification of each significant environmental aspect, its impacts and the mitigation/control measures to be adopted;
- training; and
- monitoring compliance.

Plans, procedures and training are developed and monitored to minimize the Group's environmental impact through management of construction waste, land and soil consumption and erosion, air emission, noise and vibration, as well as the reduction of water and energy consumption. Periodic environmental audits for all of the Group's project sites and head office are regularly planned and performed. In addition, the Group establishes ''environmental targets'' on an annual basis, monitor its environmental performance and implement improvement activities as necessary.

Occupational Health and Safety

The Group recognizes the utmost importance of occupational health and safety protection of employees and third parties during the performance of its activities. The approach of the Group's Occupational Health and Safety Management System ("**OHS System**") is also based on the PDCA method, while the continual improvement of its processes is based on objective measurement. The OHS System has been certified for BS ISO 18001 since 2003 and for ISO 45001 since April 2019.

Works methods are planned and developed taking into consideration:

- legal requirements (including Legislative Decree 81/2008) and any contract requirements for the project;
- international standards, health and safety policy as well as other guidelines and procedures;
- training; and
- monitoring compliance.

The risk assessment is made during all stages of a project (i.e., design, procurement and construction). At each stage, a relative identification of the requirements needed for the proper performance of the work is identified.

With respect to the procurement process, the requirements related to the materials, machinery and equipment (i.e., handling, proper use and maintenance) are analyzed and evaluated, in order to avoid the use of machinery and equipment not complying with safety and health regulations.

During the development of the Construction activities, the OHS System plans are reviewed to check the compliance with law requirements and site visits, audits and follow-up actions are regularly performed.

Quality Control

Planning, execution and control of production activities aims at guaranteeing that the work is carried out in compliance with the contractual and corporate conditions and regulatory constraints.

The control activities are based on:

- control programmes, inspections and checks of materials/products - upon delivery and/or at the supplier's premises - and work activities, checks of documented information, documents, operational methods, permits, process, qualifications, construction materials, work environment conditions, equipment, software and personnel, in all cases with reference to standards, codes and contractual and legal requirements, frequency of checks, tolerance limits, responsibilities and checks on records;
- guidelines providing, for each project, working parameters, equipment/machinery to be used, execution sequence, requirements to be met, specific qualifications of personnel and records to be kept, risk control (including health and safety).

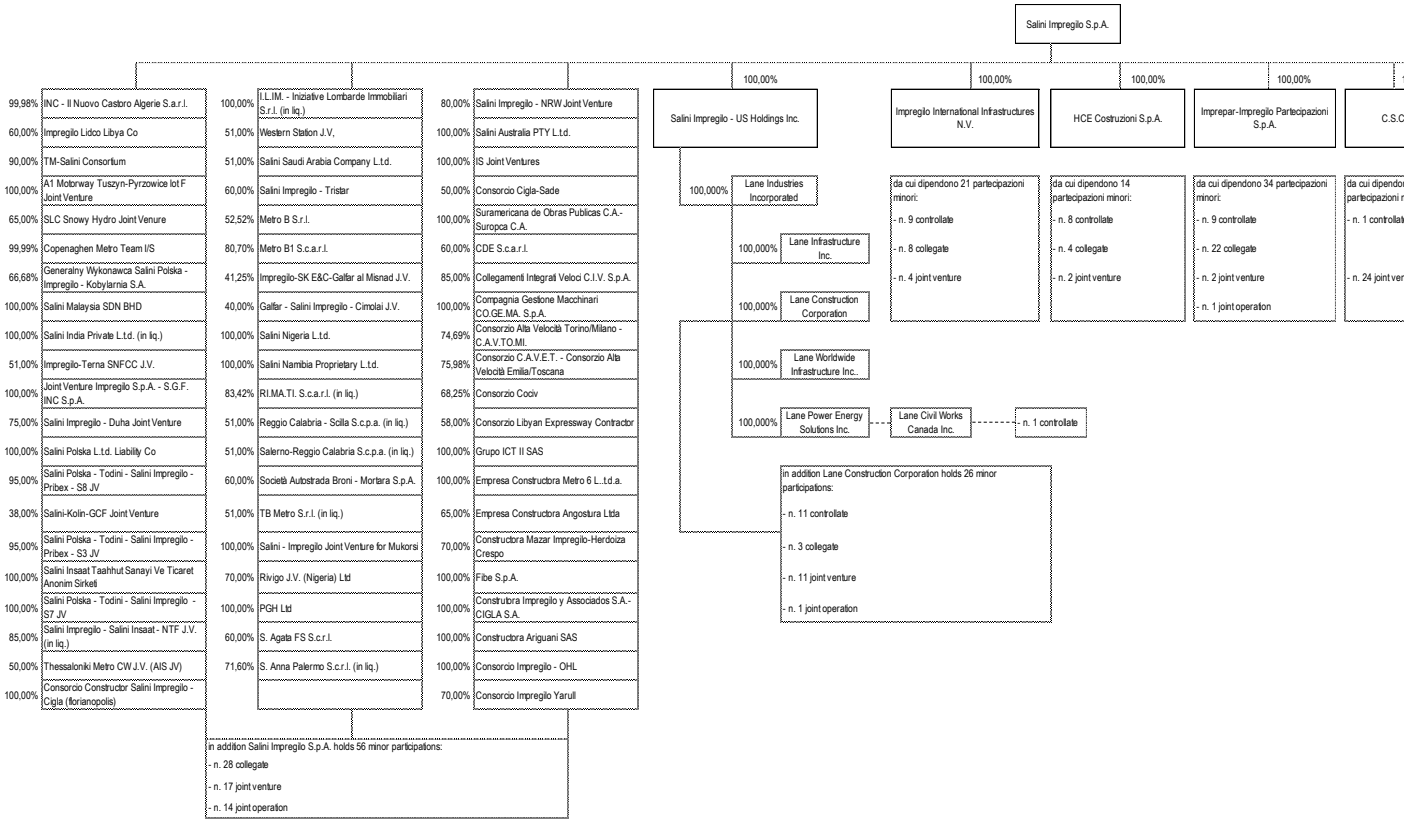
Research and Development

Research, development and technological innovation have always been essential to the execution of the Group's large-scale complex projects and the Group dedicates continuous attention to these areas. In close partnership with qualified professionals and engineering companies at an international level, the Group has developed highly innovative techniques and solutions for use on projects of all types, sizes and complexity. For example, the Group's "Fast Track Implementation" method is specifically designed to construct large-scale "turnkey" hydroelectric power plants. The method, based on the simultaneous launch of all critical operational phases, helps to significantly reduce project timescales. Therefore, a hydroelectric plant begins to generate benefits and revenue streams much sooner than it would with a traditional organizational approach, delivering a faster return on investment. The Fast Track Implementation method, which the Group has already applied to three large-scale hydroelectric plants, can be used for many project types that require swift completion times, anywhere in the world.

Furthermore, the main research and development activities carried out in 2018 concerned the design, study and implementation of tools, mostly digital, for, *inter alia*, the collection of supplier performance assessments, the management of the supplier screening process and of the sourcing approval process; and the efficiency and improvement of site activities, such as new machinery management systems, new methodologies for the installation of vertical pipes in an underwater environment, large capacity automated conveyor belt systems, new electrical systems, the development of a large capacity automated loading hopper integrated with other conveyor systems and, more generally, new technologies for the construction of large works.

ORGANISATIONAL STRUCTURE

Salini Impregilo is the parent company of the Salini Impregilo Group. The chart below illustrates the simplified corporate s
of 30 June 2019.



As of the date of this Prospectus, the Issuer believes that it is not dependent upon any entities within the Salini Impregilo Group.

CORPORATE GOVERNANCE

Overview

The Salini Impregilo Group's approach to corporate governance is aimed at ensuring consistency with the best international practices.

The Issuer has adopted the "traditional" model of governance, where in principle the board of directors is responsible for the company's management and the board of statutory auditors is responsible for overseeing compliance with applicable laws and the by-laws.

The corporate governance system adopted and implemented by Salini Impregilo complies with the provisions of Italian corporate law and the Italian Consolidated Financial Act (Legislative Decree 24 February 1998, No. 58, as amended, the "**ICFA**"). It is also in compliance with the code of self-regulation drafted by the Corporate Governance Committee for Listed Companies, an internal body established by the Italian Stock Exchange, and applies to Italian listed companies on a "comply-or-explain" basis (the "**Code of Self-Regulation**"). In particular, the Issuer's by-laws are in compliance in corporate governance matters with all applicable laws as well as the recommendations set forth in the Code of Self-Regulation and the Italian securities markets regulations.

Pursuant to the ICFA, Salini Impregilo is required to illustrate in detail in each annual report on the corporate governance (which is published every year at least 21 days prior to the general meeting that is convened to approve the annual financial reports) the measures and procedures adopted and put in place in order to implement the recommendations included in the Self-Regulation Code and, in the event that one or more of such recommendations are not implemented, in full or in part, the reasons why the Board of Directors has decided not to do so.

The Issuer's most recent Report on the Corporate Governance (for the year 2018) is available in English at: https://salini-pdf-archive.s3-eu-west-1.amazonaws.com/governance/en/corporate-governance/2019/corporate-governance-execution-eng.pdf.

Board of Directors

The Board of Directors, in office as of the date of this Prospectus, is composed of 15 members who are expected to remain in office until the approval of the financial statements for the financial year ending on December 31, 2020. Pursuant to the Issuer's current by–laws which were approved by the extraordinary shareholders' meeting held on October 4, 2020 and came into force on the Capital Increase Closing Date, the Board of Directors will consist of fifteen directors.

The name, role, the date of first appointment and the date and place of birth of the current members of the Board of Directors are set forth in the following table:

Name and Surname	Position	Date of First Appointment	Place and Date of Birth
Donato Iacovone[3]	Chairman	December 6, 2019	Notaresco (Teramo), October 1st, 1959
Pietro Salini[2]	Chief Executive Officer	July 17, 2012	Rome, March 29, 1958
Nicola Greco[1][3]	Vice–Chairman	September 12, 2013	Rome, October 15, 1949

Name and Surname	Position	Date of First Appointment	Place and Date of Birth
Francesca Balzani(1) (3)	Director	December 6, 2019	Genoa, October 31, 1966
Giuseppina Capaldo(1) (3)	Director	July 17, 2012	Rome, May 22, 1969
Mario Giuseppe Cattaneo(1) (3)	Director	July 17, 2012	Genoa, July 24, 1930
Roberto Cera(3)	Director	July 17, 2012	Milan, June 24, 1955
Pierpaolo Di Stefano(3)	Director	December 6, 2019	Rome, August 6, 1969
Giuseppe Marazzita(1) (3)	Director	December 6, 2019	Camerino (Macerata), May 1st, 1966
Marina Natale(1) (3)	Director	December 6, 2019	Saronno (Varese), May 13, 1962
Ferdinando Parente(1) (3)	Director	April 30, 2018	Naples, January 12, 1961
Franco Passacantando(1) (3)	Director	September 12, 2013	Rome, August 7, 1947
Laudomia Pucci di Barsento(1) (3)	Director	July 17, 2012	Firenze, September 16, 2019
Alessandro Salini(3)	Director	July 17, 2012	Rome, March 26, 1961
Grazia Volo(3)	Director	April 30, 2018	Caltanissetta, September 17, 1952

(1) Independent Director pursuant to Article 147–ter(4) of the ICFA and Article 3 of the Code of Self–Regulation.

(2) Executive Director

(3) Non–Executive Director

The business address of all members of the Board of Directors is the Issuer's registered office.

On December 2, 2019, former independent Directors Marina Brogi, Raffaella Leone, Geert Linnebank and Giacomo Marazzi, in consideration of the industrial and strategic rationale of Progetto Italia which was thoroughly discussed and agreed upon within the Board of Directors, also having regard to the agreements entered into with the parties of Progetto Italia and, in particular, the CDP Equity Investment Agreement (see "*Principal Shareholders-Shareholders' Agreement*"), communicated their resignation from office, effective from the time the Board would met to resolve upon their replacement by co-optation. In accordance with the provisions set forth under the CDP Equity Investment Agreement, the Chairman of the Board, Donato Iacovone, and Directors Francesca Balzani, Pierpaolo Di Stefano, Giuseppe Marazzita and Marina Natale, who were

designated by CDPE, were appointed by co-optation during the Board meeting held on December 6, 2019, pursuant to Art. 2386, paragraph 1, of the Italian Civil Code and Art. 20 of the Issuer's by-laws.

All members of the Board of Directors meet the integrity and experience requirements under applicable Italian law.

The Issuer's Chief Executive Officer, Mr. Pietro Salini, and one of the Board members, Mr. Alessandro Salini, are related. None of the other members of the Board of Directors has any family relationship, within the meaning of applicable Italian law, with any other member of the same board, nor with any member of the Board of Statutory Auditors.

Except as set forth below, to the knowledge of the Issuer, in the last five years, none of the current members of the Board of Directors has been convicted of fraud or bankruptcy crimes. Moreover, none of them has been subject to criminal charges or sanctions by public authorities or regulators (including appointed industry associations) during the performance of his or her professional duties, or to any injunction by any court affecting his or her ability to hold any position as a member of the corporate, management or supervisory bodies of the Issuer, nor has any of them removed or disqualified by a court from an administrative, management or supervisory body of any company or from acting in the management of any company.

A description of the experience and education of each of the members of the Board of Directors who are in office as of the date of this Prospectus is summarized below.

Donato Iacovone. Mr. Donato Iacovone has served as Chairman of the Board of Directors of Salini Impregilo since December 2019. He has a degree in Economics and Business Administration from the University of Pescara and began his professional career in 1984 working for EY, of which he became partner in 1996. As regards his career at EY, he was appointed Head of the Public Sector in 1997, then he was the partner responsible for the advisory in Italy from 2000 until 2005, when he was appointed Advisory Leader of the Central Western European Area. He became then Leader of the Business Development in Italy, Spain and Portugal from 2008 until 2010, when he was lastly appointed Managing Partner of Italy, Spain and Portugal. From1994 until 1997, he was professor at the University of Urbino. He is currently professor at the University "L.U.I.S.S. Guido Carli" of Rome and the University "Luigi Bocconi" of Milan. He is the author of various publications.

Pietro Salini. Mr. Pietro Salini has served as Chief Executive Officer of Impregilo (now Salini Impregilo) since July 2012. He has a degree in Economics and Business Administration from La Sapienza University of Rome and began his professional career in 1985 working for the family company Salini Costruttori S.p.A., becoming its Chief Executive Officer in 1994, a position he still holds. He also currently serves as the Chairman of the Board of Directors of Lane Industries, Inc.. He is also a Member of the Board of Confindustria, General Representative on the Board of Unindustria and Executive Committee Member of Assonime. On 31 May 2013, he was honoured with the title of "*Cavaliere del Lavoro*" (Knight of Labor), for his service to industry, and on 11 December 2013, he won the Tiepolo Award in Madrid for the deal that resulted in the takeover of Impregilo.

Nicola Greco. Mr. Nicola Greco has served as a member of the Board of Directors of Impregilo (now Salini Impregilo) since September 2013. He has a degree in Chemical Engineering from La Sapienza University of Rome and started his professional career in 1974 at Technipetrol (TPL) S.p.A., where he served in various capacities, including as Project Engineer and Project Manager, and was later named Deputy General Manager and, in 1994, CEO, a role that he kept until 2007. From 2007 to February 2016, he has served as CEO of the Permasteelisa Group; he is still currently part of its Board of Directors, and is the Chairman of Permasteelisa Participations. In the past, he

also served as Director of Saipem S.p.A. until May 2014. He currently serves as a member of the Board of Directors of Salini Costruttori S.p.A. of the Supervisory Board of Josef Gartner GmbH. He is Professor of Economics and Business Management at the Biomedical Campus University in Rome – School of Chemical Engineering for Sustainable Development.

