



INVESTMENT OPPORTUNITY

JULY 2019



KEY INVESTMENT HIGHLIGHTS



INSO AT A GLANCE

€1,638m¹
Backlog

€197m¹
Margin
(related to backlog)

~ 490²
Employees

> 80
Hospitals built or
equipped

> 150,000
Medical equipment
provided

> 20
Countries where Inso
operated

General description

- Established in the 1960s by Enrico Mattei (founder of the ENI group) with the aim of realizing the prefabrication of fuel supply stations, Inso S.p.A. in A.S. ("Inso" or the "Company") is today a **general contractor specialized in the development of construction projects and supply of technologies** for healthcare, industrial and services sectors
- Since 2012, Inso is part of the group Società Italiana per Condotte d'Acqua S.p.A. ("Condotte" or, together with its subsidiaries "Condotte Group")
- Inso is active in the domestic and international markets, with experience across over 20 countries worldwide; the Company's expertise ranges from the design to the management of the projects carried out; the business areas where INSO operates are:
 - Construction:** healthcare, civil and industrial plants infrastructures
 - Instrumentation:** healthcare facilities equipment
 - Concessions:** equity investments in SPVs created the execution of project financing concession contracts
 - Facility management services under concession contracts:** maintenance activities complementary to the main business, mainly carried out by the subsidiary Sof S.p.A. ("SOF"), specialized in facility management (e.g. management, maintenance and energy management)
- Inso is under **Extraordinary Administration ("E.A.")** since the **5th December 2018**. **Giovanni Bruno, Gianluca Piredda** and **Matteo Uggetti** have been appointed as Extraordinary Commissioners (the "Commissioners")

Inso business activities and projects portfolio

CONSTRUCTION



Projects where Inso operates as **General Contractor for the construction of hospitals, commercial buildings and the tertiary sector (EPC)**



9 projects

EQUIPMENT



System Integrator in the supply of **furniture, equipment and medical technologies** in own projects or for healthcare facilities built by third parties



5 projects

FACILITY MANAGEMENT

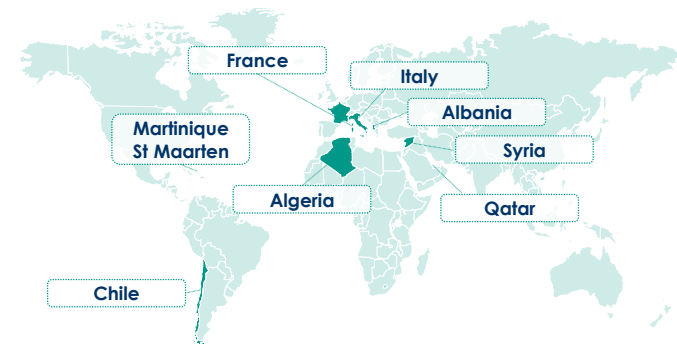


Projects where Inso operates in the **facility management** phase. More than half of the projects **will start only at the end of the respective construction phase**

