

EDILIZI **A** CROBATICA®



**Consolidated Financial
Report
EdiliziAcrobatica S.p.A
At 31.12.2019**

Report on the Consolidated Financial Report Ended on 31/12/2019

Dear Shareholders,

these consolidated financial statements as at 31/12/2019 close with a profit for the year of 1,093,450 Euros, net of 944,009 Euros in taxes.

The Notes of the Financial Statements provide information on the consolidated financial statements as at 31/12/2019; in accordance with the provisions of Article 2428 of the Italian Civil Code, this document sets out the information relating to the Group's situation and information on the outlook for operations, the net financial position and the main risks and uncertainties to which the EdiliziAcrobatica Group is exposed.

This report, drawn up with values expressed in units of Euro, is presented together with the consolidated financial statements in order to provide income, equity, financial and operating information, accompanied, where possible, by historical elements and prospective valuations.

Shares held by EdiliziAcrobatica at 31/12/2019

Name	Registered Office	Share Capital	Share Hold
Edac Roma Trastevere Srl	Via Filippo Turati 29,20121, Milan	50,000	100%
Edac Versilia Srl	Via Filippo Turati 29,20121, Milan	50,000	85%
Edac Sicilia Srl	Via Filippo Turati 29,20121, Milan	50,000	100%
Edac Biella Srl	Via Filippo Turati 29,20121, Milan	50,000	100%
Edac Roma Trastevere Srl in Liq.ne	Via Filippo Turati 29,20121, Milan	50,000	100%
EdiliziAcrobatica France Sas	Bureau Direction Générale 2, Avenue Lucien VIDIE 66600 Rivesaltes	150,000	100%
Granda EDAC Srl in liq	Via Filippo Turati, 29,20121, Milan	10,000	100%
Edac Roma NordOvest Srl	Via Filippo Turati 29,20121, Milan	50,000	100%

It should be noted that Edac Roma Trastevere presented the final liquidation financial statements on 18 December 2019 and filed the Company's cancellation file on

20/12/2019; as of today's date, the cancellation notice has not been received yet.

These financial statements, which are submitted for your approval, fully represent the situation in which our Group finds itself.

Trend in the sector

EdiliziAcrobatica SpA is active in the field of building renovations in Italy, within the macro sector of construction. Investments in renovation works are identified among the main elements that outline the trends in the building renovation sector. In this context, the market for private investment in renovation works on buildings is reported, up to the year 2018 (Figure 1).

Year	Total residential and non-residential buildings (€ million)	of which residential buildings (€ million)
1998	39,961	26,222
1999	42,998	28,801
2000	47,415	31,940
2001	48,847	32,669
2002	49,084	32,819
2003	49,506	33,415
2004	51,164	34,691
2005	52,943	36,091
2006	55,696	38,179
2007	58,480	40,066
2008	59,474	40,700
2009	58,759	41,201
2010	60,955	43,372
2011	64,033	45,466
2012	61,838	43,896
2013	64,150	45,801
2014	66,109	47,242
2015	67,402	47,925
2016	69,734	49,879
2017	71,062	50,444

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2018	72,639	51,356
TOTAL	1,212,250	842,175

Figure 1. - Investments in renovation works 1998-2018, (Cesme elaboration on various sources). *For 2018 estimate based on the projection of data for the first 8 months of 2018 on the inside year

The data comes from 2018 but also from 2019, pending the official data from Ance, from the first estimates closes with the same evolutionary trend of the last 10 years confirming the growth of the market of maintenance of buildings confirming a trend from 2007 to 2019 of +23.5%. (figure 2). Growth is increasingly driven by the sharp decline in the new construction sector, which in the last 10 years has seen a drop of -68%. The attention of the Building market is increasingly focused on building maintenance, especially in historical centres and urban areas, all reinforced this year by the Facades Bonus. The "facades bonus" in fact will give even greater strength to the growth of renovations and is proof that more and more people want to boost the maintenance market medium, small and large. The Facades Bonus 2020 is the new tax discount to beautify the buildings of our cities. It allows you to recover 90% of the costs incurred in 2020 without an upper limit and thanks to it everyone can benefit.

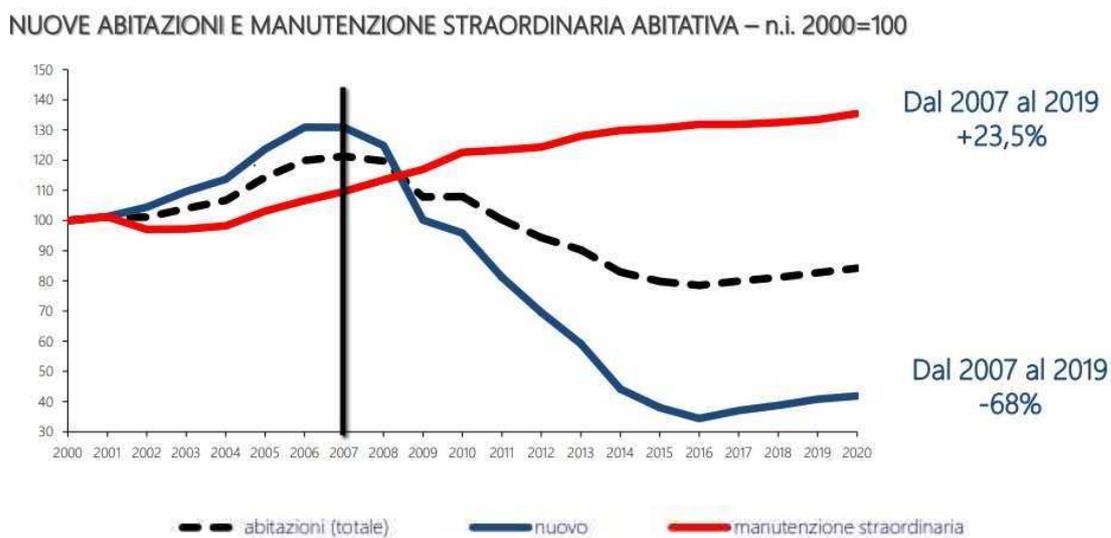


Figure 2 Reed processing on Istat data

In particular, investments in the redevelopment of the housing stock confirm the positive trend of previous years, accounting for about 37% of the value of construction investments and driving the entire construction sector.

Compared to 2018, investment in this sector in 2019 saw growth of 0.7% in real terms, confirming that the market for renovation and maintenance in general continues to grow.

Forecasts for 2019 as well as for 2018 saw a projection of investments in building renovation with a further increase compared to the previous two years; the forecasts tell us that investments in renovation works amounting to approximately 72.6 billion Euros have been made.

In 2019 about 71% of total investments (51.3 billion Euros) were made in residential buildings.

In recent years among the main trends there is certainly the professionalization of the sector with the growing presence of structured operators, active in the management of buildings (facility and property management companies); increasingly large property management groups are also approaching the Condominium Administration market. For EdiliziAcrobatica the evolution of the market is a great advantage because being the only company in its sector present throughout the country is increasingly becoming a reference point for large clients who require a standard on interventions in different Italian cities.