Francesca Balzani. Ms. Francesca Balzani has served as a member of the Board of Directors of Salini Impregilo since December 2019. She served as member of the Steering Committee at the Fondazione Cassa di Risparmio di Genova e Imperia, where she chaired the Social Projects Committee. She also served as Chairperson of Opere Sociali, a subsidiary of the Fondazione Carige whose aim is to pursue social-related projects. She carried out academic activities, also in *post-lauream* courses, in particular the Master in Tax Law at the University "Luigi Bocconi" of Milan. She is the author of various publications in tax-related matters. During her career, she has served as Councilor at the Municipalities of Milan and Genoa, and also held important offices at the European Parliament and the ANCI (Italian Association of Municipalities). She served as independent director and member of the Risks Committee of Carige S.p.A., and she currently serves as board member of Banca Cesare Ponti S.p.A. and independent director of Infrastrutture Wireless Italiane - Inwit s.p.a. (Telecom Group), where she is also a member of the Risks Committee.

Giuseppina Capaldo. Ms. Giuseppina Capaldo has served as a member of the Board of Directors of Impregilo (now Salini Impregilo) since 2012 and, since 2014, of Credito Fondiario S.p.A.. She is Full Professor of Private Law at "La Sapienza" University of Rome. From 2012 to 2015, she was an independent Director of the Board of Directors of Exor S.p.A. From 2012 to 2015, she was a member of the Board of Directors of Ariscom S.p.A. (an Italian insurance company), and, from 2006 to 2010, of A.D.I.R.–Assicurazioni di Roma. From 2004 to 2007, she collaborated with the law firm "Macchi di Cellere Gangemi" in the Banking and Finance, Corporate and M&A sectors. Since 2014, she has been the Pro–rector of Resource and Asset Planning at "La Sapienza" University. Since 2009, she has been the Director of the Master's in "New rules for intermediaries, Companies and financial markets (*Le nuove regole per intermediari, emittenti e mercati finanziari*). From 2008 to 2014, she was Pro–rector of Strategic Planning and, from 2007 to 2013, she was Director of the Law and Economics of Productive Activities Department. From 2007 to 2011, she was also Coordinator of the Doctorate School of "Contract Law and Business Economics". She graduated in Economics and in Law at "La Sapienza" University. In 1992, she qualified as a certified public accountant. Since 1999, she has been an Independent Auditor listed in the Italian Register of Independent Auditors. Moreover, since 2003, she has been a qualified lawyer who can practice in the Italian courts since 2003. She is the author of various publications on contract law, insurance law, financial law and market law theory.

Mario Giuseppe Cattaneo. Mr. Mario Giuseppe Cattaneo has served as a member of the Board of Directors of Impregilo (now Salini Impregilo) since July 2012. He has a degree in Economics and Business Administration from Luigi Bocconi Commercial University of Milan, is a licensed certified public accountant and is listed in the Register of Independent Auditors. He is Professor Emeritus of Corporate Finance at the Sacro Cuore Catholic University in Milan. He was Director of Luxottica S.p.A. and he currently serves as member of the Boards of Directors of Bracco S.p.A., and is a consultant for several industrial and financial groups.

Roberto Cera. Mr. Roberto Cera has served as a member of the Board of Directors of Impregilo (now, Salini Impregilo) since July 2012. He has a degree in Law from the Statale University in Milan and is licensed to practice law and is qualified to serve as counsel before higher–level courts. He has worked on major stock underwritings in Italy, as a consultant both to the underwriters and to the companies, and is an expert in regular and structured debt transactions and acquisition financing in particular. He was involved in the organization and implementation of the most important M&A and

extraordinary finance transactions of the last years. He served on the Board of Directors of Autostrade S.p.A., Atlantia S.p.A., Schemaventotto S.p.A. and Beni Stabili S.p.A. He served on the Board of Directors of, *inter alia*, Salini Costruttori. After a 10–year experience at a prestigious law firm in Milan, in 1989, he founded the Cera Cappelletti law firm, a professional association active in Milan in extraordinary finance transactions and, in 1995, he contributed to the establishment of the Erede e Associati law firm. He was a founding partner of the BonelliErede (formerly Bonelli Erede Pappalardo) law firm, where he is currently a senior partner.

Pierpaolo Di Stefano. Mr Pierpaolo Di Stefano has served as a member of the Board of Directors of Salini Impregilo since December 2019. He has a degree in Economics and Business Administration from the University "Luigi Bocconi" of Milan. He has worked for over 25 years in the investment banking sector. After an initial professional experience in Lazard, he worked for Merrill Lynch International from 1997 until 2005. He served as managing director of UBS and leader of the Italian investment banking team of Nomura. Until March 2019, he served as Head of Italy Corporate and Investment Banking of Citigroup. From April 2019, he is Chief Investment Officer of CDP S.p.A., CEO of CDP Equity S.p.A. and board member of FSI SGR S.p.A. e of B.F. S.p.A. He is also a member of the Management Board of AIFI (Italian Association of Private Equity, Venture Capital and Private Debt).

Giuseppe Marazzita. Mr. Giuseppe Marazzita as served as a member of the Board of Directors of Salini Impregilo since December 2019. He has a degree in Law from La Sapienza University of Rome. He received his Ph.D. degree in Constitutional Law from the University of Ferrara in 1999. On February 1st, 2005, he was appointed associate professor in the disciplinary field of Institutions of Public Law at the Faculty of Law at the University of Teramo. Since January 23, 2008 he is Coordinator of the PhD in "Fundamental Rights Protection - Italian and European Public Law" at the University of Teramo. Since September 1st, 2009, the group of Associate Professors has been recognized in the disciplinary field of Public Institutions. He taught Constitutional Law, Regional Law, Public Information Law, Public Law on the Environment, and he currently teaches Institutions of Public Law and Constitutional Law. He also participated in several Scientific Research Programs of Relevant National Interest, and he is the author of various publications.

Marina Natale. Ms. Marina Natale has served as a member of the Board of Directors of Salini Impregilo since December 2019. She has a degree in Business Administration from the Università Cattolica del Sacro Cuore of Milan. She was member of the Research and Planning Department at the Credito Italiano and, during the period between 1997 and 2008, she was Head of Group M&A and Business Development. From 2008 until 2017, she held several offices at UniCredit S.p.A. (initially Head of Private Banking Division, then Group CFO, Deputy General Manager, Head of Strategy&Finance and Head of Strategy, Business Development & M&A). She also served as CEO of Fiera di Milano and is currently the CEO of Società Gestione degli Attivi. During her career, she has also served as board member of various companies (other than the groups referred to above), including Pioneer Global Asset Management S.p.A., Fineco Bank, Mediobanca - Banca di Credito Finanziario S.p.A., Valentino and the Italian Recovery Fund (former ATLANTE II). She also served as board member of Assonime (Association of Italian Joint-Stock Companies) and ABI (Association of the Italian Banks).

Ferdinando Parente. Mr. Ferdinando Parente has served as a member of the Board of Directors of Salini Impregilo (formerly Impregilo) since December 2013. He has a degree in Statistics from La Sapienza University of Rome and a Master of Arts in Economics from Stanford University. He is currently also an expert member of the Board of the European Investment Bank, a professor at LUISS University a senior fellow of the LUISS School of European Political Economy in Rome. He is a member of the Board of Directors of Euroclear (Plc and SA/NV) and Chairman of Società di

Gestione del Risparmio Antirion. He has held several senior positions at the Bank of Italy where, as Central Director, he was in charge of relations with international institutions, and previously in charge of market operations, reserve management and payment systems. In his early years at the Bank of Italy, from 1976 to 1995, he held several positions in the Research Department, including that of Head of the Monetary Sector. He has also been involved in several projects in the area of payment systems. Acting on behalf of the Bank of Italy, he has been the Governor Deputy for the G20 and the G7 a member of the Economic and Financial Committee of the European Union, of various working groups and Committees at the OECD (WP3 and Financial Markets Committee) and the Bank for International Settlements (Committee on Payment and Settlement Systems). Recently he also chaired (in 2013) the international OTC Derivatives Regulators' Forum and (in 2012) the international Working Group for the review of the 2001 IMF Guidelines on Foreign Exchange Reserve Management. From 1995 to 2013, he was Executive Director at the World Bank, where he held the positions of Chairman of the Budget Committee, Chairman of the Audit Committee and of Dean of the Board.

Franco Passacantando. Mr. Franco Passacantando has served as a member of the Board of Directors of Impregilo (now Salini Impregilo) since December 2013. He has a degree in Statistics from La Sapienza University of Rome and a Master of Arts in Economics from Stanford University. He is currently also an expert member of the Board of the European Investment Bank, a professor at LUISS University, a senior fellow of the LUISS School of European Political Economy in Rome. He is a member of the Board of Directors of Euroclear (Plc and SA/NV) and Chairman of Società di Gestione del Risparmio Antirion. He has held several senior positions at the Bank of Italy where, as Central Director, he has been in charge of relations with international institutions and previously in charge of market operations, reserve management and payment systems. In his early years at the Bank of Italy, from 1976 to 1995, he held several positions in the Research Department, including that of Head of the Monetary Sector. He has also been involved in several projects in the area of payment systems. Acting on behalf of the Bank of Italy, he has been the Governor Deputy for the G20 and the G7, a member of the Economic and Financial Committee of the European Union, of various working groups and Committees at the OECD (WP3 and Financial Markets Committee) and the Bank for International Settlements (Committee on Payment and Settlement Systems). Recently he also chaired (in 2013) the international OTC Derivatives Regulators' Forum and (in 2012) the international Working Group for the review of the 2001 IMF Guidelines on Foreign Exchange Reserve Management. From 1995 to 2013, he was Executive Director at the World Bank, where he held the positions of Chairman of the Budget Committee, Chairman of the Audit Committee and of Dean of the Board.

Laudomia Pucci di Barsento. Ms. Laudomia Pucci di Barsento has served as a member of the Board of Directors of Impregilo (now Salini Impregilo) since 2012. She has a degree in Political Sciences from LUISS–Guido Carli University of Rome and she started her professional career in 1985 at Emilio Pucci S.r.l., from 1985 to 1989, she was an assistant to the company's founding shareholder; from 1989 to 2000, she was Chairperson of the Board of Directors and Chief Creative Officer. She currently serves as Deputy Chairperson and Image Manager. In addition, she is a member of the Steering Committee of Ente Cassa di Risparmio di Firenze, a Vice President and Director of Fondazione Altagamma, a member of the Board of Directors at Polimoda and the Palazzo Strozzi Foundation (United States of America).

Alessandro Salini. Mr. Alessandro Salini has a degree in Political Sciences from La Sapienza University of Rome and a Master of Arts in Administration, Finance and Control from LUISS – Guido Carli University of Rome. In 1987, he started to work in COGEFAR, which later became COGEFARIMPRESIT (FIAT Group), today Salini Impregilo. In 1993, he joined Salini Costruttori S.p.A. where he worked as Market Development and Special Projects Director. He also held a more

"institutional" role within the European International Contractors (EIC) association, participating in work groups and holding the role of Board Member, to represent Italian building companies. Since 1994, he also is a Director of Salini Costruttori S.p.A., Salini S.p.A. and of other subsidiaries of the Salini Costruttori Group. He is currently a Board Director of Salini Costruttori S.p.A. and of other companies belonging to the Salini Costruttori Group. Mr Alessandro Salini is a member of FORT/WGFA (Wharton Global Family Alliance), and Managing Director of Sa.Par (Salini Partecipazioni), the family holding belonging to Francesco Saverio Salini.

Grazia Volo. Ms. Grazia Volo has a degree in Law from the University of Palermo. She has been a lawyer since 1975. Since 1993, she has been authorized to practice before Italy's highest courts. Grazia Volo is the founder and owner of a firm which bears her name, which is established as a professional partnership. The firm is specialised in criminal law, with specific expertise on corporate and financial offences, environmental crimes and offences against the public administration. Grazia Volo has gained extensive experience in judicial and extra–judicial counselling of large Italian companies, both private and public, including on corporate administrative liability under Legislative Decree 231/2001. The firm, which also specialises in crimes of opinion, has advised and represented various national journalistic.

Board Committees

Pursuant to Article 16 of the CONSOB's regulation No. 20249 of 28 December 2017 (also known as the "Market Regulation"), the Issuer, in its capacity as a listed company which is subject to direction and co-ordination of another company (i.e., Salini Costruttori, see also "*Principal Shareholders-Controlling Shareholder-Salini Costruttori*") pursuant to Articles 2497 et seq. of the Italian Civil Code, is required – *inter alia* – to establish committees which are to be entirely composed of independent directors (to the extent establishment of these committees is recommended by the Code of Self-Regulation, therefore excluding, *inter alia*, the Strategic Committee referred to below).

The Issuer's Board of Directors has established the following Committees, which carry out advisory, preliminary and consultancy activities in favor of the Board of Directors in the relevant areas. The composition of each Committee was redefined by the Board during the meeting held on December 6, 2019.

(a) *Compensation and Nominating Committee*, which is composed of the following three Independent Directors: Ferdinando Parente (Chairman), Nicola Greco and Giuseppe Marazzita.

(b) *Risks, Control and Sustainability Committee*, which is composed of the following six Independent Directors: Mario Cattaneo (Chairman), Francesca Balzani, Nicola Greco, Marina Natale, Ferdinando Parente and Franco Passacantando.

(c) *Related Parties Committee*, which is composed of the following three Independent Directors: Giuseppe Marazzita (Chairman), Giuseppina Capaldo and Ferdinando Parente.

In addition to the Board committees above, effective from December 6, 2019, the Board of Directors established a further committee, namely the Strategic Committee, which is composed of the following five Directors: Pierpaolo Di Stefano (Chairman), Francesca Balzani, Nicola Greco, Marina Natale and Pietro Salini.

The Strategic Committee shall supervise and evaluate the activities in any way connected with the implementation and execution of Progetto Italia, and is entrusted with investigative and advisory powers *vis-à-vis* the Board of Directors, with the aim to support the Board of Directors' assessments and decisions in relation to Progetto Italia, all in accordance with the CDP Equity Investment Agreement. These powers include:

- monitoring (i) the activities relating to the implementation of Progetto Italia, based on the periodic reports sent by the Chief Executive Officer and any further useful information acquired, and (ii) any merger and acquisitions transactions in Italy and abroad which, regardless of their inclusion in the Progetto Italia, may have a significant impact on the implementation of Progetto Italia;
- evaluating, also in support of the activities of the Compensation and Nomination Committee, the progress of the implementation of Progetto Italia, considering the objectives and the key performance indicators applicable from time to time to Progetto Italia;
- issuing a mandatory non-binding prior opinion in connection with: (i) the activities relating to the implementation and execution of Progetto Italia, including any acquisition/business combination in the context of Progetto Italia, and (ii) any merger and acquisition transaction in Italy and abroad which regardless of their inclusion in the Progetto Italia, may have a significant impact on the implementation of Progetto Italia;
- issuing a mandatory non-binding prior opinion, in connection with any amendments and integrations of Progetto Italia, including, *inter alia*, (i) the extension of the subjective scope of Progetto Italia, and (ii) the extension of Progetto Italia for an additional 18–month period in the event it will not be fully implemented within the first 18–month period;
- issuing a mandatory non-binding prior opinion in connection with the acknowledgment of the full completion of Progetto Italia as a result of the achievement of all the targets.

The Strategic Committee will be automatically confirmed at each renewal of the composition of the Board of Directors, until the end of the 36–month period following the Capital Increase Closing Date (*i.e.*, November 12, 2019), or, if earlier, until the date on which the Board of Directors will have assessed, by the qualified majority set forth under the by-laws and subject to the mandatory non-binding prior opinion of the Strategic Committee, the full completion of Progetto Italia as a result of the achievement of all the targets. See also "*Recent Developments - Progetto Italia and the Astaldi Transaction*" above.

Board of Statutory Auditors

The current Board of Statutory Auditors was appointed at the ordinary shareholders' meeting of April 27, 2017, and it is expected to remain in office until the approval of the financial statements for the year ending on December 31, 2019.

The name, role, the date of first appointment and date and place of birth of the current members of the Issuer's Board of Statutory Auditors are set forth in the following table:

Name and Surname	Position	Date of First Appointment	Place and Date of Birth
Giacinto Gaetano Sarubbi	Chairman of Board of Statutory Auditors	April 27, 2017	Milan, January 8, 1963
Alessandro Ludovico Trotter	Standing auditor	April 29, 2008	Vimercate, June 9, 1940
Teresa Cristiana Naddeo	Standing auditor	April 30, 2014	Turin, May 22, 1958
Piero Nodaro	Alternate auditor	April 27, 2017	Savignano sul Rubicone, August 29, 1959

Name and Surname	Position	Date of First Appointment	Place and Date of Birth
Roberto Cassader	Alternate auditor	April 27, 2017	Milan, September 16, 1965

The business address of all members of the Board of Statutory Auditors is the Issuer's registered office.