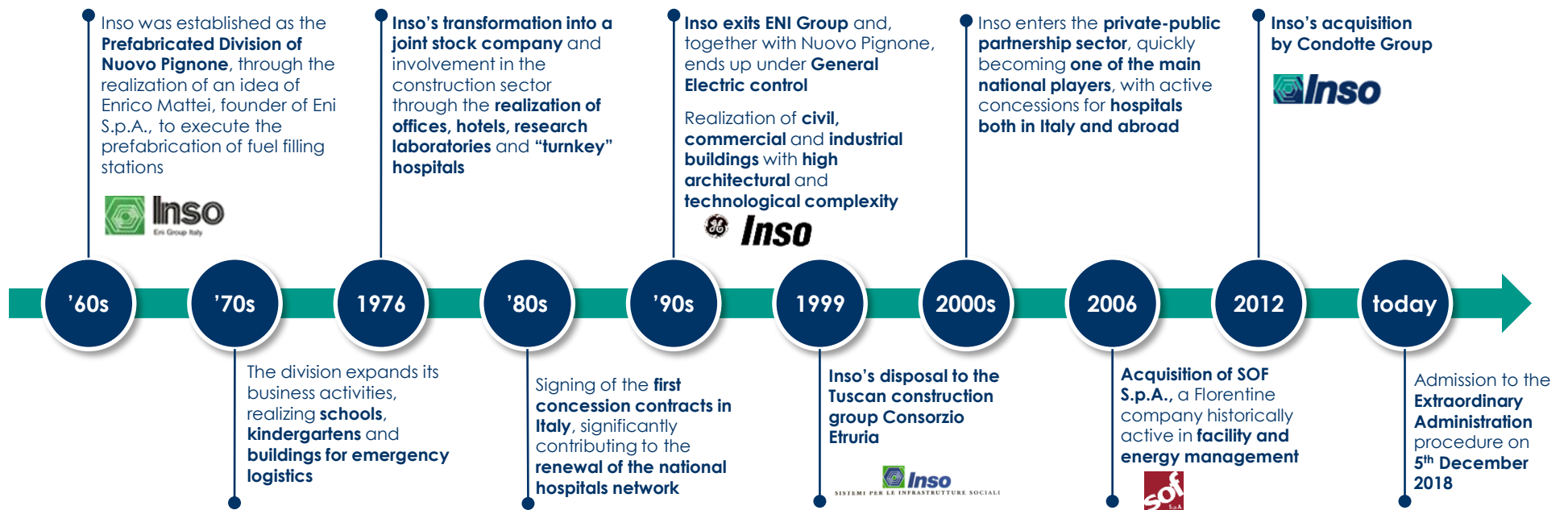


5 projects

Over **50% of construction projects** are carried out **abroad**, while almost all the **facility management projects** are in **Italy**