Another advantage of the market transformation is the renewed attention to historical buildings, both in Italy and in Europe, which has led to investments in their preservation through both ordinary and extraordinary restoration and maintenance interventions as well as the introduction of the Facadas 2020 Bonus;

The growing tendency to plan routine and extraordinary maintenance of buildings is strongly pushing the rope construction sector. With no installation costs for scaffolding or aerial platforms, condominium administrators are increasingly moving towards

scheduled maintenance of buildings. In other words, the possibility of tackling the entire external renovation of buildings through small and medium interventions planned in several phases of time, with completion of the works even at 3/5 years. This trend is increasingly strong thanks also to the possibility of deferring the payments of the interventions by the condominiums over time and therefore thanks to a planning of the maintenance of the buildings more and more studied in advance, not chasing after emergencies and without facing the large interventions in a single solution, thus generating discontent from families for the sudden excessive expenditure. This tendency to schedule maintenance is part of the evolution of the role of the condominium administrator who is increasingly transforming from an asset keeper to a Building Manager.

With the aim of estimating the market for buildings in Italy, the number of residential buildings is identified on the basis of ISTAT data dating back to the last survey pending the new one.

This survey had already been proposed in the management report for the previous year, but in the absence of an update it is proposed again this year.

In 2011, ISTAT carried out a census of buildings and complexes on the national territory which totalized 14,515,795, 13.1% more than in 2001. More specifically, there are 14,452,680 buildings and 63,115 complexes, with an intercensal increase of 13.1% and 64.4% respectively.

Below is a graphic representation of the number of buildings by type: (Figure 3)

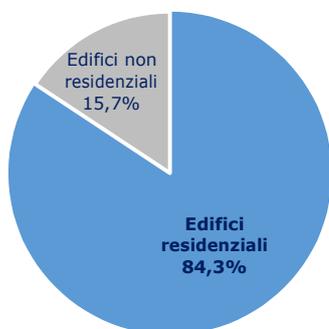


Figure 3. - Breakdown of the number of buildings in Italy by type, 15th Population and Housing Census, 2011, ISTAT

Residential buildings accounted for 84.3% of the total number of buildings surveyed, equal to 12,187,698, and grew by 8.6% in the decade.

Below is a representation of buildings by geographical area (Figure 4).

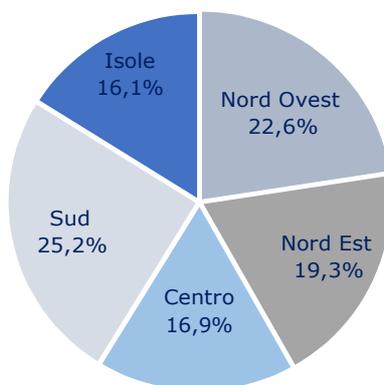


Figure 4. - Number of buildings by geographical area - 2011 Census (absolute values)

With reference to geographical distribution, Northern Italy is the geographical area with the highest number of buildings with 6,049,086 buildings, corresponding to 41.9% of the national total, followed by the South (3,627,768), the Centre (2,440,643) and the Islands (2,324,463).

In order to identify the target building market of EdiliziAcrobatica SpA, i.e. buildings suitable for the type of interventions carried out by the Group (double rope works), only

buildings with a height equal to or higher than three floors were taken into consideration, which are equal to 4,257,815 residential units in Italy, about 35% of the buildings identified for residential use.

Below is the distribution of residential units suitable for double rope work by region: (Figure 5)

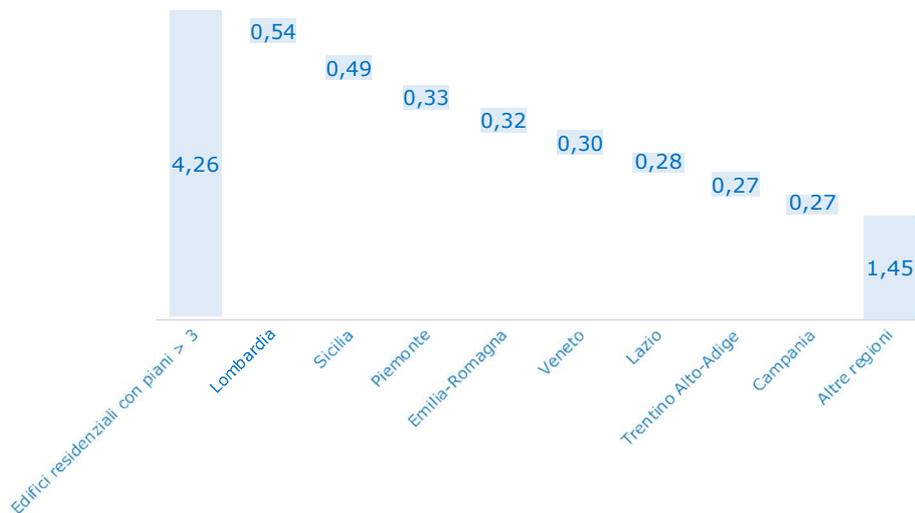


Figure 5. - Breakdown of the number of residential buildings in Italy (in millions), with heights equal to or higher than three floors, by region, 15th Population and Housing Census, 2011, ISTAT

The first five regions with the highest number of residential buildings with more than three floors are represented by: Lombardy (12.7%), Sicily (11.5%), Piedmont (7.7%), Emilia-Romagna (7.5%) and Veneto (7%).

Competitors behavior

On the Italian market and at European level the company is the undisputed leader, the competitors identified are small, in terms of turnover and geographical areas of activity, and they carry out rope works sometimes as additional services to traditional construction, or in some cases within niche segments (reclamation, environmental interventions, etc.). Even in 2019 there are no new competitors on a national scale and the trend of small competitors on a local scale, i.e. within cities without a real expansion

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plan, remains unchanged.

Below is a representation of a number of Italian competitors which operate by means of the use of the double ropeway system, indicating the type of activity, geographical area of operation and revenues for the year 2016 (Figure 6).

Numero	Competitor Italia 	Logo	Attività	Area Operativa	Ricavi Medi Dichiarati 2016 (Milioni di Euro)
1	Recotech		Lavori post eventi accidentali ed edilizia su fune	Nazionale	3,89
2	Gico System		Lavoro su fune e interventi biologici ed ambientali	Nord e Centro Italia	3,30
3	Mazzaferrì		Lavori su corda, barriere stradali, ingegneria naturalistica	Nazionale ed Estero	1,64
4	Fratelli Gianni		Ristrutturazioni e lavori speciali (anche su corda)	Roma e provincia	1,24
5	Fly Original		Manutenzione su corda	Nazionale	1,19
6	ArchIngegno		Manutenzione e lavori su corda, bonifica amianto, altri lavori edili	Milano e provincia	1,07
7	Vertical Service		Manutenzioni e ristrutturazioni	Palermo	N.A. (< 1,00)
8	EVER Edilizia Verticale		Manutenzioni e ristrutturazioni	Torino e provincia	N.A. (< 1,00)
9	Ediliziaarea		Ristrutturazioni, manutenzioni su corda	Milano e provincia	N.A. (< 1,00)
10	Edil Climber		Manutenzioni e lavori su corda	Nazionale	N.A. (< 1,00)
11	A&G		Ristrutturazioni e manutenzioni su corda	Roma e provincia	N.A. (< 1,00)
12	Climbing Works		Manutenzioni e ristrutturazioni	Lazio	N.A. (< 1,00)
13	Icarus Lavori in Quota		Manutenzioni e lavori su corda	Nord e Centro Italia	N.A. (< 1,00)
14	OperàVertical		Manutenzioni e lavori su corda	Roma e provincia	N.A. (< 1,00)
15	MCEdilizia su fune		Manutenzioni e lavori su corda	Milano e provincia	N.A. (< 1,00)
16	AlpinismoEdile		Manutenzioni e lavori su corda	Genova	N.A. (< 1,00)
17	Edilizia Alternativa		Manutenzioni e lavori su corda	Nazionale	N.A. (< 1,00)
18	Servizi Verticali		Lavori su corda per la potatura di alberi e arbusti	Lazio	N.A. (< 1,00)
19	Vertical Edil		Manutenzioni e lavori su corda	Torino e provincia	N.A. (< 1,00)