All members of the Board of Statutory Auditors meet the integrity and experience requirements for listed companies under Article 148(3) of the ICFA and the implementing regulation adopted thereunder pursuant to Ministerial Decree No. 162 of March 30, 2000.

Certain biographical information regarding each statutory auditor is briefly summarized below.

Giacinto Gaetano Sarubbi. Mr. Giacinto Gaetano Sarubbi was appointed as Chairman of the Board of Statutory Auditors of Salini Impregilo in April 2017. He has a Degree in Business Administration and is Certified Public Accountant and Technical Advisor for the Court of Milan. He is registered to the certified Public Accountants of Milan (Italian Ministerial Decree of April 12, 1995, published on the Official Gazette No. 31–bis of April 21, 1995). He carried out – both as the owner of his consulting services firm and as partner and CEO of important international companies of the auditing and company consulting services sectors – tax and corporate consultancy activities, and activities relating to corporate organization and industrial accountancy activities for various companies with share capital, also working at an international level. He currently is Chairperson of the Board of Statutory Auditors of A2A S.p.A., and Statutory Auditor and Chairperson of the Board of Directors of other companies.

Alessandro Ludovico Trotter. Mr. Trotter has served as Statutory Auditor of Impregilo (now Salini Impregilo) since April 2011 and as Chairman of the Board of Statutory Auditors since July 2012. He has a degree in Economics and Business Administration from the Catholic University of Milan and has been licensed to practice as a certified public accountant since 1967 and is listed in the Register of Independent Auditors. In January 1974, he founded his own professional services firm in Milan. This firm provides consulting services to Italian and international clients in the industrial, banking and services sectors. He served and continues to serve as Statutory Auditor and Chairman of the Board of Statutory Auditors of numerous companies and banks, including Atlantia S.p.A., Autostrade per l'Italia S.p.A., Igli S.p.A., PGAM S.p.A.–(Pioneer) and he also served as Chairman of the Board of Statutory Auditors of UniCredit Banca S.p.A.. He was a Director of Banca Agricola Milanese, Banca Popolare di Milano and Deputy Chairman of Centrobanca S.p.A. and Chairman of Italfondiario S.p.A. until the end of 2000, as well as Statutory Auditor and Managing Director of Mediobanca S.p.A.. Until November 2010 he served as Chairman of the Board of Statutory Auditors of Unicredit Banca S.p.A.. He was also Chairman of the Board of Monza's Board of Certified Public Accountants from 1989 to 1998.

Teresa Cristiana Naddeo. Ms. Teresa Naddeo was appointed as Statutory Auditor of the Issuer on April 30, 2014. She has a Degree in Economics and Business Studies from the University of Turin and has been licensed to practice as a certified public accountant since 1982 and is listed in the Register of Independent Auditors. From 1982 to 1989 she served as Head of Banks and Financial Intermediaries of Arthur Andersen; from 1990 to 1996 she was General Manager of Finance and Control of FIDA–CRTorino Group and she also served as a member of the Board of Directors of PFM Finanziaria S.p.A. and Zenit SGR S.p.A. from 1996 to 2012. She currently served as tax advisor providing consulting activities. She is member of the Register of Tax Advisors and of the Association of Accountants.

Pietro Nodaro. Mr. Piero Nodaro was appointed Alternate Auditor of the Issuer in April 2017. He has a Degree in Law from Rome's "La Sapienza" University and holds a Master Degree in "Legal Expert in Company Law" from Rome's LUISS University. He owns a Law Firm and is a Lawyer who can appear in front of the Italian Court of Cassation. He currently provides legal consultancy services to Insurance Companies, companies with shares in Public Organizations and for SNA. He is Professor of Law, teaching in "Professional Liability" Specializing Master courses. He is Statutory Auditor of Metro B1. He was Assistant Professor of Constitutional law at Rome's "La Sapienza" University, the Person responsible for EEC relations for companies of the IRI Group, Legal consultant of Coopers&Lybrand, Legal Commissioner of "Ente Nazionale Cellulosa e Carta" and Legal consultant of Cotral S.p.A.

Roberto Cassader. Mr. Roberto Cassader was appointed Alternate Auditor of the Issuer in April 2017. He graduated in Economics in 1990 from Milan's Università Cattolica del Sacro Cuore. He is listed in the Italian Certified Public Accountant Register of Monza since 1994, and in the Italian Independent Auditors Register, since 1999. He is currently Statutory Auditor of Coca Cola Italia S.r.l., Legal Auditor of IME Industrie Meccaniche Elettriche S.p.A. and Chairperson of the Board of Statutory Auditors of Fata Logistic Systems S.p.A., Aspem S.p.A. and Linea Ambiente S.r.l. He served as Chairperson of the Board of Statutory Auditors of A2A Logistica S.p.A. and Statutory Auditor of Società Italiana Bevande in Lattina Sibil S.r.l., Fondazione IRCCS Istituto nazionale dei Tumori, Shiseido Cosmetici Italia S.p.A., Rigamonti Salumificio S.p.A., Ca' del Bosco S.p.A., Also S.p.A., Software Spectrum S.r.l., PSC Ferroviaria S.r.l., Assobello S.r.l., Fergos S.r.l. and Telegate Italia S.r.l. He currently provides tax, company and tax litigation advisory services, for companies working mainly internationally, also providing corporate assessment services.

To the knowledge of the Issuer, in the last five years, none of the members of the Board of Statutory Auditors has been convicted of fraud or bankruptcy crimes. Moreover, none of them has been subject to criminal charges and/or sanctions by public authorities or regulators (including appointed industry associations) during the performance of his professional duties, or to any injunction by any court affecting his or her ability to hold any position as a member of the corporate, management or supervisory bodies of the Issuer, or to perform other management or direction activities for the Issuer or other companies.

Conflict of interests

As of the date of this Prospectus, to the best of the Issuer's knowledge, none of the members of the Board of Directors or the members of the Board of Statutory Auditors are in a situation of potential conflicts of interests with respect to the Issuer and his/her private interests and/or other duties. Without prejudice to the above, Salini Impregilo notes that:

- Pietro Salini is the Chief Executive Officer of both the Issuer and Salini Costruttori;
- Alessandro Salini is member of the Board of Directors of the Issuer and of Salini Costruttori;
- Nicola Greco is Vice-Chairman of the Issuer and member of the Board of Directors of Salini Costruttori; and
- Pierpaolo Di Stefano is member of the Board of Directors of the Issuer and the Chief Executive Officer of CDP Equity, *i.e*. the company who entered into the CDP Equity Investment Agreement with, among others, the Issuer and Salini Costruttori (see "*Principal Shareholders-Investment Agreements*" and "*Principal Shareholders-Shareholders' Agreement*").

External Auditors

The Issuer's annual financial statements, in accordance with applicable laws and regulations, must be audited by external auditors appointed by the shareholders. The external auditors, amongst other things, examine the annual financial statements and issue an opinion regarding whether these comply with the Italian regulations governing their preparation (i.e. whether they are clearly stated and give a true and fair view of the financial position and results of the Issuer and the Group).

The shareholders' meeting of the Issuer held on April 30, 2015, resolved to appoint KPMG S.p.A., with its registered office in Milan, Via Vittor Pisani, 25, as external auditor for the period 2015–2023.

The role and responsibilities of the external auditors are set out, *inter alia*, by Legislative Decree 27 January 2010, No. 39, as amended.

PRINCIPAL SHAREHOLDERS

Description of share capital

As of 31 December 2018, the issued and paid-in share capital of the Issuer was €544,740,000, divided into 493,788,182 shares with no par value, comprising of 492,172,691 ordinary shares and 1,615,491 savings shares. Salini Impregilo's ordinary shares and savings shares (shares without voting rights and with preferential economic rights) are listed on the Italian MTA.

As of the date of this Prospectus, after the settlement of the Global Offering and the completion of the Capital Increase on the Capital Increase Closing Date, the issued and paid-in share capital of the Issuer is €600,000,000, divided into 893.788.182 shares with no par value, comprising 892.172.691 ordinary shares and 1,615,491 savings shares. See also "*Recent Developments - Capital Increase*" above. As of the date of this Prospectus, the Issuer owns 1,330,845 treasury shares, equal to approximately 0.27% of its ordinary share capital.

The Issuer's by-laws which were approved by the extraordinary shareholders' meeting held on October 4, 2019 introduce a mechanism of increased voting rights pursuant to Article 127–quinquies of the ICFA. The mechanism of increased voting rights will be effective from the earlier of (i) the completion of Progetto Italia (see "*Recent Developments-Progetto Italia and the Astaldi Transaction-Progetto Italia*"); or (ii) 36 months from the Share Capital Closing Date (*i.e.,* November 12, 2019).

In compliance with Articles 13 *et seq.* of the by-laws, two votes will be attributed to each ordinary share, provided that each share has been held by the same shareholder, by virtue of a right legitimizing the exercise of the voting right (*i.e.,* full ownership with voting rights or bare ownership with voting rights or usufruct with voting rights) for an uninterrupted period of at least 24 months from the date of registration in the special list established and regulated in accordance with the terms and conditions set forth in Article 13–bis of the by-laws (the ''**Special List**''). The uninterrupted period of at least 24 months shall result from a specific communication issued by the intermediary, with whom the shares are deposited, in compliance with the applicable law.

The acquisition of the increased voting rights will become effective from the earlier of (i) the fifth day of open market of the calendar month following the month in which the conditions for the increase in voting rights are met; or (ii) the so-called ''record date'' of any shareholders' meeting, set in compliance with the applicable law, following the date on which the conditions required by the by-laws for the increase in the voting rights are met. Pursuant to Article 13–bis of the by-laws, the Issuer will be entitled to remove holders of increased voting rights from the Special List in the following circumstances:

- waiver by the interested party;

- communication from the interested party or the intermediary proving the lack of the conditions for the increase in the voting right or the loss of ownership of the right legitimizing the exercise of the voting right and/or the relevant voting right;
- automatically, in the event the Issuer is informed of the occurrence of events entailing the loss of the conditions for the increase in the voting right or the loss of the ownership of the right legitimizing the exercise of the voting right and/or the relevant voting right.
- In addition, the following circumstances will trigger the loss of the increased voting right:
- transfer of the relevant share (including in the event of creation of a pledge, usufruct or other lien on the share when this entails the loss of the relevant voting right, and in the event of enforcement of the pledge);
- in the event of direct or indirect transfer of controlling shareholdings in companies or entities that hold shares with increased voting rights in excess of the threshold set forth under Article 120(2) of the ICFA.

Shareholders holding an interest in excess of 3 per cent.

As of 4 December 2019, based on the Issuer's corporate records and other available public information, the following shareholders hold an interest in the Issuer's ordinary share capital exceeding 3 per cent:

- Salini Costruttori holds an interest equal to approximately 44.91 per cent of the share capital (44.99 per cent of the voting rights);
- CDP Equity holds an interest equal to 18.61% of the share capital (18.68% of the voting rights);
- each of Intesa Sanpaolo S.p.A. and UniCredit S.p.A. holds an interest equal to 5.26% of the share capital (5.27% of the voting rights), respectively.

For the sake of completeness, following the Capital Increase, Banco BPM S.p.A. (who also acted as Financing Bank jointly with Intesa Sanpaolo S.p.A. and UniCredit S.p.A., see "- *Investment Agreements*") came to hold an interest equal to 0.67% of the share capital (0.67% of the voting rights).

Salini Costruttori exercises control over Salini Impregilo and directs and co-ordinates the activities of the Issuer pursuant to Articles 2497 *et seq*. of the Italian Civil Code.

Controlling shareholder - Salini Costruttori

The principal shareholder of Salini Costruttori is Salini Simonpietro e C. S.a.p.A., a company that is, in turn, controlled by Mr Simonpietro Salini, who is the ultimate shareholder in the Salini Impregilo's control chain. Based on the Issuer's corporate records and other available public information, Mr. Simonpietro Salini holds directly approximately a 0.41 per cent. interest in the Issuer's ordinary share capital.

On October 14, 2019, Mr. Alessandro Salini, Mr. Francesco Saverio Salini, Mr. Pietro Salini, Mr. Simonpietro Salini, Salini Simonpietro & C. S.a.p.A. and Sa.Par. S.r.l. informed the Issuer that on October 9, 2019 they entered into an agreement concerning, *inter alia*, the exercise of voting rights in Salini Costruttori (the "**Salini Costruttori Agreement**"). The Salini Costruttori Agreement contains certain undertakings by the shareholders' pursuant to Article 122(1) of the ICFA. These undertakings mainly concern: (i) voting obligations which were performed at the shareholders' meeting of Salini Costruttori held on October 9, 2019 (in relation to the appointment of the members of the board of

directors and the board of statutory auditors of Salini Costruttori) and of November 11, 2019 (in relation to certain amendments to the by-laws of Salini Costruttori, in the agenda of the shareholders' meeting), (ii) voting obligations in relation to, *inter alia*, the confirmation of the advisory committee of the board of directors, the confirmation of the powers and power of attorneys of the current chief executive officer and the appointment of the vice-chairman of the board of directors, and (iii) voting obligations of Salini Simonpietro & Co. C. S.a.p.A. in relation to the approval of the financial statements of Salini Costruttori and the distribution of dividends. Also following the execution of the Salini Costruttori Agreement, Mr. Simonpietro Salini continues to be the ultimate shareholder of Salini Costruttori and Salini Impregilo.

Investment Agreements

On August 2, 2019, the Issuer entered into (i) an investment agreement with Salini Costruttori, CDP Equity and Mr. Pietro Salini, which was amended on November 4 and December 26, 2019 (the "**CDP Equity Investment Agreement**"), and (ii) an investment agreement with Salini Costruttori and the Financing Banks, which was amended on November 6, 2019 (collectively, the "**Investment Agreements**").

Pursuant to the terms and conditions set forth in the Investment Agreements, Salini Costruttori, CDP Equity and the Financing Banks undertook, as part of the Global Offering, to subscribe for, respectively, €50 million, up to €250 million and up to €150 million in new shares at the subscription price, for an aggregate amount of up to €450 million, equal to 75% of the Global Offering. Furthermore, Salini Impregilo, Salini Costruttori, CDP Equity and the Financing Banks have agreed to abide by lock-up restrictions for a period of 6 months from the Capital Increase Closing Date, in line with the market standard for similar transactions.

Shareholders' Agreements

The CDP Equity Investment Agreement contains, in addition to the terms and conditions of CDP Equity's investment in Salini Impregilo, certain mutual undertakings by the shareholders' pursuant to Article 122(1) and (5)(a)(b) of the ICFA, the most relevant of which are described below and collectively referred to as the "Shareholders' Agreement".

The undertakings set forth in the Shareholders' Agreement mainly concern (i) Salini Costruttori's voting obligations in the context of the Capital Increase, (ii) certain obligations pertaining to the Issuer's new corporate governance rules, effective from the Capital Increase Closing Date or the co-optation date of the new directors who were designated by CDP Equity (see "*Corporate Governance - Board of Directors*"), as the case may be, and (iii) certain limitations and obligations relating to the transfer of the Salini Impregilo shares owned by Salini Costruttori and CDP Equity to allow Salini Costruttori to retain sole control over the Issuer after the execution of the aforementioned Capital Increase.

The Shareholders' Agreement will remain in effect until the third year following the execution date, with an automatic renewal for subsequent two–year periods, unless terminated upon a four–month prior notice.

The Shareholders' Agreement applies to all the shares and other financial instruments granting the right to purchase or subscribe shares or voting rights of Salini Impregilo, held either by Salini Costruttori or by CDP Equity.

Pursuant to the Shareholders' Agreement, the Issuer and Salini Costruttori respectively undertook to adopt or procure the adoption of, as the case may be, certain changes to the Issuer's corporate governance system, which are partially reflected in the by-laws which came into force on the Capital Increase Closing Date.

More recently, on January 22, 2020, in accordance with the provisions of the CDP Equity Investment Agreement and within the context of Progetto Italia, the Board of Directors resolved to propose to the next Shareholders' meeting that will be called for the approval of the financial statements for the year ended on December 31, 2019, the approval and adoption of "WeBuild" as the Issuer's new legal name (which was selected with the support of primary marketing advisors and will replace the current "Salini Impregilo"), and to launch the relevant rebranding activities.