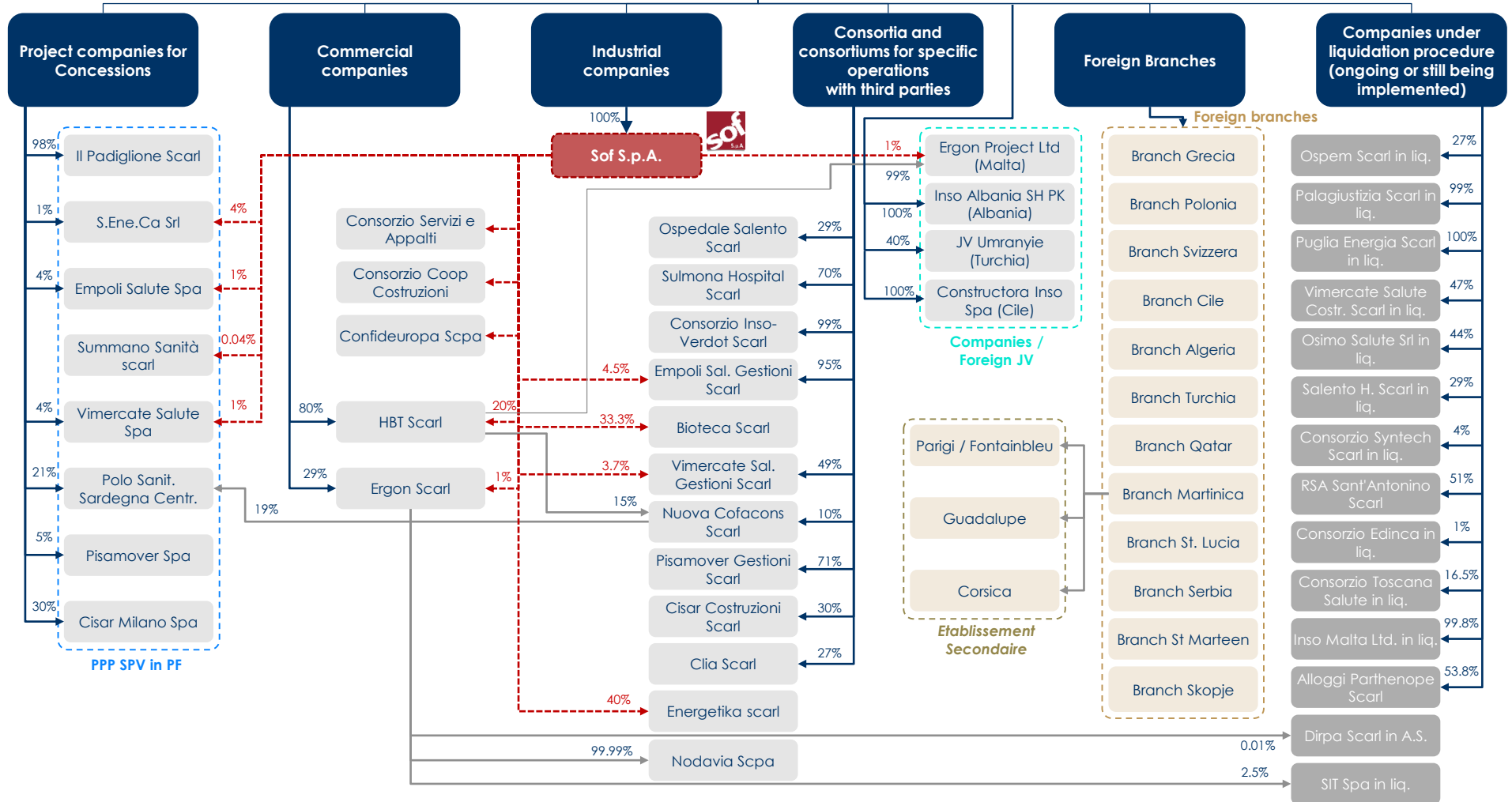
KEY MILESTONES AND RECENT DEVELOPMENTS



Recent developments - Extraordinary Administration

- ◆ On the 3rd June 2019, the Commissioners filed to the Minister of Economic Development ("**MISE**") the program pursuant to the Article 4, paragraph 2, of the Marzano Law (the "**Program**"), based on a divestment plan of assets and activities owned by Inso
- ◆ On the 22nd July 2019, **MISE approved the execution of the going concern disposal program**
- ◆ The Company has finalized a **new financing line of €30m** (the "**New Financing**"), backed by a **government guarantee** according to the relative legislation, underwritten by a **leading Italian financial institution**. Inso will use the available proceeds to **finance the projects** belonging to the "**Core Business**" and to **execute the Program**

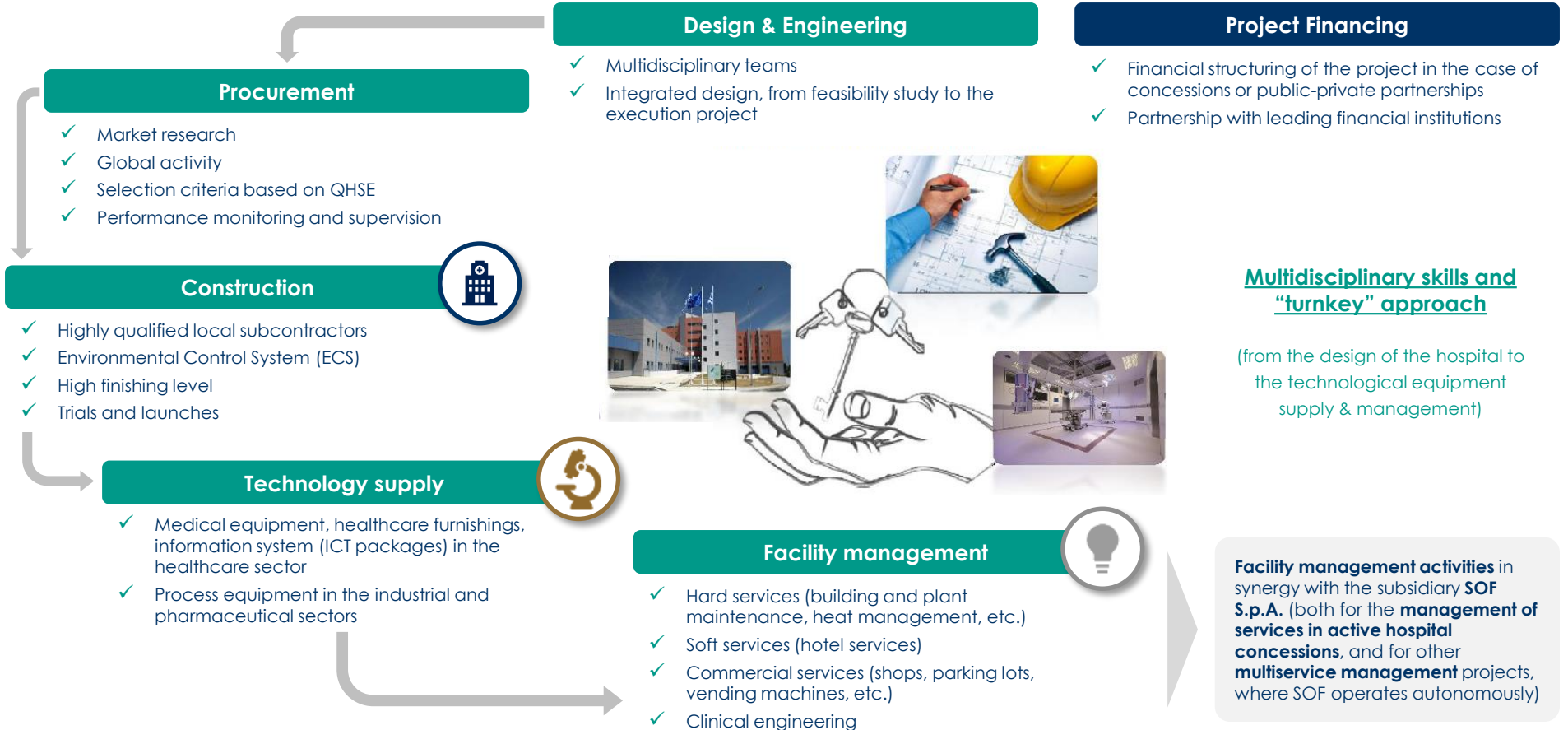
GROUP STRUCTURE AS OF 5TH DECEMBER 2018



INSO MAIN ACTIVITIES

Inso is a **General Contractor** specialized in the development of **construction projects** and **supply of technologies for the healthcare, industrial and services sectors**