Figure 6. Italian Competitor

In order to identify the competitive position of the Group at European level, we have used market research carried out by the company Cerved with the aim of identifying

European companies with a similar business model, i.e. companies active in the same sector with services such as building renovation and interventions in the industrial sector through the use of the double rope technique.

The first research has been carried out in the year 2017 and has focused on a few reference countries such as France, Spain, Portugal and Switzerland.

Based on the results of Cerved's market research, the Company launched an internationalization project selecting France as the first target country.

The strong spirit of internationalization has consequently led to the acquisition, in early 2019, of the assets of the French company in judicial liquidation "ETAIR - Entreprise de Travaux Aériens et d'Interventions Rapides Méditerranée". Ediliziacrobatica S.p.A. therefore set up EdiliziAcrobatica France SAS, a wholly owned subsidiary, into which the assets of the French company were merged. The company is a leader in the double rope construction sector in the south-west of France. Also in 2019 EdilziAcrobatica in the French territory has implemented its successful systems following the steps of those already made in Italy, reorganizing the headquarters in Perpignan and started with the expansion plan, which saw the opening of the offices in Toulouse, Nice, Montpellier and a new B.U. in Perpignan, also structuring the Wind and Industrial sector.

The French market looks set to be a thriving and profitable market for the rope sector. Among the advantages most found there are:

- Small and fragmented competitors at local and not national level. Competitors' level of specialisation in external maintenance work on buildings is very low. In fact they are mostly composed of operators specialized in the use of ropes and much less specialized in masonry or construction work in general.

- The Condominium Administrators (in French Syndic) are companies mostly structured throughout the national territory. In the various cities they have Points with a condominium administrator and a part dedicated to the sale and rental of real estate. The large size of the clients generate an advantage for a company such as Buildingacrobatics because the attention of these clients to quality standards and professionalism is very high. Finally, within Syndic's

companies there is a positive referral effect between colleagues of the same brand from different cities or belonging to the same city, which greatly facilitates the development and commercial propensity of the building industry.

- Finally, there is the tendency of French condominiums to pay condominium installments and bills of works with extreme regularity. This makes it possible to generate not only a benefit in terms of DSO for EdilziAcrobatica but also a greater productivity of the sales network that sees less of all credit recovery activities to the benefit of sales activities.

Below is the Cerved market analysis developed during 2017.

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Numero	Competitor Francia	Logo	Attività	Area Operativa	Ricavi Medi Dichiarati 2016 (Milioni di Euro)
1	JADE		Lavori di edilizia su fune	Nazionale e Internazionale	da 5,00 a 10,00
2	TPGH TRAVAUX PRESTAT GRANDE HAUTEUR		Lavori di edilizia su fune	Regionale	da 2,00 a 5,00
3	EVEREST		Lavori di edilizia su fune	Nazionale	da 2,00 a 5,00
4	ETAIR ILE DE FRANCE		Lavori di edilizia su fune	Regionale	da 2,00 a 5,00
5	CIE INTERVENTION TRAVAUX MONTAGNE		Lavori di edilizia su fune	Nazionale	da 2,00 a 5,00
6	PROFIL ARMOR		Lavori di edilizia su fune	Nazionale	da 2,00 a 5,00
7	JARNIAS TRAVAUX SPECIAUX		Lavori di edilizia su fune	Nazionale	da 2,00 a 5,00
8	ACROTIR		Lavori di edilizia su fune	Nazionale e Internazionale	da 2,00 a 5,00
9	ACROBART		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
10	ADRET FRANCE		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
11	IMOTEP		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
12	VOLTIGE		Lavori di edilizia su fune	Nazionale e Internazionale	da 1,00 a 2,00
13	LES CORDISTES PARISIENS		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
14	SKY SCRAPPER		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
15	EASYCORDE		Lavori di edilizia su fune	Nazionale e Internazionale	da 1,00 a 2,00
16	IMEAUX SERVICES		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
17	ACCYSYS		Lavori di edilizia su fune	Nazionale e Internazionale	da 1,00 a 2,00
18	ASCENSION		Lavori di edilizia su fune	Nazionale e Internazionale	fino a 1,00
19	ATELIER SUR CORDES		Lavori di edilizia su fune	Regionale	fino a 1,00
20	S O S VOLTIGE		Lavori di edilizia su fune	Regionale	fino a 1,00
21	SUD VERTICAL		Lavori di edilizia su fune	Regionale	fino a 1,00
22	ALPIPROBAT		Lavori di edilizia su fune	Nazionale e Internazionale	fino a 1,00
23	VERTICALE SOLUTION		Lavori di edilizia su fune	Nazionale e Internazionale	fino a 1,00
24	ALPIBAT-SERVICES		Lavori di edilizia su fune	Regionale	fino a 1,00
25	ACCEDE ATOUT		Lavori di edilizia su fune	Regionale	fino a 1,00
26	ALP'SOLUTION		Lavori di edilizia su fune	Regionale	fino a 1,00
27	ALPINISTE SERVICE		Lavori di edilizia su fune	Regionale	fino a 1,00
28	ACROSITE		Lavori di edilizia su fune	Nazionale	fino a 1,00
29	SKYWORK		Lavori di edilizia su fune	Nazionale	fino a 1,00

Figure 7. French Competitor

In 2018, Cerved Group was commissioned to conduct a new market survey through a telephone questionnaire addressed to companies operating on the German and Anglo-Saxon markets with the aim of identifying target companies interested in having contact with EdiliziAcrobatica SpA.

The analysis carried out identified new opportunities that the Group will consider with a view to future expansion in Europe in the coming years. (Figure 8).



Figure 8. Cerved Internationalisation Analysis 2018

Operating performance and results with regard to costs, revenues and investments.

In relation to the economic trend, we point out that the value of production increased from € 26,205,169 in 2018 to € 41,755,237 in 2019, with an overall increase of 59.3%; production costs amounted to € 37,543,352 against € 21,854,911 in 2018 (+71.8%).