LITIGATION AND ARBITRATION PROCEEDINGS

The Group is currently party to a number of civil and administrative proceedings in various jurisdictions arising in the ordinary course of business, as well as certain criminal proceedings, relating to, among other things, non-payment, alleged default and/or non–completion of construction projects, violations of environmental laws and regulations, shortcomings in the Group's organizational, management and control model adopted pursuant to Decree 231, labor, employment and tax matters.

Set out below is a summary of information relating to the most significant legal proceedings in which the Group is currently involved.

Civil Proceedings

Campania Project/Fibe

The Issuer is involved in a complex litigation relating to urban solid waste disposal projects in Naples and other provinces of the Region of Campania in Italy (the "**Campania Projects**"). In 2000, a joint venture (*associazione temporanea di imprese*) entered into two agreements relating to the Campania projects (the "**Campania Agreements**"). The Campania Agreements were subsequently assigned to the Issuer's subsidiaries Fibe S.p.A. ("**Fibe**") and Fibe Campania S.p.A ("**Fibe Campania**"), which subsequently merged into Fibe in 2009). In 2001, shortly after the execution of the Campania Agreements, the City of Naples and the Region of Campania experienced a waste disposal crisis. In light of these circumstances, the Campania Agreements were terminated by Italian law pursuant to the provisions set forth in Law Decree No. 245 of November 30, 2005 (subsequently converted into Law No. 21 of January 27, 2006) on December 15, 2005 (the "**Contract Termination Law**").

The major issues that have characterized the Group's activities in service contracts since 1999–2000, have evolved and became more complex over the years, giving rise to a large range of disputes, some of which are major and in part still ongoing.

Since May 2005, the extraordinary government commissioner appointed to deal with the waste disposal crisis of Naples (the "**Commissioner**") claimed damages against Fibe and Fisia Italimpianti S.p.A. (now Fisia Ambiente S.p.A., "Fisia Ambiente"), of approximately €1,758.6 million, consisting of alleged damage of approximately €758.6 million for breach of contract and approximately €1,000.0 million related to reputational damages.

The defendant companies responded to these claims and counterclaimed for approximately €2,150.0 million in damages, of which (i) over €650.0 million related to damages for breach of contract and miscellaneous additional costs and; and (ii) €1,500.0 million related to reputational damages. In the same proceeding, the banks guaranteeing Fibe's and Fibe Campania's contractual obligations to the Commissioner requested the Commissioner's claim be dismissed and, in the event of acceptance of the Commissioner's claim, to be held harmless by the Issuer, which appeared before the court and disputed the bank's requests. With judgment No. 4253 of 2011, the judge of first instance declared the jurisdiction of the administrative court over such proceedings. The State

Attorney's Office (*Avvocatura dello Stato*) appealed such decision. On February 14, 2019, the appeal was rejected and the lower court's decision was confirmed. As of the date of this Prospectus, no further action has been brought by the unsuccessful party.

In addition, on November 30, 2015, Fibe (along with other Group companies involved in various ways in the activities performed in Campania for the waste disposal service) filed a new claim against the Presidency of the Council of Ministers ("**PCM**") claiming damages suffered as a result of termination of the agreements in 2005. The total amount requested by Fibe is equal to €2,429 million but, considering that it includes some requests already made in other judgements, the amount claimed, net of the aforementioned duplications, is equal to €2,258 million. The PCM has responded to these claims and counterclaimed for €845.0 million in damages, on the basis of claims already filed in other existing proceedings. The court appointed an expert to appraise the claim filed by Fibe. The expert prepared two alternative appraisals in connection with the damages suffered by Fibe, one of approximately €56.0 million, and on of approximately €114.0 million. In its ruling published on October 25, 2019, the court awarded Fibe a receivable of approximately €114.9 million and to the PCM a receivable of approximately €80 million. Consequently, after the relevant offset, PCM was ordered to pay Fibe an amount of approximately €34.8 million, plus interest from December 4, 2015. As of the date of this Prospectus, none of the parties has appealed the court's judgment.

Furthermore, PCM requested the return of the advance of approximately €52.0 million paid for the construction of the plants for the production of refuse-derived fuels (the "**RDF Plants**"). Fibe claimed that the receivables from the PCM, mostly for work performed on its behalf and for the amounts accrued as a tariff, would offset this advance. The proceeding at first instance ended with ruling No. 4658 of 2019 by which the Tribunal of Naples allowed only part of Fibe's receivables (i.e., the fee already collected by the PCM) for offsetting purposes, ordering the Issuer to repay the difference between the receivables admitted as set–off and the amount collected as an advance, plus interest, equal to approximately €10.0 million. This ruling did not take into account the report prepared by the court-appointed expert pursuant to which the entire amount of receivables was for offsetting purposes. As of the date of this Prospectus, Fibe notified its appeal, which it believes will be upheld. However, the amount of approximately €10.0 million could be offset against Fibe's greater receivable of €52.955 million, plus interest, as per the ruling of March 21, 2019 of the Regional Administrative Court of Lazio handed down as part of the administrative proceedings for the recording of costs described below. See "*Administrative procedures for the recording and recognition of the costs for the activities carried out and the works commissioned by the public administration following the Contract Termination Law*".

Panama Canal Project

In relation to the Group's work on the extension of the Panama Canal, a number of critical issues arose during the first stage of full-scale production, which, due to their specific characteristics and the materiality of the work to which they relate, made it necessary to significantly negatively revise the estimates carried out in the early phases of the project. The most critical issues are related to, *inter alia*, the geological characteristics of the excavation areas, specifically with respect to the raw materials required to produce concrete, and the processing of such raw materials during normal production activities. Additional problems arose due to the adoption by the client of operational and management procedures that were substantially different from those contractually agreed, specifically with regard to the processes for the approval of technical and design solutions suggested by the contractor. These circumstances continued in 2013 and 2014. Faced with the client's consistent refusal to act in accordance with the contractually provided mechanisms for dispute resolution, the contractor (and thus also the original contractor partners) was forced to acknowledge that it was no longer possible to continue the construction activities needed to complete the project,

as doing so would be at its full and exclusive risk, and involve undertaking the full financial burden of the project without any guarantee that the client would participate in negotiations with the counterparty. In this context, at the end of 2013, formal notice was sent to the client to inform it of the intention to immediately suspend work unless it agreed to address the dispute in accordance with the contractually agreed approach based on good faith and the willingness of all parties to reach a reasonable agreement.

Negotiations between the parties, supported by their respective consultants and legal experts, took place in February 2014 and, on March 13, 2014, an agreement was signed. The key terms of the agreement provided that the contractor would resume works and functionally complete them by December 31, 2015, while the client and certain contractor companies agreed to provide financial support for the works to be finished up to a maximum of approximately USD 1.4 billion (€1.3 billion). The client met these obligations by granting a moratorium on the refunding of already disbursed contractual advances totaling approximately USD 800.0 million (€728.7 million) and disbursing additional advances amounting to approximately USD 100.0 million (€91.1 million). The group of contractor companies met their obligations by directly disbursing approximately USD 100 million (€91.1 million) and additional financial resources, through the conversion into cash of existing contractual guarantees totaling approximately USD 400 million (€364.3 million).

While the agreement March 13, 2014 concerned financial support for the completion of the canal, the contractor Grupo Unido Por el Canal ("**GUPC**") made claims against the customer in the execution of the contract. In relation to these claims, after a pre-litigation phase before the Dispute Adjudication Board (the "**DAB**"), there are a number of separate arbitration hearings ongoing before the International Chamber of Commerce between the GUPC (with its European partners Sacyr, Salini Impregilo and Jan De Nul) and the Autoridad del Canal de Panama ("**ACP**").

As of the date of this Prospectus, after the conclusion of the proceedings before the DAB, the following arbitration proceedings are pending:

(i) an arbitration proceeding relating to DAB's decisions issued in connection with the claims filed by the GUPC about the inadequate quality of the basalt compared to the quality guaranteed by the ACP, and the lengthy delays caused by the ACP to approve the design formula for the concrete mix. The initial stage of proceedings were concluded in favor of the GUPC with an award confirming the arbitration tribunal's competence to rule on the damages incurred by the individual members of the consortium. As of the date of this Prospectus, the proceeding is under way;

(ii) an arbitration proceeding relating to the extra costs incurred by the GUPC due to certain unjustified conditions imposed by the ACP for the design of the lock gates and other claims regarding labour costs. As of the date of this Prospectus, the proceeding is in an early stage;

(iii) an arbitration proceeding, commenced in 2016, involving sundry claims mentioned in the completion certification. As of the date of this Prospectus, the proceeding is in an early stage.

The Panama Canal works have passed the substantial completion test satisfactorily and ACP has issued the taking over certificate. On June 26, 2016, the extension Panama Canal project was officially opened.

Cavtomi Consortium (Turin–Milan High–speed/High Capacity Line)

Fiat S.p.A. (now FCA N.V.), in its capacity as general contractor of the contract concerning the Turin–Milan High speed/High capacity railway line for the sub–section Novara–Milan, has the obligation to manage the claims registered by the General Contractor Cavtomi Consortium ("**Cavtomi**

Consortium"), in which the Group holds an interest equal to 74.69%, against the customer Rete Ferroviaria Italiana ("**RFI**").

In light of the above, in 2008, FCA started an arbitration proceeding against RFI claiming (i) damages for the delays in activities; (ii) non–achievement of early completion bonus also due to the customer's conduct; and (iii) higher consideration. On July 9, 2013, the Court of Arbitration handed down an award in favor of FCA, ordering RFI to pay an amount of approximately €187.0 million (of which about €185.0 million to Cavtomi Consortium).

In 2013, RFI appealed the award before the Court of Appeals of Rome and paid the amount due to FCA which, in turn, paid Cavtomi Consortium its share.

On September 23, 2015, the Court of Appeal of Rome cancelled a significant portion of the aforementioned arbitration award. FCA appealed such decision before the Italian Supreme Court.

Following the Appeal Court's ruling, RFI served a writ of enforcement on FCA of approximately €175.0 million. Subsequently, FCA and RFI reached an agreement pursuant to which FCA, in order to prevent the enforcement of the Court of Appeals' decision, without prejudice to the parties' rights which are subject to final judgment: (i) paid an amount of approximately €66.0 million; and (ii) issued to RFI a bank guarantee of €100.0 million (€75.0 million for the Issuer).

As of the date of this Prospectus, the merits hearing has yet to be scheduled.

In addition, FCA and the Cavtomi Consortium have commenced the following actions:

- on November 11, 2016, FCA filed an appeal before the Regional Administrative Court of Lazio for the recognition of reserves for a total amount of approximately €18.0 million presented during the contract's term and not covered by the abovementioned award of 2013. This proceeding was firstly suspended and then resumed. As of the date of this Prospectus, the hearing before the competent administrative judge has yet to be scheduled;
- on October 12, 2017, FCA filed a petition before the Tribunal of Rome to obtain recognition of further claims made during the course of the contract and not subject of the previous award, for an aggregate amount of €109.0 million. As of the date of this Prospectus, the proceeding is still in the pre-trial phase for the official technical consultancy.

Based on the opinions received from the Group's legal advisors, the risk of a negative outcome of the proceedings is assessed as unlikely.

COCIV

On September 18, 2014, RFI notified COCIV Consortium ("**COCIV**") its writ of summons claiming the invalidity of the *inter partes* arbitral decision of June 20/21, 2013, and asking for the repayment of approximately €108.0 million (the Issuer's share, approximately €74.0 million) collected by COCIV Consortium as a result of the award. With ruling dated October 28, 2019, the Court of Appeal rejected the appeal of the award filed by RFI.

Eurolink

In March 2006, Impregilo S.p.A. (now Salini Impregilo S.p.A.), in its capacity as lead contractor (with a 45% interest) of a Temporary Association of Companies (subsequently incorporated into Società di Progetto Eurolink S.C.p.A., "**Eurolink**"), entered into an agreement with Stretto di Messina S.p.A. ("**SDM**") to entrust to the general contractor the final and executive design for the construction of a bridge over the Strait of Messina, with the related roadway and railway connections.

A pool of banks granted the Temporary Business Association with the funding required by the agreement, by means of credit facilities totaling €250.0 million (subsequently reduced to €20.0 million in 2010). In addition, the project was guaranteed with performance bonds of €239.0 million.

In September 2009, SDM and Eurolink entered into an addendum to the original agreement in order to take into account the suspensions that have occurred to the project since its beginning. The project's final design was submitted to the customer and, on July 29, 2011, approved by the board of directors of SDM.

On November 2, 2012, Law Decree No. 187 ("**Decree 187**"), concerning "*Urgent measures for the renegotiation of the contracts with Stretto di Messina S.p.A. and for local public transport*", was issued. Decree 187 required, *inter alia*, the execution of an additional agreement between SDM and Eurolink and the suspension of the original agreement entered into between Eurolink and SDM. Eurolink exercised its withdrawal from the agreement and claimed for the payment of the activities already carried out and of the expenses, in addition to an amount as indemnification.

Notwithstanding further discussions between Eurolink and SDM, negotiations were unsuccessful.

Eurolink started several legal proceedings in Italy and in front of European institutions, related to the violation by the provisions of Decree 187 of the Italian Constitution and of European treaties, and claiming the payment of amounts by SDM due to the termination of the agreement. In November 2013, the European Commission communicated its decision to suspend the proceedings, as no treaties were violated, and confirmed its decision in January 2014 by closing the proceedings.

As regards the civil proceedings in front of the Italian Courts, the Issuer and all the members of Eurolink have jointly and severally claimed SDM be ordered to pay the amount due, for various reasons, as a result of the termination of the agreements, for an aggregate amount of approximately €657.0 million.

With ruling No. 22386 of October 16, 2018, the Court of Rome rejected the applications filed by the plaintiffs and the counterclaims filed by SDM. Conversely, the Court of Rome declared that the customer's withdrawal from the contract with Parsons Transportation Group Inc. ("**Parsons**"), engaged by SDM for the project management services, was legitimate (referring the calculation of the indemnity due to Parsons to the Constitutional Court). Also considering that the process was joined to that of Eurolink, of the principle of law that led to SDM's conviction against Parsons Transportation Group, Inc., mutatis mutandis, is to be considered applicable also to Eurolink.

On December 28, 2018 Eurolink and the Issuer filed their appeal against this ruling before the Court of Appeal of Rome. As of the date of this Prospectus, the appeal proceeding is in an early stage.

Orastie – Sibiu highway

In July 2011, the Issuer started the works relating to the highway Orastie–Sibiu section (Lot 3) project, which provided for the construction of 22.1 km of two–lane highway (plus the relevant emergency lanes). In July 2013, a second contract was acquired for the construction of lot 2 of another section of motorway between Lugoj and Deva.

Both contracts were entered into with Compania Nationala de Autostrazi si Drumuri Nationale din Romania ("**CNAIR**") and were 85% financed by EU structural funds and by the Romanian Government for the remaining 15%.

Progress on the contract has been adversely affected by a number of events outside the Issuer's control, such as unpredictable vast landslides on approximately 6.6 km of the route. Despite this, the lot was delivered to the customer and opened to traffic on November 14, 2014, while the additional work made necessary by the landslides was still under completion.

Notwithstanding the first favorable ruling by the DAB and the award of approximately €6.0 million to the Salini Impregilo Group, the customer refused to acknowledge the unpredictable nature of the landslides and to pay the amounts due. In June 2015, the Group stopped work due to non–payment of the amounts awarded to it by the DAB. In September 2015, the Issuer submitted an application for arbitration and the first partial award was issued in March 2017 recognizing to the Issuer an amount of approximately €18.0 million, which has been paid to it.

In 2016, when the completion percentage of the project was approximately 99.9%, following several disputes between the parties, CNAIR unilaterally terminated the Orastie–Sibiu agreement, alleging breaches by the Issuer, and on April 20, 2016 enforced the contractual guarantees of approximately €13.0 million, motivating such unilateral decision as being due to the alleged non–resolution of noncompliance notified by works management. The Issuer challenged the termination of the contract.