The expertise, ranging from the **design** to the **management of the realized works**, ensures the Company a **high degree of specialization in the execution of Engineering Procurement & Construction contracts ("EPC")**



BUSINESS AREAS: HEALTHCARE INFRASTRUCTURES



HEALTHCARE INFRASTRUCTURES

- ◆ Today Inso is positioned among the leading global players in the construction of **healthcare facilities** and in the **supply of medical equipment**
- ◆ The distinctive multidisciplinary skills and the "turnkey" approach constitute a **competitive advantage allowing Inso to be well positioned in a highly specialized sector**

"Turnkey" hospitals

Spallanzani hospital (Rome)



Attikon hospital (Greece)



Empoli hospital



Mater Dei hospital (Malta)



St. Lucia hospital



Careggi hospital (Florence)



Medical equipment

Sidra Medical Centre (Qatar)



Mater Dei hospital (Malta)



Kerkyra hospital (Greece)



Robotic surgery (Arezzo)



Cannizzaro hospital (Catania)



Radiotherapy Center (Malta)



BUSINESS AREAS: BUILDINGS



BUILDING

- ◆ Buildings of **high engineering and technological content** and of **high architectural complexity**, where Inso exploits its multidisciplinary Design & Build capabilities
- ◆ Inso represents a trusted partner for private customers also in the **high-rise buildings niche market**

Civil

E-Towers (San Donato)



il Padiglione residence (Urbino)



Justice Palace (Florence)



Castelfalfi hotel (Florence)



Multifunctional center (Biella)



Antinori winery (Bargino)



Commercial and industrial

Business Center (Martinica)



The Point Shopping Mall (Malta)



Unicoop (San Lorenzo a Greve)



Kedrion plant (Lucca)



Zlota 44 Tower (Polonia)



Hangar Atitech (Naples)



BUSINESS AREAS: PPP & CONCESSIONS



PPP & CONCESSIONS

- ◆ The current **concession market** allows the highest valorization of Inso's general contractor nature and the know-how gained in the implementation of projects with "turnkey" approach
- ◆ Inso develops and manages the **concession contracts** with the granting bodies and provides for the financial structure of the operations, the management of the SPV's financing contracts and their administrative & financial management
- ◆ The synergies with its subsidiary SOF, specialized in technological facility management, give Inso the opportunity to improve the **integrated product / services offering**, ensuring the industrial supervision of all Operation & Maintenance activities

Healthcare

Vimercate hospital (MB)



Complel. Empoli hospital



St. Maarten med. cen. (Ant. Ol.)



Città della Salute (Milan)



Bolzano detention center



Cisanello hospital (Pisa)



Energy & other sectors

Pisamover connection (Pisa)

Pisa goes for the future.



Trigeneration center (Careggi)



BUSINESS AREAS: FACILITY MANAGEMENT



FACILITY MANAGEMENT



- ◆ Inso engages in **facility management activities** in synergy with its **subsidiary SOF**, both for **facility management in active healthcare concessions** and for other **multiservice management projects**
- ◆ SOF has been active in the facility management market at a domestic level for over 25 years, with particular specialization in **maintenance services for public and private real estate assets** and in the **supply of energy services** and with deep focus on **efficiency** and **renewable energy** issues

Facility management

- **Energy audits** and **energy certification**
- Global maintenance services on **plants** and **buildings**
- **Conduction of thermal plants and cogeneration**
- **Energy** service
- **Ordinary and extraordinary maintenance** of mechanical and electrical systems
- **Support** services for public bodies and communities
- **Maintenance** services for **electromedical equipment**
- Surgical equipment **sterilization** services
- **Logistics** services in healthcare sector

New equipment installation

- **Design**
- Realization of **"turnkey" technological and cogeneration plants**
- Installation of **heating, air-conditioning, thermo-hydraulic and electrical systems**
- Realization of **"turnkey" sterilization plants**
- Design and installation of plants for the production of energy from renewable sources

Industrial sector

- **HV / MV transformation substations**
- **MV / LV transformation chambers**
- **Medium and low voltage** electrical power plants
- **Lighting** systems
- **Explosion-proof** systems
- **Instrumentation** systems
- **Automation and control** systems
- **Control room**
- **Electro-instrumental assemblies**

Poste Italiane

Integrated management, operation and maintenance service for Rome Eur Real Estate Complex