Among production costs, personnel costs amounted to € 19,901,076, an increase of 84.37% compared to the previous year (€ 10,794,126) and depreciation and amortization amounted to € 1,891,452 (an increase of 168.8% compared to € 703,658 in 2018).

The difference between value and cost of production was a positive € 2,320,433 with a decrease of 36.5% compared to € 3,652,346 in 2018.

Financial operations produced a negative result of € 363,068, compared with a negative result in 2018 of € 293,804; the increase is due to interest payable on both short and medium/long-term debt to the banking system in addition to interest payable on the issue of two bonds listed on the ExtraMOT Pro segment of Borsa Italiana on 29/09/2017 and falling due on 29/09/2023:

Negotiation Currency	ISIN Code	Outstanding	Repayment to maturity	Coupon	Annual Coupon Rate
EUR	IT 0005283467	2,000,000	Amortizing	Fixed Rate	5%
EUR	IT 0005283475	3,000,000	Amortizing	Fixed Rate	4%

The result for 2019 is a net profit of € 1,093,450 (in 2018 net profit of € 2,224,030).

Income taxes amount to € 944,009.

The analysis of revenues and costs is fully described in the Notes to the Financial Statements, while the reclassified Income Statement and Balance Sheet are shown below to provide a more representative picture of the company's operating performance and financial position.

Company situation and management performance

During 2019 EdiliziAcrobatica SpA continued with its strategy which, at this point in its evolution, favours territorial expansion, both in Italy and abroad, rather than optimising company profitability.

As far as the domestic market is concerned, pursuing the objective of acquiring new market shares through the capillary penetration of the Italian territory, new offices were opened in Brescia, Latina, Napoli 2, Palermo 3, Reggio Calabria, Roma Trionfale, Varese and Terni, reaching 45 direct offices at the end of the year, while the number of franchisee affiliations reached 33 at the end of the year, with an increase of 2 units

compared to the previous year.

The Parent Company also started its internalization process, acquiring in March the assets of the company ETAIR Méditerranée, with the aim of reproducing abroad the same business model successfully used in Italy; during the year another three operating offices were opened in France, in Nice, Montpellier and Toulouse, in addition to the two in Perpignan, where the Company's headquarters are based.

- The main factors, in addition to the new openings already mentioned, which contributed to the consolidated pre-tax profit are the following:
- Increase in sales revenues, due to the increase in volumes sold and produced, not only thanks to the opening of new offices, but also thanks to the further development of the Senior areas, which contributed about € 27.3 million to revenues compared to about € 22.9 million in 2018; the French company contributed about € 3.27 million to revenues.
- Continued focus on the production and management process characterized both by a greater accuracy in the planning of construction sites and by a careful analysis of the organizational evolution of a site, from its opening until it reaches the status of "Senior". In particular, the new openings during the year and those in the process of increasing operating capacity have led to a greater absorption of costs due to the design, opening and development of new sites and the intense training and education of new personnel. In support of the above, the operating performance for the year is in line with the provisions of the Company's Business Plan, which shows that there is a need, in the phase of opening new direct offices and also in the subsequent phase of increasing operating capacity, for intense development of the sales, logistics and marketing network and training courses, including on-the-job training.
- It should be noted that in 2019 the Parent Company, in view of the business model reflected in the development plans and the implementation of more refined analyses in the management control of costs incurred in connection with the opening of new

direct offices, adopted a new policy (the so-called "On-boarding policy for new direct offices") for the analysis and evaluation of these costs. In terms of impact on the financial statements, the analysis and evaluation of the costs related to the new openings generated the recording of increases for the year amounting to Euro 2,054,266 which had a considerable impact on amortization and depreciation and on the pre-tax result;

- Increase in the management and monitoring structure of operating activities, with the inclusion of the figures of Area Managers and Italy Coordinators, who, while increasing personnel costs on the one hand, on the other hand, made it possible to oversee the operations of the operating offices, the number of which has become too high to be managed directly by the directors of the sales and production areas;
- Continuation of the Brand Awareness strategy communicated during the IPO, with the signing of a contract under which, in July 2019, EdiliziAcrobatica officially became backsponsor of the Torino FC jersey for the 2019/20 football season.
- Containment of costs related to existing credit lines with the main national banks.
- With reference to EdiliziAcrobatica France, 2019 was a year of transition, in which the parent company began to make contact with the new reality and begin the process of change to introduce its business model.

Analysis of the company situation

For a better view of the balance sheet, financial and operational situation, the reclassified balance sheet and income statement, as well as some performance indicators, are presented in the tables below.

The Profit and Loss Account,

The summary figures of the Reclassified Income Statement at 31/12/2019 are compared with those for the same period of the previous year:

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RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT	31.12.2019	31.12.2018	
Production value	41,755,237	26,205,169	59%
Production costs, excluding depreciation, amortization and write-downs	37,543,352	21,849,165	72%
EBITDA	4,211,885	4,356,004	-3%
Depreciation, amortization and write-downs	1,891,452	703,658	169%
EBIT	2,320,433	3,652,346	-36%
Financial income and charges	-363,061	-293,804	24%
Adjustments to financial assets	87,233	18,517	371%
Profit-Loss before tax	2,044,605	3,377,059	-39%
Corporation tax	944,009	1,113,294	-15%
Net Profit-Loss	1,100,596	2,263,765	-51%
Profit (loss) for third parties	7,146	39,735	-82%
Group profit (loss)	1,093,450	2,224,030	-51%
EBITDA %	10,09%	16,6%	
EBIT %	5,56%	13,9%	
Profit-Loss before tax %	4,90%	12,9%	
Net Profit-Loss %	2,64%	8,6%	

EBITDA is the result before financial charges, taxes and depreciation of fixed assets and write-downs of receivables included in current assets. EBITDA therefore represents a proxy of the cash generation of the same, thus disregarding non-cash items, such as depreciation and amortization of fixed assets. EBITDA thus defined represents the indicator used by the directors to monitor and evaluate the company's business performance. Since EBITDA is not identified as an accounting measure under the accounting standards, it should not be considered an alternative measure for evaluating the performance of the Group's operating results. Since the composition of EBITDA is not regulated by the reference accounting standards, the determination criterion applied by the Group may not be consistent with that adopted by other companies and therefore not comparable with them. EBIT indicates the result before financial charges and taxes

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for the year. EBIT therefore represents the result of operations before remuneration of both minority interests and own capital. EBIT thus defined represents the indicator used by the directors to monitor and evaluate the company's business performance. Since EBIT is not identified as an accounting measure under the accounting standards, it should not be considered an alternative measure for evaluating the performance of the Group's operating results. Since the composition of EBIT is not regulated by the reference accounting standards, the determination criterion applied by the Group may not be consistent with that adopted by other companies and therefore not comparable with them.