The Issuer started an arbitration proceeding before the Paris International Chamber of Commerce claiming an aggregate amount of approximately €57 million for delays and additional costs. On October 17, 2019, the Paris International Chamber of Commerce issued an award which rejected the Issuer's claims – including those recognized in the partial award of March 2017 - and recognized to the customer an amount of approximately €19.0 million for damages due to delays. As of the date of this Prospectus, the Issuer is evaluating the adequate legal actions to protect its rights.

Contorno Rodoviario Florianópolis (Brazil)

On September 21, 2016, a consortium between Salini Impregilo and Cigla Constructora Impregilo e Associados S.A. ("**CCIA**") entered into a contract with Autopista Litoral Sul S.A. for approximately BRL 396.0 (€75.0 million) for the construction of a new dual carriageway to reduce the large volume of traffic in the Florianópolis metropolitan region.

From the very beginning, the project presented engineering criticalities due to the intrinsic humidity of the soil and the weather conditions in the area, which the CCIA tried to overcome by proposing new solutions to the client (although it was not contractually obligated to do so).

At the beginning of 2018, CCIA submitted claims to the customer for higher costs and extension of the contract term. Despite the fact that the negotiations were still ongoing and that the parties (i) were discussing a friendly termination agreement, (ii) had already discussed and drafted a memorandum of understanding, and (iii) were already acting in accordance to new dispositions agreed between them, in January 2019, the customer informed CCIA of its intention to terminate the contract due to an alleged breach of the contract by CCIA. CCIA deems this termination to be illegal and contrary to the principle of good faith. Therefore, in 2019, CCIA filed an appeal with the relevant judiciary authorities to have the friendly termination agreement validated and to render null and void the unilateral termination by the costumer.

On October 4, 2019, the CCIA commenced an international arbitration for claims related to due payments notified before the contract termination, for an amount of approximately €20.0 million. On November 6, Arteris was granted by the Brasilian judges a suspension of the ICC arbitration. CCIA is preparing an appeal against this decision.

Rome subway

Salini Impregilo, as lead contractor of the Temporary Association of Companies for the construction of the project for the B1 line of Rome subway, started three legal proceedings against Roma Metropolitane S.r.l. ("**Roma Metropolitane**") and Roma Capitale claiming payments for services rendered during the contract period, for which a technical appraisal by a court–appointed expert was provided.

- *Italian Supreme Court – Bologna–Conca d'Oro section*

  The Court of Rome's ruling of August 22, 2016 settled the first level proceedings involving the claims made for the Bologna–Conca d'Oro section and partly accepted the joint venture's requests, ordering Roma Metropolitane to pay approximately €11.0 million, plus VAT and related costs to the relevant consortium.

  The joint venture commenced the necessary actions and collected the receivable based on this temporary enforceable ruling. It also presented an appealand the Rome Appeal Court handed down its ruling of July 2018 rejecting the grounds for the joint venture's appeal and concurrently partly accepted the counter appeal presented by Roma Metropolitane, finding claim No. 38 to be ungrounded, although it had been partly accepted by the first level court for €4.0 million . The joint venture has challenged the Appeal Court's ruling before the Supreme Court. As of the date of this Prospectus, the hearing is yet to be scheduled.

- *Court of Rome – Conca d'Oro – Jonio section (Part I)*

  The second proceeding relates to the first set of claims for the Conca d'Oro–Jonio section and as of the date of this Prospectus, the judgment is at the initial stages and has been deferred with the interim ruling of 2018 issued after the hearing for the conclusions. The judge accepted some claims made by the joint venture and ordered the court–appointed expert to recalculate the amounts due to the joint venture for just the claims rejected.

  This ruling partly contradicts the findings of the court-appointed expert (which had already been filed), which confirmed the joint venture's claims for approximately €27.5 million.

  The Issuer challenged the interim ruling of January 2018, in respect of the part that rejected certain claims that had already been examined by the court-appointed expert. The expert completed its appraisal in December 2018 and filed its additional report which included four possible amounts ranging from approximately €12.0 million to €23.0 million in favor of the joint venturers. Roma Metropolitane has requested the appraisal be re-performed by a new expert.

  As of the date of this Prospectus, the Court's decision is pending.

- *Court of Rome – Conca d'Oro–Jonio section (Part II)*

  The third proceeding, relates to the second and last set of claims for the Conca d'Oro–Jonio section, was commenced in September 2016 and the court-appointed expert completed its work in November 2018 and filed its definitive report. It found that the joint venture's claims of approximately €3.0 million were admissible.

  As of the date of this Prospectus, the Court's decision is pending.

Colombia – Yuma e Ariguani

Yuma Concesionaria S.A. ("**Yuma**") (in which the Group has a 48.3% investment) holds the concession for the construction and operation of sector 3 of the Ruta del Sol motorway in Colombia.

In November 2017, the customer ANI commenced a procedure to assess Yuma's alleged serious breaches of the concession contract and, possibly, to terminate the contract.

Yuma, on the other hand, deems that the serious breaches have been committed by ANI in addition to events outside its control which have led to a significant imbalance in the mutual rights and obligations of the parties to the contract that the customer is obliged to rectify.

In addition, Yuma commenced procedures for a local arbitration for contract variations (for an amount of approximately €130.0 million) and an international arbitration for claims related to the construction stage (for an amount of approximately €152.0 million). As of the date of this Prospectus, it is also evaluating whether to take additional legal action to protect its rights.

Yuma has entrusted construction and maintenance of the project to a special purpose entity Constructora Ariguani S.A.S., which is wholly–owned by Salini Impregilo. Due to the difficulties encountered with the project, the SPE commenced its reorganization pursuant to the local applicable law. On October 23, 2018, Yuma commenced the same reorganization procedure.

With reference to the pending proceedings described above, negotiations with the customer ANI are currently in an advanced stage and the Issuer plans to define the amendments to be made to the concession contract, which will result in the continuation of the concession contract under equal conditions.

Poland – Project S8 Marki

The Group has a 95% interest in a joint venture in Poland incorporated in November 2018 for the design and construction of roads.

Although the main road section subject of the contract was opened to traffic on December 22, 2017, in May 2018, the customer notified the termination of the contract for alleged breaches by the contractor at the same time requesting the payment of penalties for €3.3 million.

On May 22, 2018 and June 7, 2018, the joint venture informed the customer that it considered the termination of the contract to be null and void and also asked for payment of the outstanding amount of €1.7 million, in addition to the penalties provided for under the contract and in turn notified the customer of the termination of the contract due to the customer's default. The customer has attempted to enforce the performance bonds provided by the joint venture of approximately €8.0 million. The joint venture requested and obtained from the Court of Parma a precautionary order prohibiting the enforcement of the performance bonds by the customer.

On October 31, the joint venture started a lawsuit against the customer which includes, *inter alia*, claims concerning (i) the contractual penalties due for termination of the contract for reasons attributable to the customer, (ii) unpaid works and (iii) payments for the works performed after termination of the contract by the joint venture due to the customer's fault, for an overall amount of approximately Euro 36,5 million).

Poland – Project A1F

The Group has a 100% interest in a joint venture in Poland incorporated in October 2015 for the design and construction of roads.

On April 29, 2019, the customer notified the termination of the contract for alleged breaches by the contractor at the same time requesting the payment of penalties for €20.0 million.

On May 6, 2019, the joint venture informed the customer that it considered termination of the contract to be null and void. On May 14, 2019, it notified that the contract terminated for reasons attributable to the customer as a result of reported defaults that were not resolved by the customer.

The customer obtained enforcement of the performance bonds, advances and fines of an overall amount of approximately €37 million, originally granted to the contractor.

The Group intends to initiate appropriate legal actions to vigorously defend its rights.

Poland – Project S3

The Group has a 99.99% interest in a joint venture in Poland incorporated in December 2014 for the design and construction of roads.

On April 29, 2019, the customer notified the termination of the contract for alleged breaches by the contractor at the same time requesting the payment of penalties for €25.0 million.

The customer has attempted to enforce the performance bonds of approximately €13.0 million provided by the joint venture. After the filing of an appeal against this enforcement, the Group paid the relevant amount.

On May 6, 2019, the joint venture informed the customer that it considered termination of the contract to be null and void. On May 14, 2019, it notified the termination of the contract for reasons attributable to the customer as a result of reported defaults that were not cured by the customer.

On October 31, 2019, the joint venture started a lawsuit against the customer which includes claims concerning the contractual penalties due for termination of the contract for reasons attributable to the customer and claims concerning the restitution of the amounts cashed by the customer as a result of an ilegitimate enforcement of the performance bond, for an overall amount of approximately Euro 27.6 million at the date of this Prospectus.

Australia – North West Rail Link

The Group has a 100% interest in a joint venture (ISJV) in Australia incorporated in 2013 for the construction of a metropolitan train line north-west of Sydney.

Following the start of a DAB procedure with the aim at setting certain claims under the project deed, on December 9, 2019 the DAB delivered a determination which resulted in a net amount payable by Sydney Metro to ISJV of approximately AUS 35.0 million. On December 12, 2019, Sydney Metro made a demand for immediate payment of approximately AUS 75.0 million, which was said to be the difference between a pending debt due and payable by ISJV to Sydney Metro and the amount awarded to ISJV pursuant to the DAB award. ISJV denied the validity of the demand, and without prejudice to that position, undertook to make the payment as soon as reasonably possible. Notwithstanding ISJV's intentions, on January 6, 2020 Sydney Metro called on certain ISJV's unconditional undertakings to satisfy the alleged debt, in the amount of approximately AUS 75.0 million.

ISJV is in the process of taking legal steps to recover the amounts paid to Sydney Metro pursuant to the provisions under the project deed.

Administrative proceedings

Campania Project/Fibe

- *Recovery of the amounts owed to Fibe by local administrations for waste disposal fees up to the date of the Contract Termination Law*

  The special government commissioner appointed by the Regional Administrative Court to collect receivables due to the former operators as fees for the waste disposal service performed until December 15, 2005 submitted its final report in November 2014. According to such final report, (i) the public administration collected approximately €46.4 million of the fees due to Fibe for the services the latter rendered until December 15, 2005 (date on which the termination ope legis of the relevant agreements occurred), without paying such amount to Fibe, and (ii) the total amount of receivables still to be collected is of approximately €74.3 million.

With ruling No. 7323 of 2016, the Regional Administrative Court stated that the amounts claimed by Fibe, including the amounts already collected by the relevant public administration, should be paid to Fibe only after completion of the assessment by the special government commissioner. Fibe challenged this ruling before the Council of State which, with ruling No. 1759 of 2018 rejected the appeal. Subsequently, a petition for the conclusion of the proceedings was filed. In addition, a new government commissioner has been appointed on January 10, 2019, which as of the date of this Prospectus, is carrying out the relevant activities.

- *Administrative procedures for the recording and recognition of the costs for the activities carried out and the works commissioned by the relevant public administration following the Contract Termination Law*

  Since 2009, Fibe has challenged before the Regional Administrative Court of Lazio the inactivity of the relevant public administration in completing the administrative procedures for the recording and recognition of the costs incurred by the former service contractors in connection with the (i) activities carried out in accordance with law and (ii) the works commissioned by the public administration and performed from 2006 to 2008 following the Contract Termination Law.

  In the context of the proceeding, the Regional Administrative Court of Lazio appointed an inspector who submitted its final report on December 21, 2017, recognizing that the amounts claimed by Fibe in its appeal were substantially consistent with the underlying supporting documentation. Fibe requested a more in–depth review of certain items and the correction of some errors in the report, following which the Regional Administrative Court ordered an additional verification. On September 28, 2018, the inspector filed its final report, which addressed the requests made by Fibe for a more in–depth review and corrections. With ruling of March 21, 2019, the Regional Administrative Court of Lazio ordered the Office of the PCM to pay approximately €52.955 million, including VAT and interest, as consideration for the costs of the activities carried out by the contractors following the termination of the contracts. The PCM challenged this ruling before the Council of State.

- *Interest on payment for the plants relating to the production of refused–derived fuels ("**RDF Plants**")*

  With ruling No. 3886 of May 5, 2011, the Regional Administrative Court of Lazio upheld Fibe's appeal and ordered the public administration to pay to Fibe the undepreciated costs for the RDF Plants existing as of the date of the Contract Termination Law, for a total amount of €205.0 million, plus legal and default interest from the date of the Contract Termination Law until settlement.

  Following the enforcement order filed by Fibe and challenged by the PCM, Fibe (i) obtained the allocation of €241.0 million (already collected in the financial years preceding the date of this Prospectus) as a final payment for the receivables for principal and legal interest, and (ii) suspended the enforcement procedure for the further amount of default interest claimed. Both parties initiated proceedings about the merits of the case. The court rejected the request for default interest submitted by Fibe with ruling of February 12, 2016, which has been appealed by Fibe.

- *Environmental disputes*

  In the context of the Campania Projects, the Group had to deal with numerous administrative measures regarding reclamation and the implementation of safety measures at some of the landfills, storage areas and RDF plants.

  In connection with the proceedings regarding the contamination and emergency safety measures at the Pontericcio site, the RDF plant in Giugliano and the temporary storage area at Cava Giuliani, the Regional Administrative Court of Lazio with ruling No. 6033 of 2012 rejected the appeals filed by Fibe. Subsequently, Fibe challenged this ruling before the Council of State, on the ground that the contamination was found in different sites. The Council of State, after rejecting Fibe's precautionary motion to suspend the enforcement of the decision, upheld Fibe's appeal with ruling No. 5076 of August 29, 2018, reversing the Regional Administrative Court of Lazio's ruling and cancelling the measures challenged by Fibe.

  With respect to the Cava Giuliani landfill, the Regional Administrative Court of Lazio, with ruling No. 5831/2012, found that it lacked jurisdiction in favor of the Italian Superior Court of Public Waters (Tribunale Superiore delle Acque Pubbliche), before which the appeal was submitted and the court's decision is pending. Meanwhile, Fibe has completed the characterization operations for the above sites, without any admission of liability whatsoever in such respect.

S.a.Bro.M. S.p.A.

S.a.Bro.M. S.p.A. ("**SABROM**") is the operator for the design, construction and operation of the new regional Broni–Mortara motorway under the terms of the concession contract signed with the customer Infrastrutture Lombarde S.p.A. ("**ILSpA**") on September 16, 2010.

In July 2016, the Ministry for the Environment, Land and Sea Protection ("**MATTM**") issued a measure containing a negative opinion on the project's environmental compatibility.

SABROM asked ILSpA to protect the project by appealing against the MATTM's measure and also communicated its willingness to work with the customer to modify the design so that the project could be re-assessed by the MATTM and other competent bodies.

As requested by SABROM, the customer appealed against the MATTM's measure before the Regional Administrative Court of Lombardy which rejected the appeal with its ruling published on July 30, 2018.

On February 14, 2019, ILSpA filed an appeal with the Council of State and, as of the date of this Prospectus, the hearing has yet to be scheduled.

Tax proceedings

Set out below is a summary of information relating to the main legal proceedings with the Italian tax authorities.