Marchesi Antinori

Maintenance and supervision of construction works, mechanical and electrical installations of Antinori winery

Tempio dei Mormoni

Completion of electrical system works for the construction of the building in Rome Settebagni and global maintenance service

Careggi hospital

Design and execution of the works for the realization of the Company Nursery School "Saltapicchio"

New installations for electro-instrumental systems and maintenance



Ecclesiastical Bodies

Heating system and plant management services at Ecclesiastical Institutes

Toscana Region

Plant maintenance

Firenze province

Realization of new hydraulic distribution of Balducci Institute in Pontassieve

Azienda USL 6 Livorno

Realization of new dialysis department of the Portoferraio Hospital



MAIN GUIDELINES OF THE PROGRAM

The going concern program is based on 2 main guidelines

A Identification - based on the type of activity performed and the relative income and financial prospects - of a **group of assets meeting the requisites to be included in the branch of Inso's core operating activities** (the "Core Business"), **subject to disposal in order to achieve the maximization of the valorization**, both from a financial perspective and in terms of protection of direct and indirect employment levels

The Core Business includes a portfolio of projects carried out by Inso and the equity investments in 3 industrial entities: Inso Albania Shpk, Ergon Project Ltd and SOF

The Core Business has been divided into 3 operating units: (i) "Operating Unit Contracts"; (ii) "Operating Unit Concessions" and (iii) "Operating Unit SOF"

Definition criteria of the Core Business

- 1 **Profitability:** positive profitability prospects
- 2 **Cash generation:** positive financial cycle
- 3 **Prosecution:** safeguarding commercial relationships with the clients, avoiding any detrimental contractual termination
- 4 **Financing:** coherent and sustainable financial needs
- 5 **"Commercial" risk limitation:** limit the risk of being included in the "black list" by customers and country systems
- 6 **Unitarity:** consideration regarding the commercial relationships management (orders attributable to the same client)
- 7 **Employment protection**
- 8 **Satellite activities generated** (subcontractors, indirect workforce, etc.)

B Identification of a **non core perimeter including company assets** that, given their nature or specific contingencies, **do not have the features and criteria identified for the Core Business** (the "Non Core Business") and for which a **separate valuation / disposal path** is preferable. The assets belonging to the Non Core Business are divided into: (i) **individual assets subject to disposal**; (ii) **projects in termination phase**; (iii) **projects completed or in dispute**; and (iv) **other residual balance sheet items**

INSO PROJECTS PORTFOLIO
















CORE BUSINESS PROJECTS (€m) ¹	BACKLOG	MARGIN (Related to backlog)	CF (Related to backlog)			
<ul style="list-style-type: none"> Ajaccio (France) Fontainebleau (France) ST Maarten (EPC) ST Maarten (facility mgmt) ST Maarten (renewal) 						
ST Maarten						
<ul style="list-style-type: none"> Chillan (Chile) Qatar Sidra Phcc/Naufar/Al Shaqab 						
Qatar						
<ul style="list-style-type: none"> Laghouat (Algeria) Tishreen (Syria) Albania Equipment San Gavino (Italy) Cisanello (EPC) Cisanello (facility mgmt) 						
Cisanello (Italy) ²						
O.U. CONTRACTS³				590		
<ul style="list-style-type: none"> Empoli (Italy)⁴ Città della Salute (EPC) Città della Salute (facility mgmt) 						
Città della Salute (Italy)						
<ul style="list-style-type: none"> Carcere di Bolzano (EPC) Carcere di Bolzano (facility mgmt) 						
Carcere di Bolzano (Italy)						
O.U. CONCESSIONS	588					
TOTAL	1,178	129	125			


















- Inso order book, excluding new acquisitions scheduled for 2019-2023
- The «Cisanello» project, due to the ongoing litigation on the awarding of the works, has been excluded, in the Program, from the Core Business portfolio of projects and considered among the new acquisitions, in anticipation of a positive resolution of the dispute. Following the favorable sentence of the Council of State published on the 26th July 2019, this project is represented here as an integral part of the Core Business portfolio of projects
- The Operating Unit Contracts includes, as previously stated, in addition to the projects carried out by Inso, the equity investments in Inso Albania Shpk and Ergon Project Ltd, described in the following slides
- The construction phase is concluded, hence, as of today, the project only involves the provision of facility management services

Source: Program ex. art. 4, comma 2 of D.L. n° 347/2003 drafted according to art. 27, comma 2, letter a) of D.Lgs. 270/1999














OPERATING UNIT CONTRACTS – INSO PROJECTS OVERVIEW (1/3)