PRODUCTION VALUE	31.12.2019	Inc. %	31.12.2018	Inc. %
1) Revenues from sales of goods and services	39,224,623	94%	24,984,852	95%
4) Work performed for internal purposes and capitalized	2,082,534		56,871	0%
5) Other revenues and income	448,080	1%	1,163,446	4%
a) grants received during the period	79,365	0%	1,030,557	4%
b) others	368,715	1%	132,889	1%
TOTAL PRODUCTION VALUE	41,755,237	100%	26,205,169	100%

PRODUCTION COSTS	31.12.2019	Inc. %	31.12.2018	Inc. %
Costs or raw materials	5,786,364	15%	3,676,443	17%
Costs for services	8,859,987	24%	6,181,335	28%
Costs for use of third party assets	2,718,585	7%	1,458,763	7%
Costs for employees	19,901,076	53%	10,794,126	49%
Changes in inventory levels	-875,503	-2%	-724,574	-3%
Other costs	1,152,844	3%	463,072	2%
TOTAL PRODUCTION COSTS	37,543,352	100%	21,849,165	100%

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DEPRECIATION, AMORTISATION AND WRITE-DOWNS	31.12.2019	Inc. %	31.12.2018	Inc. %
Depreciation of Fixed Assets Fixed assets	1.429.047	76%	305.043	43%
Depreciation of Fixed Assets Materials	247.405	13%	115.102	16%
Write-downs	215.000	11%	283.513	40%
TOTAL DEPRECIATION, AMORTISATION & WRITE-DOWNS	1.891.452	100%	703.658	100%

FINANCIAL INCOME AND CHARGES	31.12.2019	Inc. %	31.12.2018	Inc. %
Financial income	23,935	-7%	20,947	-7%
Financial charges	-386,996	107%	-314,751	107%
TOTAL FINANCIAL INCOME AND CHARGES	-363,061	100%	-293,804	100%

REVALUATION OF FINANCIAL ASSETS	31.12.2019	INC. %	31.12.2018	INC. %
Revaluation	87,233	100%	18,517	100%
Write-downs	0	0%	0	0%
TOTAL REVALUATION OF FINANCIAL ASSETS	87,233	100%	18,517	100%

The 2019 figures show significant growth in revenues, which rose by 59.3%, driven by the significant increase in sales and production activities, including volumes generated by the French company (revenues of approximately € 3.3); EBITDA (€ 4.21 million in 2019, down of 3.3% compared to € 4.36 in 2018) was affected by the costs incurred to achieve the company's development, both from an operational point of view (with the opening of new operating offices) and from the point of view of General Management,

the corporate area and central services. The French company contributed negatively to EBITDA for € 204 thousand. Amortization and depreciation, which grew more than twice as much as in the previous year, brought EBIT to approximately € 2.32 million (approximately € 3 million in 2018), a decrease of 36.5%; the increase in amortization and depreciation is mainly due to capitalized start-up costs, the costs of listing on AIM and Euronext Growth, as well as the costs incurred for the acquisition of ETAIR.

Balance Sheet and Financial Profile

The Balance Sheet is compared with the closing figures of the previous year:

RECLASSIFIED BALANCE SHEET	31.12.2019	31.12.2018	var. %
(Currency: Euro)			
Trade receivables	13,667,049	9,489,322	44,0%
Inventory	2,642,854	1,748,546	51,1%
Trade payables	-6,662,791	-4,847,544	37,4%
Net Operating Working Capital	9,647,112	6,390,324	51,0%
Other current receivables	5,501,428	3,555,039	54,8%
Other current liabilities	-3,477,617	-2,328,932	49,3%
Taxation liabilities	-1,383,212	-1,331,198	3,9%
Net Working Capital	10,287,711	6,285,233	63,7%
Tangible fixed assets	1,228,545	777,006	58,1%
Intangible fixed assets	3,915,787	1,736,962	125,4%
Investments	0	0	
Fixed assets	5,144,331	2,513,968	104,6%
Provisions for employee benefits	-1,126,476	-655,301	71,9%
Deferred taxation provision	-32,664	-47,493	-31,2%
Long-term taxation payables	-76,004	-130,288	-41,7%
Net Invested Capital	14,196,898	7,966,119	78,2%
Shareholders' Equity	11,533,766	10,069,158	14,5%
Cash at bank and in hand	5,715,766	8,439,616	-32,3%
Current financial payables	4,105,749	4,018,517	2,2%
Current financial liabilities	-7,185,273	-3,787,560	89,7%

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Non-current financial liabilities	-5,299,374	-6,567,534	-19,3%
(Net Financial Position) Cash	-2,663,132	2,103,039	-226,6%
Capital and Reserves and Net Financial Indebtedness	14,196,898	7,966,119	78,2%
(Short-Term Net Financial Position) Cash	2,636,242	8,670,573	-69,6%

The net financial position, NFP, i.e. the amount of investments that are not covered by shareholders' equity and trade payables (to suppliers) highlights the need for the company to use third-party sources of financing. The data relating to our company can be represented as follows, in the short and medium term net financial position.

The net financial position increased from approximately € 2.1 million at the end of 2018 to a net debt of approximately € 2.66 million due to the cash flow absorbed by the company's operations, in particular by the increase in Working Capital, and by the investments, described above and necessary to sustain development; this trend is considered to be entirely physiological given the phase in which the Group finds itself in its territorial, dimensional and organizational expansion plan.

With reference to the increase in Working Capital, attention is drawn, as shown in the table below, to the fact that receivables from customers increased by approximately €6 million, due to the growth in turnover, partly offset by short-term payables of approximately €2.8 million; as a positive factor on the management and collection of receivables, it should be noted that the DSO increased from approximately 138 days in 2018 to approximately 127 days in 2019.

NETWORKING CAPITAL	31,12,2019	31,12,2018
(Currency: Euro)		
CURRENT ASSETS		
Inventory	2,642,854	1,748,546
Short-term receivables	19,045,416	12,974,867
Prepayments and accrued income	123,060	69,494

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CURRENT LIABILITIES		
Short-term payables	-11,227,345	-8,452,070
Accruals and deferred income	-296,275	-55,604
Net Working Capital	10,287,711	6,285,233

Main indicators

Pursuant to Article 2428, paragraph 2, of the Italian Civil Code, we highlight some indexes and other information, useful to illustrate in the most complete way the company's situation in recent years.

Financial structure indicators

The purpose of the financial structure indicators is to quantify the percentage "weight" of certain asset and liability aggregates as a percentage of total assets and liabilities.

	31.12.2019	31.12.2018
Fixed assets (I)		
a) Weight of fixed assets = -----	14%	8%
Total assets (K)		
Working capital (C)		
b) Weight of working capital = -----	86%	92%
K		
Equity capital		
c) Weight of equity capital = -----	31%	34%
Total liabilities		
Third party capital		
d) Weight of third party capital = -----	69%	66%
Total liabilities		

Profitability (or economic situation) ratios

The ROE shows the profitability of the investment in the Group's capital compared to other investments; it is provided in the "after tax" and "gross" versions.

The ROI represents the indicator of the profitability of operations:

it measures the company's ability to generate profits in the activity of transforming inputs into output.

DESCRIPTION	31.12.2019	31.12.2018
ROE (Return On Equity)	9,48%	22,09%
ROE before tax	17,73%	33,54%
ROI (Return On Investment)	6,31%	12,27%
ROS (Return On Sales)	10,74%	17,43%

Financial situation indicators

The main indicators of the financial situation are set out below, indicating the same ratios for the years 2018 and 2019. They are aimed at identifying possible imbalances due to inappropriate ratios between certain asset and liability items.