Salini Impregilo

(i) a dispute about the assessment notice challenging the tax treatment of impairment losses pertaining to companies belonging to the Group, in particular in relation to the transfer of shares held at the time in Sociedad Concessionaria Costanera Norte S.A. for the fiscal year 2003, has been settled. The main issue related to the sale by Impregilo S.p.A. (now Salini Impregilo S.p.A.) of its investment in the Chilean operator CostaneraNorte SA to Impregilo International Infrastructures N.V. had been cancelled by the Milan Regional Tax Commission

on September 11, 2009 (higher assessed tax base of €70.0 million). After the hearing held on April 24, 2018 and the filing of a motion for the suspension of the trial on November 14, 2018, the Supreme Court ordered the case be placed on the court calendar again. The Issuer applied the procedure for the out–of–court settlement of tax disputes introduced by Article 6 of Decree Law No. 119 of October 23, 2018, converted into Law No. 136 of 17 December 2018. On May 28, 2019, the Issuer submitted an application for the voluntary settlement procedure (which writes off fines and interest) for the pending tax disputes (payment of €1.2 million) and opted for payment by instalment;

(ii) proceeding before the Italian Supreme Court filed by Salini Impregilo (and still pending) to obtain reimbursement of tax assets with a nominal amount of €12.3 million acquired from third parties as part of previous non–recurring transactions;

(iii) a dispute dating to 2005 about the technique used to "realign" the carrying amount of equity investments as per Article 128 of Presidential Decree No. 917/86 (greater assessed tax base of €4.2 million) is still pending before the first level court while, with respect to another dispute with the same subject but for 2004 (greater assessed tax base of €380.0 thousand), the Supreme Court accepted the Issuer's grounds and ordered the case be sent to the Lombardy Regional Tax Commission which fully accepted the Issuer's appeal in the hearing of January 142019 with its ruling of February 12, 2019. On September 11, 2019, the Italian tax authorities appealed this ruling and, as of the date of this Prospectus, the appeal has not yet been assigned to the relevant section of the Supreme Court;

(iv) a dispute dating to 2005 regarding the costs of a joint venture set up in Venezuela for which the greater tax base of €6.6 million has been assessed. On May 19, 2015, the Regional Tax Commission filed its ruling entirely in the Issuer's favor; the tax authorities appealed to the Supreme Court on December 28, 2015 challenging the procedure while stating that the findings do not relate to the appeal. The Issuer has filed its defense brief and, as of the date of this Prospectus, the appeal has not yet been assigned to the relevant section;

(v) in connection with Icelandic taxes, the Italian tax authorities served to Salini Impregilo: (a) a first payment order for taxes for €4.6 million, which was cancelled after the first and second level sentences in the Issuer's favor; on May 11, 2017 the tax authorities appealed to the Supreme Court and the Issuer presented its defense brief, and (b) a payment bill which Salini Impregilo appealed. The ruling was in the Issuer's favor again both at first and second level. On January 18, 2016, the Italian tax authorities filed an appeal before the Supreme Court and the Issuer filed its defense brief. As of the date of this Prospectus, the appeal has not yet been assigned to the relevant section;

(vi) with regard to an Ethiopian branch, a tax audit was completed in August 2019 for the financial years 2014, 2015 and 2016. During the course of the assessment, a discussion with the competent authorities led to the conclusion of the claims for all three financial years in question, by means of a payment, in local currency, of an amount of approximately €32.5 million, in order to benefit from a cancelation of the penalties imposed;

(vii) on December 12, 2017, Salini Impregilo and Imprepar received an adjustment notice from the Italian tax authorities requesting payment of registration tax of approximately €1.3 million in addition to a fine of the same amount on the sale of a business unit to Imprepar. This business unit had no future profits and held investments in consortium companies in liquidation or inactive and the related assets and liabilities related to contracts that have been completed or are nearing completion due to Imprepar's know how in managing this type of business. The Issuer has appealed against the notices to the competent tax

commission. The dispute was settled with a court–ordered settlement procedure as per Article 48 of Legislative decree No. 546/1992 as proposed by the tax authorities. This included a reduction in the registration tax and the fine from €1.3 million to €204.0 thousand and from €1.3 million to €82.0 thousand, respectively.

Imprepar

In addition to the tax proceeding described under point (vii) above, the Milan Regional Tax Commission filed a ruling on the IRES assessment notices for the tax years 2006, 2007 and 2008 received by the Group subsidiary, Imprepar, at the end of March 2015 cancelling all the main findings notified by the tax authorities on the assessment notices for 2006, 2007 and 2008 for €12.0 million. In November 2015, the tax authorities appealed against the Milan Regional Tax Commission before the Supreme Court, however, in the meantime, on May 29, 2019 Imprepar paid the first instalment and applied the procedure for the out-of-court settlement of tax disputes introduced by Article 6 of Law Decree No. 119 of 23 October 2018 converted into Law No. 136 of 17 December 2018. On May 30, 2019, it submitted its application for the voluntary settlement procedure (which writes off fines and interest) for the pending tax disputes (payment of €384.0 thousand) and opted for payment by instalment.

On June 18, 2018, Imprepar received a notice to pay assessed registration tax of approximately €748.0 thousand. The subsidiary has appealed promptly against the applicability of this notice to the competent tax commission which accepted the subsidiary's appeal and cancelled the notice to pay. As of the date of this Prospectus, the term to appeal this ruling is still pending.

Fisia Ambiente

After the 2013 IRES tax audit and the 2013, 2014 and 2015 VAT audit, the Genoa tax office inspectors identified findings for IRES purposes for 2013 related to undue deductions of €1.5 million for the use of the loss allowance and the undue deduction of VAT of €332.0 thousand on costs incurred for the defense of managers and other employees in criminal court proceedings in 2013, 2014 and 2015. Fisia Ambiente appealed against these assessments with its comments and applications filed in accordance with Article 12(7) of Law No. 212/2000. The tax authorities fully accepted the inspectors' findings and notified two assessment notices for 2013, one for IRES and one for VAT. In turn, the subsidiary has filed reasoned requests for a mitigation hearing as per Article 6 et seq. of Legislative Decree No. 218/1997.

The IRES procedure had a positive outcome for Fisia Ambiente which, on May 27, 2019, paid the first instalment of the amount due.

With regards to the VAT, the procedure for tax assessment proposal (*procedimento di accertamento con adesione*) was not completed and, in June 2019, Fisia Ambiente filed an appeal to the relevant tax commission. The hearing was held on October 21, 2019 and the Group is waiting for the decision.

Criminal Proceedings

Campania Project/Fibe

In September 2006, the Public Prosecutor of the Court of Naples notified Impregilo, Impregilo International Infrastructures N.V., Fibe, Fibe Campania and Fisia Italimpianti S.p.A. (now Fisia Ambiente) and Gestione Napoli S.p.A. in liquidation, a notice of conclusion of preliminary investigations in connection with alleged violations of Decree 231, in the context of criminal proceedings against certain former directors and employees of the aforementioned companies, involved in criminal proceedings for alleged fraudulent behavior related to the Campania Projects. On February 29, 2008, the preliminary hearing judge (GUP) at the Court of Naples upheld the

requests for indictment made by the Public Prosecutor's Office, declaring, at the same time, all civil action brought against the companies inadmissible. As part of this proceeding, the preliminary investigations judge (GIP), by an order dated June 26, 2007, ordered the preventive seizure of the "profit from the crime" allegedly committed, quantified in the total amount of approximately Euro 750 million. The precautionary procedure lasted almost five years and was definitively terminated in May 2012, without any action being taken against the Group. On November 2, 2013, the Tribunal of Naples acquitted all such directors, top managers and companies, but, in March 2014, this acquittal was appealed by the Naples public prosecutor. On May 22, 2019 the Court of Appeal confirmed the lower's court ruling. As of the date of this Prospectus, the public prosecutor has not taken any additional actions.

In 2008, as part of a new investigation into waste disposal in the Campania region carried out after the Contract Termination Law, a criminal investigation began involving certain managers and employees of Fibe, Fibe Campania and Fisia Ambiente, as well as a number of managers at the commissioner's office. As part of this investigation, described in the record both as a continuation of an earlier investigation and as separate proceedings based on new charges, the former service providers and Fisia Ambiente are again charged with the administrative liability attributable to companies pursuant to Decree 231. No claims for damages have been made against the abovementioned companies. In the hearing of March 21, 2013, the judge in the preliminary hearing ordered that all the defendants and companies involved pursuant to Decree 231 be committed for trial for all charges and ordered the proceeding to be transferred to the Tribunal of Rome, following the registration in the register of suspects of the Neapolitan Public Prosecutor's Office of a magistrate who performs functions there. At the hearing of April 1, 2014, the Court of Rome proceeded to acquire the sentence handed down by the Court of Naples in the proceeding described in the above paragraph. On June 16, 2016, the Tribunal of Rome found all the individuals involved in the proceedings not guilty on the ground that they are time-barred. The proceeding will continue for the companies involved pursuant Decree 231. As of the date of this Prospectus, the public prosecutor is currently examining witnesses.

COCIV

In execution of the order of the Court of Genoa dated October 7, 2016 and the order of the Court of Rome of October 10, 2016, on October 26, 2016, certain managers and employees of COCIV were arrested together with other persons (including the chairman of Reggio Calabria – Scilla S.C.p.A., who promptly resigned). The above two legal entities were informed that the Genoa and Rome public prosecutors were investigating alleged bid-rigging, corruption and, in certain cases, criminal conspiricy. Specifically, the proceeding before the Court of Genoa (involving COCIV managers and employees) concerns (i) alleged bid-rigging for supplies or works on individual lots, in respect of which the public prosecutor also subjected the Issuer's CEO to investigation; and (ii) two cases of corruption. The proceeding before the Court of Rome (as of the date of this Prospectus pending before the Alessandria Court) relates to alleged cases of corruption by management allegedly, with the aim of having the works director (also under investigation) carry out acts contrary to his official duties.

On January 11, 2017, as part of the proceedings commenced on November 16, 2016, the Italian Anti-Corruption Authority sent the Genoa Prefecture a proposal for adoption of the extraordinary measures pursuant to Article 32 of Decree Law No. 90 of June 24, 2014 against COCIV. On March 3, 2017, the Rome Prefecture issued its decree of the same date appointing a commissioner for the extraordinary and temporary administrative management of COCIV in accordance with Article 32(1)(b) of Decree Law No. 90 of 24 June 2014, for a six–month period, extended to January 15, 2019. The Rome Prefecture acknowledged termination of the extraordinary and temporary

administration of COCIV on October 31, 2018 with its decree of November 14, 2018, given that the set objectives had been met. During 2018, the Genoa public prosecutor notified the completion of the preliminary investigations for the criminal proceedings. As of the date of this Prospectus, the Genoa public prosecutor has not taken any additional actions (i.e., claim for dismissal or claim for commitment for trial).

The investigations focused on alleged collusive bidding and most of the challenged events took place between 2013 and 2016. The allegations refer to alleged conduct that could only be carried out by the individuals in charge of managing the related procedures. This implies that the alleged involvement of key management personnel (the then chairman of the consortium) and the Issuer's CEO, would not lead to the identification of any specific activity and/or conduct that these persons actually undertook.

The documents filed by the Genoa public prosecutor do not allege any violation by COCIV of the Decree 231. In connection with the alleged criminal offence of criminal association, the Public Prosecutor's Office requested and obtained, on September 5, 2018, the dismissal of the relevant criminal proceedings due to the unsustainability of the charge.

With respect to all the alleged corruption practices, involving the alleged administrative liability of the consortium and Reggio Calabria – Scilla S.C.p.A. for the administrative offence as per Articles 5 and 25 of Decree 231, the Court of Rome declared its lack of jurisdiction and referred the case to the Bolzano public prosecutor. The preliminary hearing date was set for June 26, 2019. In such hearing, the Court of Rome declared its lack of jurisdiction over the proceeding and ordered the case be referred to the Alessandria public prosecutor. As of the date of this Prospectus, the preliminary hearing before the Court of Alessandria has yet to be scheduled.

COCIV deems that the crimes allegedly committed by its personnel (should they be found guilty by the court) were to its detriment and were essentially committed in the interest of such individuals by fraudulently circumventing the rules in place to control COCIV activities. Moreover, these alleged offences would not have required RFI to pay a larger or undue amount or create economic benefits for the consortium but rather would have required it to pay higher costs. COCIV's new structure (senior management and operating personnel) is committed to ensuring that the works can continue while concurrently dealing with the social and employment issues arising from the discontinuity measures that the consortium has had to put in place vis–à–vis the third party companies involved in the legal proceedings. The consortium has carefully checked the quality of the materials used in works previously carried out although this is not an issue raised by the public prosecutors. Its results are wholly in line with the findings of the expert appointed by the Court of Genoa which found the full compliance of the materials used by COCIV with the quality levels specified in the contracts and relevant legislation.

Cossi S.p.A.

Cossi S.p.A., acquired by Salini Impregilo in March 2019, has been notified of the commencement of proceedings before the Court of Rimini, in connection with the administrative offence set forth under Article 25–septies(3) of Decree 231. As of the date of this Prospectus, the proceeding is currently under investigation.

Having known recently about the investigation, the directors have not yet provided any assessment in relation to the risk of unsuccessful outcome of the dispute. Consequently, the Issuer has not yet recorded any provision for risks in its financial statements.

Ministry of the Environment/Autostrade per l'Italia S.p.A. – Todini C.G. S.p.A. (now HCE Costruzioni)

In June 2011, at the conclusion of investigations conducted from 2005, the Public Prosecutor's Office of Florence charged the managing directors and former Todini Costruzioni Generali S.p.A. (formerly a Group subsidiary who was sold in 2016, "**Todini**") employees with alleged environmental offences relating to the management of excavated earth and rocks, water management, waste management and damage to environmental assets, within of the execution of the Tuscan lots of the so-called "Variante di Valico".

In the course of the criminal proceedings, the Ministry of the Environment joined as a civil plaintiff against the defendants, suing the civil defendants Autostrade per l'Italia S.p.A., Todini, Impresa S.p.A. and Toto S.p.A., and quantifying the alleged environmental damage for which compensation was claimed "for an amount of not less than €810.0 million or such other amount as may be considered just, and/or such other amount as may be determined on an equitable basis". A preliminary report signed by I.S.P.R.A. (institute established within the same Ministry) was produced as proof of the damage.

However, since I.S.P.R.A. report had not been cross-examined, the judge stated that it could not be admitted as a trial's evidence also due to the circumstance that it did not contain the name of the person who drew it up; at present, the claim for compensation is not supported by evidence as to the extent of the claim.

On October 30, 2017, the Court of Florence acquitted all the defendants and the Public Prosecutor appealed against the sentence on June 21, 2019.

FINANCING

€428,264,000 3.75% Notes due 24 June 2021 and €171,736,000 3.75% Notes due 24 June 2021

In the context of an exchange offer launched by Salini Impregilo regarding its outstanding €400,000,000 6.125% Notes due 1 August 2018 (the "**2018 Notes**"), on 24 June 2016 Salini Impregilo issued €428,264,000 3.75% Notes due 24 June 2021 (the "**Original 2021 Notes**"), €300 million of which were allocated to new investors and approximately €128 million of which were allocated to the holders of 2018 Notes that accepted the exchange offer.

On 18 July 2016, Salini Impregilo issued an additional €171,736,000 3.75% Notes due 24 June 2021 (the "**New 2021 Notes**" and, together with the 2021 Original Notes, the "**2021 Notes**"), which are consolidated with and form a single series with the 2021 Original Notes.

The 2021 Notes are in the denomination of €100,000 each and bear interest at a rate of 3.75% per annum. The 2021 Notes are governed by English law and are traded on the regulated market of Euronext Dublin

The 2021 Notes were offered to qualified investors only and when the 2021 Notes were issued, they were assigned a rating of BB+ by Standard & Poor's and a rating of BB by Fitch. These agencies assessed the level of credit-worthiness on the basis of the terms and conditions of the 2021 Notes, taking into account the unsecured and non-preferred nature of the 2021 Notes, in line with Salini Impregilo's rating.

The table below sets forth the long term ratings assigned by Standard & Poor's and Fitch to the 2021 Notes as of the issuance date and as of the date of this Prospectus, which are in line with the rating assigned to Salini Impregilo.

Agency	Rating	Last update
Standard & Poor's	BB-	December 3, 2019

Fitch	BB	July 10, 2019

The proceeds of the issuance of the 2021 Notes were used to repay the 2018 Notes and part of the then existing bank indebtedness, as well as for general corporate purpose.

The 2021 Notes are unsecured and will at all times rank pari passu with all other present and future unsecured and unsubordinated obligations of the Group, save for certain mandatory exceptions of applicable law.

The terms and conditions of the 2021 Notes include standard provisions for financing agreements of this nature, in line with market practice.

A portion of the Notes will be issued in exchange of the 2021 Notes. For further details see "*Estimated Net Amount and Use of Proceeds*" and "*Exchange Offer*".

€500,000,000 1.750% Notes due 26 October 2024

On 24 October 2017, Salini Impregilo issued €500,000,000 1.75% Notes due 26 October 2024 (the "**2024 Notes**").

The 2024 Notes are in the denomination of €100,000 and bear interest at rate of 1.75% per annum. The 2024 Notes are governed by English law and are traded on the regulated market of Euronext Dublin.

The 2024 Notes were offered to qualified investors only and when the 2024 Notes were issued, they were assigned a rating of BB+ by Standard & Poor's. The agency assessed the level of credit-worthiness on the basis of to the terms and conditions of the 2024 Notes, taking into account the unsecured and non-preferred nature of the 2024 Notes.