Project	Country	WIP	Description
 Ajaccio	France 	72%	<ul style="list-style-type: none"> ➤ Design and construction of the new general hospital of Ajaccio, Corse, a facility with ca. 350 beds extending over an area of over 45,000sqm ➤ Additionally, the project foresees the provision of a portion of the medical equipment 
 Fontainebleau	France 	8%	<ul style="list-style-type: none"> ➤ Design and construction of a new medical facility, as part of the functional re-organization of the entire hospital complex of Fontainebleau ➤ The company has been awarded with this project as a result of an intense and constant commercial activity aimed at penetrating the mainland France market, where competition with French contractors is stronger 
   St. Maarten	St. Maarten 	4% ¹	<ul style="list-style-type: none"> ➤ Design, realization and provision of the medical equipment for the new hospital of St. Maarten, in the Dutch Antilles. The project includes the maintenance of the building, the service activities and the replacement of the medical equipment for 10 years (renewable for further 10 years) ➤ The medical facility will have 110 beds in a main building with 4 raised floors and in an additional building with 3 floors 
 Chillan	Chile 	3%	<ul style="list-style-type: none"> ➤ Design and construction of the high complexity hospital in Chillan (Ñuble region, Chile), about 450km from Santiago del Chile ➤ The new facility counts 530 beds and it is provided with all departments and services for diagnosis and treatment (i.e. intensive care, radiology, 19 operating rooms, out of which 5 delivery rooms) and it has a heliport on the rooftop ➤ The facility will have 2 underground floors, 7 raised floors and it will extend over an area of ca. 130,000sqm  

OPERATING UNIT CONTRACTS – INSO PROJECTS OVERVIEW (2/3)

Project	Country	WIP	Description	
 Doha (Sidra)	Qatar 	96%	<ul style="list-style-type: none"> ➤ Supply, installation, testing, training and multi-year maintenance of the medical equipment package of the Sidra hospital (Sidra Medical Research Centre) ➤ Sidra is a hospital with 500 beds, ultra-modern, equipped with 23 operating rooms (with integrated audio-video system) and more than 40,000 technologically advanced devices 	
 Doha (Al Shaqab)	Qatar 	95%	<ul style="list-style-type: none"> ➤ Provision of medical equipment to the Al Shaqab Equine Veterinary Medical Centre (equine veterinary center with global excellency reputation) 	
 Doha (PHCC)	Qatar 	95%	<ul style="list-style-type: none"> ➤ Provision and maintenance of medical equipment for 8 hospital centers belonging to the Primary Health Care Corporation (entity controlled by the Ministry of Health of Qatar) 	
 Doha (Naufar)	Qatar 	95%	<ul style="list-style-type: none"> ➤ Provision of medical equipment to the Center for Treatment and Rehabilitation of Behavioral Disorders in Naufar (center of excellence exclusively dedicated to the Qatar population) 	
 Laghouat	Algeria 	97%	<ul style="list-style-type: none"> ➤ Construction of a 240-bed hospital unit, articulated in 12 buildings, with annexed buildings for residential, technical and logistic use ➤ The floor area of the hospital unit is equal to 34,500sqm, out of which 23,000sqm are for hospital use. The area of the attached buildings is equal to 2,000sqm, while green areas and those of external transit extend over an area of ca. 5ha 	

OPERATING UNIT CONTRACTS – INSO PROJECTS OVERVIEW (3/3)

Project	Country	WIP	Description	
 Tishreen	Syria 	88%	<ul style="list-style-type: none"> ➤ Supply, installation, testing, launch, training and multi-year maintenance (2+5) of the whole medical equipment package and furnishings of the Tishreen University Hospital (TUH) in Latakia, North of Syria ➤ The project was commissioned directly by the Tishreen University Hospital, thanks to the authorization issued by the Syrian Ministry of Higher Education ➤ TUH is a general university hospital with 700 beds. The hospital has 26 operating rooms and a medical imaging department of excellence which counts 1 MRI, 1 CAT, 2 Angiography Rooms, 1 SPECT and it is equipped with more than 17,000 medical devices 	 
 Albania Equipment	Albania 	68%	<ul style="list-style-type: none"> ➤ Trauma Center: supply, installation, testing, launch, training and maintenance of medical equipment for the upgrade of the Tirana National Trauma Center¹ ➤ Tirana University: contract between Inso and Inso Albania Shpk for the supply, installation, testing, launch, training and maintenance of medical equipment. This contract is part of the project for the renovation of the buildings A1 and A2 of the Tirana University Hospital Centre (TUHC) in Tirana, currently in execution phase and commissioned by the Ministry of Health of Albania to Inso Albania Shpk 	
 San Gavino	Italy 	1%	<ul style="list-style-type: none"> ➤ Integrated contract for the design and construction of the San Gavino Hospital (Sardinia) ➤ The new medical facility will serve the whole area of pertinence of the ASL 6 of Sanluri, in the province of Medio Campidano ➤ The building will be provided with ca. 200 beds, in addition to 16 places for the dialysis service and 5 places for short-stay intensive observation, covering a total area of 35,000sqm 	
 Cisanello	Italy 	0%	<ul style="list-style-type: none"> ➤ Construction and subsequent management of some of the buildings, for healthcare and educational use, of Santa Chiara Hospital, located in Cisanello (Pisa) ➤ Construction of the structure in 4 years, for a total of 642 beds which will be added to the current 1,100. In addition, the project involves the management and maintenance of the hospital for 9 years (for both the new buildings and the existing ones) 	