	31.12.2019	31.12.2018
Working capital (C)		
a) Current ratio = -----	1,69	2,22
Current Liabilities		
Trade and other current receivables from intangible assets		
b) Liquidity ratio = -----	0,52	1,01
Current Liabilities		
Shareholders' Equity		
c) Capital Hedging Fixed Assets = -----	2,24	4,01
Fixed assets		

Sector-related risks and degree of competition

As mentioned before, the Group operates in the building renovation sector in Italy, within the macro - construction sector.

The primary need is to acquire new customers in order to ensure the group continuity of

production considering the wide margins of economic return compared to the volume of investments. Our policy is oriented to the opening of new direct offices penetrating the Italian market in a capillary way, developing also a targeted retail policy to make the offer customizable to each single customer. We also provide for the analysis and testing of processing procedures suitable to reduce the related costs and assuming a lower overall risk compared to other operating solutions, allowing us to be even more competitive.

In this sense it is specified that, considering:

- the limited presence of workers
- absence of subcontracting
- the absence of risk of interference between companies
- historical accident statistics

it is clear that the overall risk can be defined as equal or even lower than the overall risk that would be determined if any collective protection mechanism were to be used. Over the years, there has been a significant reduction in site time compared to the use of other processing methods, thus reducing the overall risk exposure.

Risks related to supplier dependence

For the purchase of raw materials and the provision of services, the Group uses a sufficiently large number of suppliers from the very beginning of its activity to allow complete independence from them.

The activity is not particularly conditioned by the ability of suppliers to guarantee quality standards, to comply with the specifications required by the Company and to respect delivery times, as it is possible to find suppliers to replace the current ones without any difficulty.

Risks related to financial debt

The Company and in particular the Parent company have always had the support of its banking counterparties for any financing. The use of credit during the year has increased, partly due to the need for new investments for the setting up of new direct offices, but

we do not believe that this is a risk profile for the Company.

Liquidity risk

The Group's cash flows, funding requirements and liquidity are monitored and managed with the aim of ensuring effective and efficient management of financial resources. Short- and medium/long-term liquidity requirements are constantly monitored with a view to ensuring that financial resources can be found in a timely manner or an adequate investment of cash and cash equivalents. Information on the future maturity of payables to banks is provided in the Notes to the Financial Statements.

The financial situation as a whole has high standards.

Credit Risk

The Group is exposed to the risks associated with the sale of its products. For the year 2019, it was necessary to set aside provisions for possible losses on receivables for € 215,000 relating to receivables past due beyond the year.

The risk is also monitored for possible new customers, thanks to a careful assessment of the names of potential customers and their risk of insolvency through collaboration with the investigation and services company Cerved Group Spa.

Pandemic risk

The Company is exposed to the risk of a pandemic, as in the case of the current COVID-19 pandemic.

The various regulations in the case of pandemics are based on the logic of protecting workers from a generic biological risk (the same for the entire population), and the reference indications are those dictated by the health authorities and governmental authorities. The protection of workers goes beyond that regulated by workplace safety regulations and in particular by Legislative Decree 81/2008.

In view of the need to protect public health, the Employer plays an active part by enforcing the provisions of the institutions in order to encourage the containment of the spread of diseases, and in assessing every possible intervention, in order to ensure the

best contribution to the limitation of travel and to facilitate the performance of the work activity, as well as to allow an easier composition between the work activity and the particular difficulties that the current situation also reflects on the private sphere.

The company establishes a control and emergency management committee that reorganizes the work stations, common areas and company activities, which plans the commitment of each employee with the precise objective of complying with the provisions issued by the Government. For all staff, a correct distribution between on-site attendance and smart working and holidays/permits is assessed. It pays particular attention to workers who are particularly susceptible to illness, guaranteeing them the possibility of working from home. It organizes emergency services in order to manage plausible scenarios of contagion in line with the indications given by health authorities and government authorities.

With reference to the COVID 19 pandemic, please refer to what is written in the paragraph "Post-closure events".

Information concerning environmental relations

There was no damage to the environment during the year.

No definitive sanctions or penalties were imposed during the year for environmental offences or damage to the environment.

Information concerning employment relations

During the year, the Group fulfilled the requirements of the law on safety and security by carrying out all the initiatives undertaken for some time and necessary for the protection of the workplace, in accordance with the relevant legislation, with particular attention to the frequency of staff training meetings to improve knowledge of the procedures aimed at limiting the risks related to the work performed.

The activities carried out by us in the field of safety provide for:

- training of employees and collaborators;
- periodic medical examinations;
- corporate monitoring of the R.S.P;

- preparation and dissemination of documents pursuant to Legislative Decree 81/2008. As already mentioned above, the company has obtained UNI EN ISO 9001:2008 quality certification (process quality management). Relationships with employees are excellent, and there were no contentious situations during the year, nor are they expected in the coming months.

Application of Privacy Law

The Group has complied with the provisions of Law 675/1996 regarding Privacy.

Tax situation

The Company's tax situation is monitored and the residual taxes, net of advances paid, due to the tax authorities are allocated to the specific item relating to tax payables.

Research and Development Activities

During 2019, usual research and development activities were carried out, aimed at improving processing and internal management technologies, with particular attention to safety. However In the light of the assessments carried out to date by the Board of Directors, they do not seem to have the characteristics indicated by the accounting standards, in particular by OIC 24.40 et seq., in order to be recognised in equity, and have therefore been included in the costs; it was not deemed necessary to proceed with assessments on the possible eligibility for the so-called Research and Development bonus, also because of the automatic nature of this benefit reiterated by the regulations, which also allows subsequent assessments in this sense.

The experimental activities carried out in previous years had given rise to some important innovations, which had led to important inventions such as the Buttafuori and the Mantovana aerea, for which the company received the patent number during the year.

Reference number	holder	Date of filing	Granting date	Patent number
2738-1-IT	Buttafuori invention	10/07/2017	11/10/2019	102017000077253
2738-2-IT	Buttafuori utility model	10/07/2017	19/11/2019	2020170000077260

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2737 2 -IT	Mantovana utility model	03/07/2017	29/10/2019	2020170000073998
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Furthermore, in 2019, a number of activities started in 2018 were finalised relating to the retractable protective tent, resulting from experimentation work in which the company had invested significant sums of money.

This is an innovative project for the construction of a mechanical device that makes it easier to work on rope even in the event of slight adverse weather events, such as weak rainfall; the effect of the use of this tool is of considerable importance both on safety and on the possibility of keeping the site open in certain particular conditions, with a significant increase in efficiency. This study, which was also surrogate by various field tests to verify its effective functioning, continued in an extremely demanding manner during 2018 and finally generated the design of a "double function protection structure, usable, in particular, in the execution of work at height on rope on buildings in correspondence of a double function roof"; this structure has all the characteristics of novelty to be considered an invention, so much so that, on 25 March 2020, a patent for the invention was filed:

the application for invention no. 102020000006295 (NS RIF 2903-1-EN)

application for utility model No 202020000001294 (NS RIF 2904-2-EN)

Relations between the companies belonging to the Group

During the year, the following transactions were carried out between the Group's Parent Company and the Subsidiaries Companies; these commercial and financial transactions were carried out at normal market conditions.