The table below sets forth the long-term ratings assigned by Standard & Poor's to the 2024 Notes as of issuance date and as of the date of this Prospectus, which are in line with the rating assigned to Salini Impregilo:

Agency	**Rating**	**Last update**
Standard & Poor's	BB-	December 3, 2019

The proceeds of the issuance of the 2024 Notes were used to refinance existing bank indebtedness.

The 2024 Notes are unsecured and will at all times rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Group, save for certain mandatory exceptions of applicable law.

The terms and conditions of the 2024 Notes include standard provisions for financing agreements of this nature, in line with market practice.

€50,000,000 financing agreement

In December 2015, Salini Impregilo entered into a financing agreement with a bank for an amount of €50,000,000 in order to finance the ordinary financial needs of Salini Impregilo. As of the date of this Prospectus, the financing has been fully drawn down and, therefore, the outstanding principal indebtedness is equal to €50,000,000.

The maturity date is December 2022, without prejudice to Salini Impregilo's right to make voluntary early total or partial repayments.

The rate of interest on the financing is a fixed interest. The financing is not secured by any collateral and is not guaranteed by any personal guarantee.

The financing agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, financial covenants, covenants on limitations on indebtedness and negative pledge and events of default (including, for instance, cross-default in relation to certain selected items of the definition of "financial indebtedness" (set out therein) for an amount exceeding certain materiality thresholds).

The financing agreement is governed by Italian law.

€102,850,000 Term Facility Agreement

In July 2016, Salini Impregilo entered into a €102,850,000 term facility agreement with a pool of banks (the **"€102,850,000 Term Facility Agreement**") to complete the refinancing of a €400,000,000 term facility agreement entered into in 2015.

As of date of this Prospectus, the outstanding principal indebtedness is equal to €61,710,000.

The €102,850,000 Term Facility Agreement, which is governed by Italian law, is repayable in semi-annual instalments starting from December 2017.

The maturity date is July 2024, without prejudice to Salini Impregilo's right to make voluntary early total or partial repayments.

The rate of interest on the €102,850,000 Term Facility Agreement is the aggregate of the applicable Euribor plus a margin. The €102,850,000 Term Facility Agreement is not secured by any collateral and is not guaranteed by any personal guarantee.

The €102,850,000 Term Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, financial covenants, covenants on limitations on indebtedness and negative pledge and events of default (including, for instance, cross-default in relation to certain selected items of the definition of "financial indebtedness" (set out therein) for an amount exceeding certain materiality thresholds).

€50,000,000 financing agreement

In May 2017, Salini Impregilo entered into a financing agreement with a bank for an amount of €50,000,000 in order to finance the ordinary financial needs of Salini Impregilo.

As of date of this Prospectus, the financing has been fully drawn down and the outstanding principal indebtedness is €50,000,000.

The financing is not secured by any collateral and is not guaranteed by any personal guarantee. The financing, which is governed by Italian law, matures in May 2021 without prejudice to Salini Impregilo's right to make voluntary early total or partial repayments.

The rate of interest on the financing is a fixed interest.

The financing agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, financial covenants, covenants on limitations on indebtedness and negative pledge and events of default (including, for instance, cross-default in relation to certain selected items of the definition of "financial indebtedness" (set out therein) for an amount exceeding certain materiality thresholds).

€380,000,000 Term Facility Agreement

In October 2017, Salini Impregilo entered into a €380,000,000 term facility agreement with a pool of banks, (the **"€380,000,000 Term Facility Agreement**"), to refinance part of its outstanding financial indebtedness.

As of date of this Prospectus, the €380,000,000 Term Facility Agreement has been fully draw down and the outstanding principal indebtedness is equal to €380,000,000.

The €380,000,000 Term Facility Agreement, which is governed by Italian law, matures in October 2022, without prejudice to Salini Impregilo's right to make voluntary early total or partial repayments.

The rate of interest on the €380,000,000 Term Facility Agreement is the aggregate of the applicable Euribor plus a margin. The €380,000,000 Term Facility Agreement is not secured by any collateral and is not guaranteed by any personal guarantee.

The €380,000,000 Term Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, financial covenants, covenants on limitations on indebtedness and negative pledge and events of default (including, for instance, cross-default in relation to certain selected items of the definition of "financial indebtedness" (set out therein) for an amount exceeding certain materiality thresholds).

€150,000,000 financing agreement entered into by Beyond S.r.l.

In September 2019, Salini Impregilo, as guarantor, and Beyond S.r.l. ("**Beyond**"), a newly-established company entirely owned by Salini Impregilo, as beneficiary, entered into a financing agreement with a pool of banks for an amount equal to €150,000,000 (the **"€150,000,000 Beyond Financing Agreement**") in order to enable Beyond to purchase the €75,000,000.00 Super–senior Secured PIYC Floating Rate Notes due on 12 February 2022 issued by Astaldi and to subscribe further issuance by Astaldi with reference to the €75,000,000.00 Super–senior Secured PIYC Floating Rate Notes due on 12 February 2022

As of the date of this Prospectus, the €150,000,000 Beyond Financing Agreement has been partially drawn down for an amount equal to €86,100,000.

The €150,000,000 Beyond Financing Agreement, which is governed by Italian law, must be repaid in a single instalment in September 2022, without prejudice to Salini Impregilo's right to make total or partial voluntary early repayments.

The rate of interest on the €150,000,000 Beyond Financing Agreement is the aggregate of the applicable Euribor plus a margin.

Beyond's obligations arising from the €150,000,000 Beyond Financing Agreement are guaranteed, *inter alia*, by a personal guarantee issued by Salini Impregilo as well as by a pledge on the securities of the notes issued by Astaldi from time to time held by Beyond and by a pledge on Beyond's bank accounts.

The €150,000,000 Beyond Financing Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, financial covenants, covenants on limitations on indebtedness and negative pledge and events of default (including, for instance, cross-default in relation to certain selected items of the definition of "financial indebtedness" (set out therein) for an amount exceeding certain materiality thresholds).

MATERIAL CONTRACTS

Sale of the Plants & Paving Division of Lane

On August 16, 2018, the Group's US subsidiary, Lane Construction, entered into an asset purchase agreement (the ''**Plants & Paving APA**'') with Eurovia SAS (''**Eurovia''**) for the sale to Eurovia of the assets related to its asphalt production and pavement division (''**Plants & Paving Division**''). The closing of the transaction occurred on December 12, 2018.

The purchase price paid on the closing date was equal to USD 573.6 million, subject to a post-closing adjustment mechanism. As of December 31, 2018, provisional estimates showed a downwards adjustment of USD 5.7 million.

Pursuant to the Plants & Paving APA, in addition to a set of customary representations, warranties and indemnification obligations in favor of Eurovia, the Group also agreed to a five-year non-competition undertaking with respect to conducting the asphalt production and paving business in certain US states.

The Group's indemnification obligations under the agreement are subject to certain limitations, in terms of duration and amount, which vary according to the nature of the representations and warranties or contractual provisions breached. Pursuant to the APA, the Group retained certain liabilities relating to the pension plans of the employees of the Plants & Paving Division existing as of the closing date and undertook, *inter alia*, to maintain such plans for the exclusive benefit of the retired staff of the Plants & Paving Division and certain other employees of Lane.

Other material contracts

Other than the financing agreements and the Plants & Paving APA' described above, and the Investment Agreements described in "*Principal Shareholders-Investment Agreements*" and in "*Principal Shareholders-Shareholders' Agreement*" above, Salini Impregilo has entered into all of its agreements and contracts in the ordinary course of its business. In particular, there are no contracts which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to repay the Notes.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes. This summary is based upon the laws and/or practice in force as at the date of this Prospectus. Italian tax laws and interpretations may be subject to frequent changes which could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and/or in practice and if such a change occurs, the information in this summary could become invalid.

Tax treatment of interest

Legislative Decree No. 239 of April 1, 1996 ("**Decree No. 239**") sets forth the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") deriving from Notes falling within the category of bonds (*obbligazioni*) and similar securities (pursuant to Article 44 of Presidential Decree No. 917 of December 22, 1986, as amended and supplemented ("**Decree No. 917**")), issued, *inter alia*, by companies resident in Italy for tax purposes whose shares are listed on a regulated market or on a multilateral trading platform of EU Member States or States party to the EEA Agreement allowing a satisfactory exchange of information with the Italian tax authorities as included in the decree of the Ministry of Economy and Finance of September 4, 1996, as subsequently amended and supplemented or superseded pursuant to Article 11(4)(c) of Decree No. 239 (the "**White List**").

For these purposes, securities similar to bonds (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation for the Issuer to actually pay, at maturity (or at any earlier redemption), an amount not lower than their nominal/face value/principal and that do not provide any right of direct or indirect participation in, or control on, the management of the Issuer or of the business in connection with which they are issued.

Italian-resident Noteholders

Noteholders not engaged in an entrepreneurial activity

If an Italian-resident beneficial owner of the Notes (a "**Noteholder**") is:

(d) an individual not engaged in an entrepreneurial activity to which the Notes are connected;

(e) a non-commercial partnership (*società semplice*) or a professional association;

(f) a non-commercial private or public institution (other than Italian undertakings for collective investment); or

(g) an investor exempt from Italian corporate income taxation,

then interest derived from the Notes, and accrued during the relevant holding period, is subject to a tax withheld at source (*imposta sostitutiva*), levied at a rate of 26 per cent., unless the relevant Noteholder holds the Notes in a discretionary investment portfolio managed by an authorised intermediary and has validly opted for the application of the risparmio gestito regime under Article of

Legislative Decree No. 461 of November 21, 1997 ("**Decree No. 461**") (see also "— *Tax treatment of capital gains — Discretionary investment portfolio regime (Risparmio gestito regime)*" below).

Subject to certain conditions (including a minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes (being financial instruments issued by an Italian resident corporation) may be exempt from any income taxation (including the 26 per cent. *imposta sostitutiva*) if the Noteholder is an Italian resident individual not engaged in entrepreneurial activity and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of December 11, 2016 and to Article 1, paragraphs 211 – 215, of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019.

Noteholders engaged in an entrepreneurial activity

In the event that the Italian-resident Noteholders mentioned under letters a) and c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

If a Noteholder is an Italian-resident company or similar commercial entity, or a permanent establishment in Italy of a non-resident company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest from the Notes will not be subject to the *imposta sostitutiva*. Interest must, however, be included in the relevant Noteholder's income tax return and is therefore subject to general Italian corporate income taxation and, in certain circumstances, depending on the status of the Noteholder, also to the Italian regional tax on productive activities ("**IRAP**").

Real estate investment funds and real estate SICAFs

Payments of interest deriving from the Notes made to Italian resident real estate collective investment funds and real estate closed-ended investment companies (s*ocietà di investimento a capitale fisso*, or "**SICAFs**"), provided that the Notes, together with the coupons relating thereto, are timely deposited directly or indirectly with an Italian authorised financial intermediary (or permanent establishment in Italy of a non-resident intermediary) are subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the real estate SICAF. However, a withholding or substitute tax of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realised by Italian real estate investment funds or real estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Funds, SICAVs and non-real estate SICAFs

If an Italian resident Noteholder is a non-real estate open-ended or a closed-ended collective investment fund ("**Fund**"), an open-ended investment company (*società di investimento a capitale variabile*, or "**SICAV**") or a non-real estate SICAF established in Italy and either (i) the Fund, SICAV or the non-real estate SICAF or (ii) their manager is subject to the supervision of a regulatory authority and the Notes are deposited with an authorised intermediary, interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund, the SICAV or the non-real estate SICAF. The Fund, the SICAV or the non-real estate SICAF are subject neither to *imposta sostitutiva* nor to any other income tax at their level, but a withholding tax of 26 per cent. will be levied, in certain circumstances, by the Fund,

the SICAV or the non-real estate SICAF on proceeds distributed in favour of their unitholders or shareholders.

Pension funds

If an Italian-resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Italian Legislative Decree No. 252 of December 5, 2005) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the results of the relevant portfolio accrued at the end of the tax period (which will be subject to a 20 per cent. substitute tax). Subject to certain limitations and requirements (including a minimum holding period) Interest in respects to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax pursuant to Article 1, paragraph 92, of Law No. 232 of 11 December 2016, if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114 of Law No. 232 of 11 December 2016 and to Article 1, paragraphs 210 – 215 of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019.

Application of the imposta sostitutiva

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, brokerage companies (*società di intermediazione mobiliare*, or **SIM**), fiduciary companies, società di gestione del risparmio ("**SGR**"), stockbrokers and other entities identified by decrees of the Ministry of Economy and Finance (each, an "**Intermediary**").

An Intermediary must:

(a) be resident in Italy, or be a permanent establishment in Italy of a non-Italian-resident financial intermediary; and

(b) participate, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Notes or in a change in the Intermediary with which the Notes are deposited.

If the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the relevant Italian financial intermediary (or permanent establishment in Italy of a non-Italian resident financial intermediary) paying the Interest to a Noteholder or, absent that, by the Issuer and gross recipients that are Italian resident corporations or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Non-Italian resident Noteholders

If the Noteholder is a non-resident for tax purposes, an exemption from the *imposta sostitutiva* applies, provided that the non-resident Noteholder is:

(a) a beneficial owner of the payment of Interest with no permanent establishment in Italy to which the Notes are effectively connected and resident, for tax purposes, in a state or territory included in the White List; or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) an "institutional investor", whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or

(d) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign state.

In order to ensure gross payment, non-resident Noteholders beneficial owner of the Interest must promptly deposit the Notes together with the coupons relating to such Notes 'directly or indirectly' with:

(viii) an Italian or non-resident bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the "**First Level Bank**"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); or

(ix) an Italian-resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Department of Revenue of the Ministry of Economy and Finance (the "**Second Level Bank**"). Organizations and companies that are not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of February 24, 1998) for the purposes of the application of Decree No. 239. If a non-resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for non-resident Noteholders is conditional upon:

(i) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and

(ii) the submission to the First Level Bank or the Second Level Bank (as the case may be) of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares, *inter alia*, that it is the beneficial owner of any interest on the Notes and it is eligible to benefit from the exemption from the *imposta sostitutiva*.

Such statement must comply with the requirements set forth by a Ministerial Decree dated 12 December 2001, is valid until withdrawn or revoked (unless some information provided therein has changed) and does not need to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in Italy referred to in point (b) above or Central Banks or entities also authorised to manage the official reserves of a State referred to in point (d) above. Additional requirements are provided for "institutional investors" referred to in point (c) above (in this respect see, among others, Circular Letters Nos. 23/E of 1 March 2002 and No. 20/E of 27 March 2003).

The *imposta sostitutiva* will be applicable at a rate of 26 per cent. to interest paid to Noteholders who do not qualify for the foregoing exemption or do not timely and properly satisfy the requested conditions (including the procedures set forth under Decree No. 239 and in the relevant implementation rules).

Noteholders who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for full or partial relief under an applicable tax treaty, subject to timely filing of required documentation provided by Regulation of the Director of Italian Revenue Agency No. 2013/84404 of July 10, 2013.

Tax treatment of capital gains

Italian-resident Noteholders

Noteholders not engaged in an entrepreneurial activity

Where an Italian-resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to a capital gain tax (*imposta sostitutiva*, or "**CGT**") levied at a rate of 26 per cent. Noteholders may set off any capital losses with their capital gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt—under certain conditions—for any of the three regimes described below.

Tax return regime. Under the tax return regime (*regime della dichiarazione*), which is the default regime for Italian-resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the CGT on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian-resident individual holding the Notes during any given tax year. Italian-resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in their annual tax return, and pay the CGT on such gains, together with any balance of income tax due for such year. Within the same time limit, capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years

Non-discretionary investment portfolio regime (Risparmio amministrato regime). As an alternative to the tax return regime, Italian-resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the CGT separately on capital gains realised on each sale or redemption of the Notes (*regime del risparmio amministrato*). Such separate taxation of capital gains is allowed subject to:

(i) the Notes being deposited with an Italian bank, SIM or certain authorised financial intermediaries; and

(ii) an express election for the *risparmio amministrato* regime being made in writing in a timely fashion by the relevant Noteholder.

The depository must account for the CGT in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the CGT to the Italian tax authorities on behalf of the Noteholder, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, any possible capital loss resulting from a sale or redemption or certain other transfer of the Notes may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years, up until the fourth tax year. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains/losses realised within said regime in the annual tax return.