OPERATING UNIT CONTRACTS - EQUITY INVESTMENTS



Inso Albania Shpk

Subsidiary description / Orders

- Established in Albania in 2007, **Inso Albania Shpk** is a company specialized in the realization of finishings, mechanical and electrical systems, supply and installation of medical equipment and civil works
- Inso Albania is **100% controlled by Inso** and, in 2018, it resumed operating activities following the **award of 2 new contracts for:**
 - **Renovation of the A1 building of Tirana University Hospital Center** (contract value equal to €7.3m)
 - **Construction of the A2 building** (contract value equal to €12m)

THUC – A1 Building

- On the ground floor: **new reception** (3,500sqm), **a day hospital area**, **micro surgery area**, **3 diagnostic rooms**
- On floor 3 and 4: **2 surgical departments**, **7 operating rooms**, **1 resuscitation unit** and **1 histological laboratory**

THUC – A2 Building

- Direct implementation of the **A2 General Medicine office**
- The building consists of **6 raised floors** (in addition to the roof) and **2 underground floors**

Shareholding overview



Ergon Project Ltd

Subsidiary description / Orders

- **Ergon Project Ltd** is a company incorporated in Malta, fully owned by Inso since 2013, following the acquisition by its subsidiary HBT
- Over the years, the company **has carried out important projects**, such as the T2 Shopping Center in Tigné Point, the Radiotherapy Center and furnishing for Sir Anthony Mamo Oncology Center, **thus becoming Inso's operating vehicle in Malta**
- In 2018, Ergon has been awarded with the **contract for the design and construction of Paola Primary Health Care Southern Regional in Malta** (contract value equal to €22m)









Ospedale Paola Primary Health Care Southern Regional

- Paola's Healthcare HUB will extend over an **area of ca. 10,000sqm** and will **mainly host the Day-Car, Day Surgery functions and clinical activity**
- The contract awarded also **provides for the option of the provision of facility management activities** for a total value of ca. €3.5m over 5 years

Shareholding overview



OPERATING UNIT CONCESSIONS – INSO PROJECTS OVERVIEW

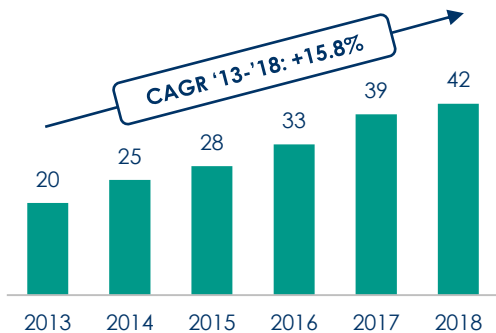
Project	Country	WIP	Description	
 Empoli ¹	Italy 	n/a	<ul style="list-style-type: none"> ➤ Concession for the design and construction in the context of the reconversion and renovation project of the 2 existing buildings within the Empoli Hospital area, to be destined to support to the health service activity. The concession also involves the construction of a new building for commercial activities, the realization of a cogeneration plant and other interventions for the energy needs of the hospital unit of Azienda USL 11 in Empoli (i.e. ASL Toscana Centro) ➤ Inso carries out coordination activities and administrative and industrial supervision of the contract execution at various corporate levels, while SOF carries out the maintenance, energy and sterilization services 	 
  Città della Salute	Italy 	0%	<ul style="list-style-type: none"> ➤ Realization and management in project financing of Città della Salute e della Ricerca in Milan (through the SPV Cisar Milano) ➤ The project involves the design and construction of a new state-of-the-art facility located in the former Falk area in Sesto San Giovanni (architectural guidelines developed by Renzo Piano) ➤ The new center will be developed in different hospitals and it will be equipped with 24 operating theaters, 139 clinics and 3 research towers, for over 600 beds. At the end of the construction, the contract also foresees facility management activities and the supply of technological services 	 
  Carcere di Bolzano	Italy 	0%	<ul style="list-style-type: none"> ➤ Conclusive and executive design, construction and management (for 16 years) of the new detention center of the city of Bozen ➤ The new penitentiary, built near the airport, will be able to accommodate up to 200 prisoners and it is structured in 2 main macro-areas: the area outside the walls and the area inside of them. These are flanked by external state-owned areas occupied by the parking area for public and workers use and the DWP substation 	 