	Financial payables	Financial receivables	Trade receivables	Trade payables	Sales	Purchases
Edac Roma Trastevere Srl	0	0	0	0	0	0
Edac Versilia Srl	87,272	15,506	172,682	44,096	207,488	9,139
Edac Biella Srl	7,996	90,680	144,955	11,502	191,341	24,606
Edac Sicilia Srl	2,000	0	267,554	94,308	370,727	87,352

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Edac Roma NordOvest Srl	0	24,869			0	0
EdiliziAcrobaticaFranceSaS	0	512,784			1,783	0
Grandaedac Srl	0	0	51,356	0	16,679	5,731
Totale	97,268	643,839	636,547	149,906	788,018	126,828

Secondary offices

In compliance with the provisions of Article 2428 of the Italian Civil Code, the Group's secondary operating offices are listed below:

	Description	Address	City
Local Unit n. MI/4	Deposit	Via Sforza Ascanio Cardinale 87	Milan
Local Unit n. MI/5	Office	Alzaia Naviglio Pavese 52	Milan
Local Unit n. MI/6	Office	Via Filzi Fabio 5	Milan
Local Unit n. AL/1	Office	Corso Crimea 13	Alessandria
Local Unit n. CT/1	Office	Via G.D'Annunzio 63C-63D	Catania
Local Unit n. GE/5	Office	Via Magenta 41	Chiavari
Local Unit n. MB/1	Office	Corso Milano 38	Monza
Local Unit n. NA/1	Office	Via Kerbaker 27	Napoli
Local Unit n. FI/1	Office	Via del Ghirlandaio 9	Firenze
Local Unit n. GE/2	Office	Viale Brigate Partigiane 18/2	Genoa
Local Unit n. RM/1	Office	Via Spalato 45	Rome
Local Unit n. RM/2	Office	Via Trastevere 111	Rome
Local Unit n. RM/3	Office	Via Antonio Lo Surdo 47/49	Rome
Local Unit n. TO/2	Office	Via Sospello 2	Turin
Local Unit n. TO/3	Office	Corso Siracusa 139/B	Turin
Local Unit n. VE/1	Office	Sestiere di Santa Croce 297	Venice
Local Unit n. LU/1	Office	Via Aurelia 171 Camaiore	Lucca
Local Unit n. BI/1	Office	Via Asti 4 Biella	Biella
Local Unit n. PA/2	Office	Via Enrico Albanese 92 Palermo	Palermo
Local Unit n. BA/1	Office	VIA CAMPIONE 16 BARI (BA)	Bari
Local Unit n. CO/1	Office	VIA MENTANA 13 E COMO (CO)	Como
Local Unit n. GE/4	Office	CORSO BUENOS AYRES 162 R. GENOVA (GE)	Genoa
Local Unit n. LI/1	Office	VIALE DELLA LIBERTA' 45/47/49 LIVORNO (LI)	Livorno
Local Unit n. NO/1	Office	CORSO TORINO 41 NOVARA (NO)	Novara
Local Unit n. PE/1	Office	VIA PIERO GOBETTI 194	Pescara
Local Unit n. VA/1	Office	VIA MAGENTA 3	Varese

Number and nominal value of treasury shares and shares/quotas in parent companies possessed by the company

As at 31.12.2019, the Parent Company did not directly or indirectly hold treasury shares or shares in parent companies.

IPO on AIM Italia Alternative Investment Market, organised and managed by Borsa Italiana S.p.A and Euronext Growth

On 19 November 2018, the Group has successfully completed the listing process on the AIM Italia market. As a result of the mentioned IPO, the Issuer's Capital Stock as of 31 December 2018 amounts to € 772,530, divided into 7,725,301 ordinary shares.

Ordinary shares (ISIN code: IT0005351504 Alphanumeric code: WEDAC)

Warrants (ISIN Warrants code: IT0005351470 Alphanumeric code: WEDAC)

The price to place ordinary shares was set at € 3.33 with a capitalisation of the Company on the starting date of negotiations of around 21.7 million € (€ 25.7 million, including Price Adjustment Shares).

The admission to listing took place after a placement of 1,725,300 newly issued and numbered ordinary shares, of which:

- n. 1,499,850 numbered ordinary shares from the capital increase reserved to the market;
- n. 75,600 numbered ordinary shares from the capital increase reserved to staff and management;
- n. 149,850 ordinary shares from the Greenshoe capital increase, equivalent to 8.7% of the share plan,;

In addition, investors (including staff and management) were provided with 431,332 numbered Warrants at no extra charge.

The holders of these financial instruments will have the power to subscribe during 3 exercise periods (September 2019, September 2020 and September 2021) for the conversion shares, at a ratio of one conversion share per warrant held, at the same strike price as in the IPO, increased by 10% on an annual basis.

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The Company, in conjunction with Global Coordinator Banca Profilo S.p.A., in light of the quantity and characteristics of the statements of intent received within the placement and in order to prioritise a book composition featuring major investors, has set the price per share at € 3.33 for ordinary shares reserved to the market and 3 Euros for ordinary shares reserved to staff and management.

The value of the placement, including shares from the Greenshoe option, amounts to € 5,720,301 (of which € 499,001 are from the Greenshoe option at the placement price). Within the transaction, an “adjustment” mechanism had also been planned, in the event that the Group did not reach a certain consolidated profitability target in terms of EBITDA in the financial year ended on 31 December 2018 (the so-called Price Adjustment Shares).

The Company’s post-placement capital consists of 7,725,300 no par value shares, of which 6,525,300 numbered ordinary shares and 1,200,000 numbered unlisted Price Adjustment Shares.

Il 30 settembre 2019, sulla base di quanto previsto dal regolamento “Warrant EDAC 2018-2021”, a maturazione del primo periodo di esercizio sono stati esercitati warrant per un importo complessivo di Euro 728.109 di cui Euro 19.894 destinati all’incremento del capitale sociale e la quota residua destinata a riserva sovrapprezzo azioni.

On 30 September 2019, on the basis of the provisions of the "Warrant EDAC 2018-2021" regulation, warrants were exercised for a total amount of 728,109 Euros, of which 19,894 Euros were allocated to the share capital increase and the remaining portion to the share premium reserve.

Shareholders' structure as of 27 March 2020:

- Arim Holding Srl 76.62%

- Group employees and Directors 0.95%
- Market 22.43%

Euronext Growth market share in Paris

On 22nd February 2019, the Euronext committee ruled in favour of the Parent Company, admitting it into the Growth market starting on 28 February 2019 (ticker symbol ALEAC).

Euronext is a Pan-European stock exchange including the stock exchanges of Amsterdam, Brussels, Dublin, Lisbon and Paris. It consists of around 1,300 issuers, accounting for a market capitalization of around € 3,400 billion. Euronext Growth is the market for small and medium-sized enterprises, which allows access to a large number of international investors, thus making the Company more visible.