Discretionary investment portfolio regime (Risparmio gestito regime). In the *risparmio gestito* regime, any capital gains realised by Italian-resident individuals holding the Notes not in connection with an entrepreneurial activity and who have entrusted the management of their financial assets (including

the Notes) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at tax year-end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any decrease in value of the managed assets accrued at the tax year-end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. The Noteholder is not required to declare the capital gains or losses realised within said regime in its annual tax return. The Noteholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be exempt from any income taxation (including from the 26 per cent. CGT) if the Noteholder is an Italian resident individual not engaged in entrepreneurial activity and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements set forth in Article 1(100-114) of Finance Act 2017 and to Article 1, paragraphs 211 – 215, of the Law No. 145, as implemented by the Ministerial Decree 30 April 2019.

Noteholders engaged in an entrepreneurial activity

Any gain obtained from the sale or redemption of the Notes will be treated as part of taxable business income (and, in certain circumstances, depending on the ”status” of the Noteholder, also as part of net value of the production for IRAP purposes), if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of non-resident entities to which the Notes are connected) or Italian-resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Real estate investment funds and real estate SICAFs

Any capital gains realised by a Noteholder which qualifies as an Italian real estate investment fund or an Italian real estate SICAF will be subject neither to CGT nor to any other income tax at the level of the real estate investment fund or the real estate SICAF (see “– *Tax treatment of interest – Real estate investment funds and real estate SICAFs*” above). However, a withholding or substitute tax of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realised by Italian real estate investment funds or real estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Funds, SICAVs and non-real estate SICAFs

Any capital gains realised by a Noteholder which is a Fund, a SICAV or a non-real estate SICAF will not be subject to CGT but will be included in the result of the relevant portfolio accrued at the end of the relevant fiscal year. Such result will not be taxed at the level of the Fund, the SICAV or the non-real estate SICAF, but income realised by the unitholders or shareholders in case of distributions, redemption or sale of the units/shares may be subject to a withholding tax of 26 per cent.

Pension funds

Any capital gains realised by a Noteholder which qualifies as an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of December 5, 2005) will be included in the result of the relevant portfolio accrued at the end of the relevant tax period, and subject to 20 per cent. substitute tax. Subject to certain limitations and requirements (including a minimum holding period), capital gains realised in respect of the Notes may be excluded from the taxable base of the substitute tax pursuant to Article 1, paragraph 92, of Law No. 232 of 11 December 2016, if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) pursuant to Article

1, paragraphs 100 – 114 of Law No. 232 of 11 December 2016 and to Article 1, paragraphs 210 – 215 of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019.

Non-Italian resident Noteholders

A 26 per cent. CGT may be payable on capital gains realised on the sale or redemption of the Notes by non-Italian resident persons without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy. However, under Article 23(1)(f)(2) of Decree No. 917, capital gains realised by non-resident Noteholders from the sale or redemption of notes issued by an Italian-resident issuer and traded on regulated markets in Italy or abroad are not subject to CGT, subject to the filing of required documentation in a timely fashion (in particular, a self-declaration that the Noteholder is not resident in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Capital gains realised by non-resident Noteholders from the sale or redemption of Notes issued by an Italian-resident issuer, even if the Notes are not traded on regulated markets, are not subject to CGT, provided that the beneficial owner is:

(a) a beneficial owner of the capital gains with no permanent establishment in Italy to which the Notes are effectively connected and resident, for tax purposes, of a state or territory included in the White List; or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) an "institutional investor", whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or

(d) a central bank or an entity which manages, inter alia, the official reserves of a foreign state.

In order to ensure gross payment, non-Italian resident Noteholders must satisfy the same conditions set forth above to benefit from the exemption from the *imposta sostitutiva* in accordance with Decree 239 (see "– *Tax treatment of interest*" above).

If none of the above conditions is met, capital gains realised by non-Italian resident Noteholders from the sale or the redemption of Notes issued by an Italian resident issuer and not traded on regulated markets may be subject to CGT at the current rate of 26 per cent. However, Noteholders might benefit from an applicable tax treaty with Italy, providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the State where the recipient is tax resident, subject to certain conditions to be satisfied.

Under these circumstances, if non-resident persons without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorised financial intermediary and are subject to the *risparmio amministrato* regime or elect for the *risparmio gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that the non-resident Noteholders file in time with the authorised financial intermediary appropriate documents which include, inter alia, a certificate of residence from the competent tax authorities of their country of residence.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities holding Notes deposited with an Intermediary, but non-Italian resident Noteholders retain the right to waive this regime.

Fungible assets

Pursuant to Article 11, paragraph 2 of Decree No. 239, where the Issuer issues a new Tranche forming part of a single series with a previous Tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva* (if any), the issue price of the new Tranche will be deemed to be the same as the issue price of the original Tranche. This rule applies where (a) the new Tranche is issued within 12 months from the issue date of the previous Tranche and (b) the difference between the issue price of the new Tranche and that of the original Tranche does not exceed 1 per cent. of the nominal value of the Notes multiplied by the number of years of the duration of the Notes.

Certain reporting obligations for Italian-resident Noteholders

Under Law Decree No. 167 of June 28, 1990, as subsequently amended and supplemented, individuals, non-business entities and non-business partnerships that are resident in Italy and, during the tax year, hold investments abroad or have financial assets abroad (including possibly the Notes) must, in certain circumstances, disclose these investments or financial assets to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding the Euro 15,000 threshold throughout the year, which per se do not require such disclosure). The requirement applies also where the persons above, being not the direct holders of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation.

No disclosure requirements exist for investments and financial assets (including the Notes) under management or administration entrusted to Italian resident intermediaries (Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167 of June 28, 1990) and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subjected to Italian withholding or substitute tax by the such intermediaries.

Italian inheritance tax and gift tax

The transfer of Notes by reason of gift, donation or succession proceedings is subject to Italian gift and inheritance tax as follows:

(a) 4 per cent. for transfers in favour of the spouse or direct relatives exceeding, for each beneficiary, a threshold of Euro 1 million;

(b) 6 per cent. for transfers in favour of siblings exceeding, for each beneficiary, a threshold of Euro 100,000;

(c) 6 per cent. for transfers in favour of relatives up to the fourth degree and to all relatives in law in direct line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and

(d) 8 per cent. for transfers in favour of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heiress or the donee is a person with a severe disability pursuant to Law No. 104 of February 5, 1992, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds Euro 1.5 million.

With respect to Notes listed on a regulated market, the value for inheritance and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the

gift (including any accrued interest). With respect to unlisted Notes, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

Moreover, an anti-avoidance rule is provided in the case of a gift of assets, such as the Notes, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by Decree 461/1997, as subsequently amended. In particular, if the donee sells the Notes for consideration within five years from their receipt as a gift, the latter is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place.

Italian inheritance tax and gift tax applies to non-Italian resident individuals for bonds issued by Italian resident companies.

Wealth tax – direct holding

According to Article 19 of Law Decree No. 201 of December 6, 2011, Italian-resident individuals, non-business entities and non-business partnerships that are resident in Italy holding financial products, including the Notes, outside Italy without the involvement of an Italian financial intermediary are required to pay a wealth tax currently at the rate of 0.20 per cent. (the level of tax being determined in proportion to the period of ownership). The wealth tax applies on the market value at the end of the relevant year or, in the absence of a market value, on the nominal value or redemption value of such financial products held outside Italy. Taxpayers are generally permitted to deduct from the wealth tax a tax credit equal to any wealth taxes paid in the State where the financial products are held (up to the amount of the Italian wealth tax due).

Stamp taxes and duties – holding through financial intermediary

Under Article 13(2ter) of the tariff, Part I of the Decree No. 642 of October 26, 1972, a 0.2 per cent. stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries. The Notes are included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

The stamp duty cannot exceed Euro 14,000 for Noteholders other than individuals. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the 0.2 per cent. stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as “clients” according to the regulations issued by the Bank of Italy.

The taxable base of the stamp duty is the market value or, in the lack thereof, the nominal value or the redemption amount of any financial product.

Registration tax

Contracts relating to the transfer of the Notes are subject to the registration tax as follows:

(a) public deeds and private deeds with notarised signatures (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at rate of Euro 200; and

(b) private deeds (*scritture private non autenticate*) are subject to fixed registration tax of Euro 200 only in the “case of use” or voluntary registration or occurrence of the so-called *enunciazione*.

SUBSCRIPTION AND SALE

The Exchange Notes, representing €126,659,000 in principal amount of the Notes, are being issued in exchange for the 2021 Notes pursuant to an exchange offer launched by the Issuer on 10 January 2020 (the "**Exchange Offer**"). The Exchange Offer has been conducted with the assistance of certain of the Managers as dealer managers.

References in the remainder of this section "*Subscription and Sale*" to the "**Notes**" are to the Additional Notes, representing the remaining €123,341,000 in principal amount of the Notes.

The Managers have, in a subscription agreement dated 24 January 2020 (the "**Subscription Agreement**") and made between the Issuer and the Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Notes. The Issuer has also agreed to pay certain combined commissions to the Managers as set out therein and reimburse the Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Subscription Agreement provides that the obligations of the Managers are subject to certain conditions precedent, and the Subscription Agreement may be terminated in certain circumstance prior to payment for sale of the Notes being made to the Issuer.

In connection with this issue of the Notes, Merrill Lynch International does not act for or provide services, including providing any advice, in relation to the issue of the Notes to any person other than the Issuer. Merrill Lynch International will not regard any person other than the Issuer, including actual or prospective holders of the Notes, as its client in relation to the issue of the Notes. Accordingly, Merrill Lynch International will not be responsible to anyone other than the Issuer for providing the protections (regulatory or otherwise) afforded to its clients.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to EEA investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. treasury regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the Issue Date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to any Notes to be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the "**PD Regulation**") and any applicable provision of Legislative Decree no. 58 of 24 February 1998, as amended (the "Financial Services Act") and Italian CONSOB regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the PD Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

In any event, any such offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under the preceding paragraphs (a) and (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time; and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

France

The Notes are not intended to be offered or sold and should not be offered or sold, directly or indirectly, to the public in France nor to be distributed or caused to be distributed and should not be distributed or caused to be distributed to the public in France; the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions are intended to have been and should be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), and/or (c) a limited circle of investors (*cercle restreint*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 and D.411-4 of the French Code monétaire et financier.

General

All applicable laws and regulations in each country or jurisdiction in which Notes are purchased, offered, sold or delivered must be complied with and any possession, distribution or publication of this Prospectus or any other offering material relating to the Notes must comply with applicable laws and regulations. Persons into whose hands this Prospectus comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Notes has been authorised by a resolution (*determina*) of the managing director of the Issuer dated 17 January 2020 pursuant to the powers delegated to the managing director by the resolutions of the board of directors of the Issuer passed on 2 December 2019, 7 and 16 January 2020.

Listing and Admission to Trading

2. Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market. The total expenses related to the admission of the Notes to trading on Euronext Dublin's regulated market are expected to amount to approximately €4,540.

Legal and Arbitration Proceedings

3. Without prejudice to what is described in the section "*Description of the Issuer-Litigation and arbitration proceedings*", there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer and the Group.

Significant/Material Change

4. Since 31 December 2018 there has been no material adverse change in the prospects of the Issuer or the Group. Since 30 June 2019 there has been no significant change in the financial performance of the Issuer or the Group.

Auditors

5. The current Auditors of the Issuer are KPMG S.p.A. ("**KPMG**"), whose registered office is at Via Vittor Pisani, 25, 20124 Milan, Italy. KPMG is an accounting firm authorised and regulated by the Italian Ministry of Economy and Finance (MEF) and registered with the special register of auditing firms held by the MEF. KPMG has (a) audited the Issuer's annual financial statements, prepared in accordance with International Financial Reporting Standards adopted in the European Union and the Italian regulations implementing Article 9 of Legislation Decree No. 38/05 and has issued an unqualified audit report with an emphasis of matter, in accordance with auditing standards recommended by CONSOB for the Financial Years ended 31 December 2017 (please see pages 612-619 of the 2017 Audited Consolidated Financial Statements which is incorporated by reference in this Prospectus) and 31 December 2018 please see pages 470-478 of the 2018 Audited Consolidated Financial Statements which is incorporated by reference in this Prospectus)and (b) performed a limited review of the Issuer's unaudited condensed interim consolidated financial statements, prepared in accordance with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) endorsed by the European Union and CONSOB guidelines set out in CONSOB resolution no. 10867 dated 31 July 1997 for the financial period ended 30 June 2019 (please see pages 174-175 of the 2019 Interim Consolidated Financial Statements which is incorporated by reference in this Prospectus) and issued an unqualified review report with an emphasis of matter. The auditors of the Issuer are independent accountants in respect of the Issuer. KPMG's appointment was conferred for the period

2015 to 2023 by the shareholders' meeting held on 30 April 2015 and will expire on the date of the shareholders' meeting convened to approve the Issuer's financial statements for the Financial Year ending 2022.

The reports of the auditors of the Issuer are included or incorporated in this Prospectus in the form and context in which they are included or incorporated, with the consent of the relevant auditors who have authorised the contents of that part of this Prospectus.

Documents on Display

6. For so long as the Notes remain outstanding, copies (and English translations where the documents in question are not in English) of the following documents will be available for inspection at https://www.salini-impregilo.com/en:

   (a) the By-laws (*statuto*) of the Issuer;

   (b) this Prospectus together with any supplement to this Prospectus or further Prospectus; and

   (c) the Paying Agency Agreement and the Trust Deed.

   In addition, the Issuer regularly publishes its interim and full year financial statements on its website at http://www.salini-impregilo.com.

Clearing Systems

7. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS2102392276 and the common code is 210239227. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Material Contracts

8. The Issuer and the companies forming part of the Group have not entered into any contracts in the last two years outside the ordinary course of their business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of the Notes.

Potential Conflicts of Interest

9. Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions (including, without limitation, the provision of loan facilities) with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

10. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Certain Managers may, from time to time, also act as liquidity provider on debt securities. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates or any entity related to the Notes. Certain of the Managers and their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into

transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the avoidance of doubt, the term "affiliates" shall include parent companies.

11. In particular, with reference to paragraph 10 above, Banca IMI S.p.A., one of the Joint Lead Managers in connection with the offering of the Notes, is a wholly owned subsidiary of Intesa Sanpaolo S.p.A., the ultimate parent company of the Intesa Sanpaolo Group and Banca Akros S.p.A. – Gruppo Banco BPM is a wholly owned subsidiary of Banco BPM S.p.A. Each of Intesa Sanpaolo S.p.A., Banca IMI S.p.A., Banco BPM S.p.A., Citigroup Global Markets Limited, Goldman Sachs International, Merrill Lynch International, Natixis, UniCredit Bank AG and the parent company of UniCredit Bank AG, UniCredit S.p.A., have provided corporate finance and investment banking services to the Issuer in the last twelve months. The net proceeds of the issue of the Notes will be used by the Issuer to repay existing indebtedness and for general corporate purposes of the Group (as further described in "*Estimated Net Amount and Use of Proceeds*"). Furthermore, each of the Managers will receive a commission (as further described in "*Subscription and Sale*").

12. Furthermore, following the Capital Increase, as at the date of this Prospectus, each of Intesa Sanpaolo S.p.A. and UniCredit S.p.A. holds an interest equal to 5.26% of the share capital (5.27% of the voting rights) in the Issuer (as further described in "*Description of the Issuer - Principal Shareholders - Shareholders holding an interest in excess of 3 per cent*.").

Yield

13. On the basis of the issue price of the Notes of 100 per cent. of their principal amount, the gross real yield of the Notes is 3.625 per cent. on an annual basis.

Legend Concerning US Persons

14. The Notes and any Coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

Post-issuance Information

15. The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

REGISTERED OFFICE OF THE ISSUER

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TRUSTEE

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London E14 5AL
United Kingdom

PRINCIPAL PAYING AGENT

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One Canada Square
London E14 5AL
United Kingdom

LISTING AGENT

Walkers Listing Services Limited
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George's Dock, IFSC
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To the Issuer as to Italian law and Italian tax law:

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To the Joint Lead Managers as to English and Italian law:

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in association with Linklaters LLP
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Italy

To the Trustee as to English law:

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AUDITORS TO THE ISSUER

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20124 Milan
Italy