OPERATING UNIT SOF - COMPANY OVERVIEW

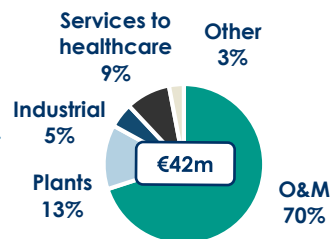
General overview

- Established in 2004 as a result of the spin-off of the activities related to the heat management and operation of thermal power stations of a primary healthcare services provider, **SOF carries out facility management and energy efficiency activities**
- In 2006, SOF was fully **acquired by Inso**, joining Condotte Group
- The company operates on a **domestic level** in the sector of **plants management, real estate and energy operations & maintenance** and in the **design and installation of new heating, air conditioning, thermo-hydraulic and electrical systems**
- The commercial development registered in the last few years led the company to position itself as a **primary partner in the construction of plants for all sectors** (industrial, infrastructure, energy) and in the **provision of maintenance and facility management services**
- In 2018 SOF generated **revenues of €42m with 253 employees**

Historical revenues evolution (€m)



2018 Revenue breakdown by segment



Operating segments

Operation & Maintenance (O&M)

- Energy audits and certifications
- Global maintenance services
- Facility management
- Management of thermal and cogeneration plants
- Energy service and ordinary and extraordinary maintenance of mechanical and electrical systems
- Support services for public entities and communities



Industrial sector

- HV/MV electrical substations
- MV/LV transformation chambers
- Electrical power plants in medium and low voltage
- Lighting systems, anti-explosion equipment and other instruments
- Automation and control systems
- Electro-instrumental assemblies



Installation of new plants

- Realization of "turnkey" technological and cogeneration plants
- Installation of heating, air-conditioning, thermo-hydraulic and electrical systems
- Realization of "turnkey" sterilization plants
- Design and installation of plants for the production of energy from renewable sources



Healthcare services

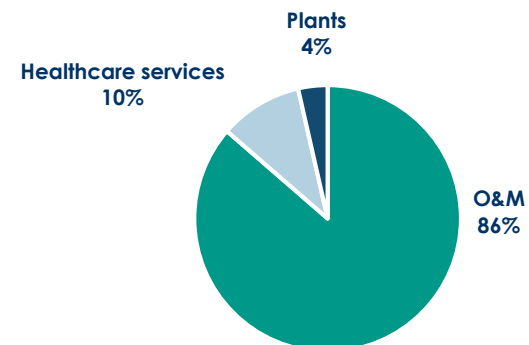
- Sterilization services for surgical instruments and hospital logistics
- Management of sterilization centers for surgical instruments to be used in hospitals
- Maintenance of electro-medical equipment



SOF PROJECTS PORTFOLIO

PROJECT	TYPE	BACKLOG (€m)	MARGIN RELATED TO BACKLOG (€m and margin %)
S.Ene.Ca. Società Energia	O&M	[Hatched area]	
Empoli Salute Gestioni	O&M		
Hbt Hospital Building & Technologies	Healthcare services		
Vimercate Salute Gestioni	O&M		
Summano Sanità	Healthcare services		
Pisamover Gestioni	O&M		
CET	Plants + O&M		
Asl 1 - Avezzano Sulmona - L'Aquila	O&M		
Comune di San Felice sul Panaro	Plants + O&M		
Regione Liguria	O&M		
Provincia Di Barletta Andria Trani	Plants		
Poste Italiane S.p.A.	O&M		
Azienda Usl 4 – Prato	O&M		
CNS - Cons. Naz. Servizi Soc. Coop.	O&M		
Medica Group	O&M		
Fondazione Sipario Toscana	O&M		
Comune Di Firenze	O&M		
Europa Gestioni Immobiliari	O&M		
Other	Plants + O&M		
TOTALE		420	65 15.6%

Backlog breakdown by type



- The service mix is based on 2 factors:
 - **SOF core business characteristics: O&M management services**, with or without power supply, represent the core business of the company
 - **Type of service: O&M management services and healthcare services** (by nature) related to **multi-year** projects with longer duration compared to **plants and industrial sector services**. The latter are not included in the portfolio as of 31st December 31 2018 as they are mostly **projects subject to annual renewal**
- Ca. **80% of SOF portfolio** relates to contracts deriving from **concessions** and the **remainder portion results from tenders / sub-contracts**