On 22nd February 2019, the price of the shares in EdiliziAcrobatica SpA was 4.2175 Euros and the market capitalisation amounts to € 32,581,453 (which includes the 1,200,000 Price Adjustment Shares).

Acquisition of ETAIR assets in France.

On March 06, 2019 EdiliziAcrobatica SpA, through its wholly-owned subsidiary Newco EdiliziAcrobatica France SAS, was awarded the assets of ETAIR - Entreprise de Travaux Aériens et d'Interventions Rapides Méditerranée in judicial liquidation, a leading French company in the double-wire construction sector in south-west France.

The characteristics of the assets to be awarded are as follows:

The company ETAIR – Entreprise de Travaux Aériens et d'Interventions Rapides Méditerranée, in court-ordered liquidation, was founded in 2002, based in Perpignan, operating in the double safety rope construction sector in South West France.

During 2018, ETAIR reported revenues of around € 6.29 million, with negative EBITDA and net loss in the amount of -0.13 million Euros and € -0.26 million respectively.

The acquisition of ETAIR's assets took place in the context of the judicial liquidation procedure opened at the court of Perpignan.

As a result of this procedure, on 06 March 2019, EdiliziAcrobatica France SAS, on appointment of EdiliziAcrobatica SpA, was awarded the assets owned by ETAIR resulting from its balance sheet assets and the inventory drawn up by the bodies of the procedure.

The agreed price was € 110,001, broken down as follows:

Intangible fixed assets totalling € 55,000

Tangible fixed assets totalling € 40,000

Inventory totalling € 15,000

The Order Book containing ongoing projects as of 28 February 2019 totalling €1.

ETAIR has 52 employees and as at 28 February 2019 the value of equipment, tools and order backlog relating to construction sites in progress was approximately € 3.18M.

The transaction in question is a significant transaction within the meaning of Article 12 of the AIM Italia Issuers' Regulations.

Ownership of the assets was transferred, following and as a result of the award, to EdiliziAcrobatica France SAS, a company set up specifically for this transaction on 5 March 2019.

EdiliziAcrobatica France is a simplified joint-stock company with initial share capital of Euro 1,000; its share capital was increased to Euro 150,000 when, following the completion of the acquisition of the ETAIR assets, its debt to EDAC was converted into share capital.

Thanks to the operation described above, EdiliziAcrobatica France SAS acquired 47 employees from the ETAIR operating team, with the assumption of the related payables to employees, amounting to approximately Euro 177,778.

The chairmanship of EdiliziAcrobatica France SAS is assumed by Riccardo Iovino,

current CEO of EdiliziAcrobatica SpA, and the general management by Engineer Paolo Stella.

Events after the end of the financial year

Plan for the merger of subsidiary companies

On 27 March 2020 the Board of Directors of the Parent Company approved the unitary plan for the merger by incorporation into EdiliziAcrobatica Spa of the subsidiaries Edac Biella srl, Edac Roma Nord Ovest srl, Edac Sicilia srl, Edac Versilia srl in liquidation, Grandaedac SRL in liquidation, in which the company holds a 100% stake, with the exception of Edac Versilia srl in liquidation; all the subsidiaries have the same corporate purpose as the parent company and the objective of the merger is to improve the operating efficiency of both the parent company and the subsidiaries, and also to achieve savings in structural costs and in the use of available resources and materials. The merger does not entail any interruption in the activities of the various companies involved and, moreover, the merger operation is fiscally neutral. As the companies in liquidation Edac Versilia srl and Grandaedac srl have not yet started the distribution of assets, they may participate in the merger. As far as Edac Versilia srl in liquidation is concerned, even though it is an incorporation of a company currently not wholly owned by EdiliziAcrobatica spa, it is nevertheless possible to use the so-called simplified procedure for the merger of a wholly owned subsidiary pursuant to Article 2505 of the Italian Civil Code, even if at the present time there is no presumption of possession of the entire share capital, since it is sufficient that the requirement of full possession of the subsidiary's capital is fulfilled before the deed of merger is signed.

The merger plan provides for the backdating of the accounting and tax effects of the merger to 1 January 2020 as permitted by Article 2504 bis of the Italian Civil Code and paragraph 9 of Article 172 of the TUIR.

The merger plan assumes the reference date of 31 December 2019, and therefore the balance sheet of the participating companies will be the one shown in the financial statements for the year ended 31.12.2019, pursuant to art. 2501 quater paragraph 2 of

the Italian Civil Code.

As a result of the merger, the parent company will cancel the equity investments held in each of the companies.

Impact of the pandemic Corona virus 2019

Since January 2020, as is well known, , the national and international scenario has been characterized by the spread of the "new" Coronavirus and the resulting legal restrictions on mobility and an extensive list of commercial and industrial activities. In compliance with these legal provisions, the Group has significantly reduced its activities in the geographical areas affected by these events. An analysis of alternative scenarios was therefore prepared, assuming the timing of the emergency and the consequences on the Company's turnover volumes. On this basis, adopting an intermediate scenario for the duration of the emergency, the Company has, since the beginning of the legal measures, sets up an internal team to manage extraordinary measures, including the launch of an articulated plan for the containment and rationalization of operating costs, the evaluation of the use of the tools made available by the legislator for the management of the emergency (social shock absorbers, waivers of certain mandatory obligations), the evaluation of contractual obligations towards third parties, the assessment of the adequacy of financial resources and the consequent actions. With regard to financial resources, if necessary, the Company may avail itself of additional lines of financing.

Moreover, as announced in the Press Release of March 25, 2020, the Group, in response to the changing needs of the country and people and in order to face the delicate moment it is experiencing, has taken the necessary steps to launch a new service for the sanitization of residential environments in favour of its customers starting from the end of March.

On the basis of these elements, it is believed that, despite the significant economic and financial consequences induced by the Covid-19 emergency situation, the Group operates on a going concern basis.

Expected future business performance

In the context of the crisis caused by the Covid pandemic, the Group has demonstrated its ability to react and adapt to a new social, health and economic reality that is completely unpredictable, difficult and full of unknowns:

- In the first three months of 2020, the Group generated revenues in Italy of euros 8.932 million, up about 15% from revenues in 2019 (euros 7.8 million), despite the impact of the Covid 19 pandemic which affected business in March; the French company also generated revenues of euros 0.656 million, bringing total revenues in the first quarter to euros 9.588 million, higher than in the same period of the previous year.
- Following the necessary restrictive measures contained in the 'Chiudi Italia' decree, which imposed the temporary suspension of construction sites, it has been decided to open a new branch of the company, in order to respond to the pressing requests already received from many customers, to proceed with the restoration and sanitization of hallways, stairwells and lifts in buildings throughout Italy: the service will be provided by all the offices we have on the national territory, in strict compliance with the regulations imposed by health and government authorities; in this way EdiliziAcrobatICA intends to ensure the company, and its employees and collaborators, as well as customers and suppliers, an important continuity of work.
- Among the various initiatives, an app has been created, which will be provided free of charge to the directors of condominium clients of the company, with the aim of holding the condominium meetings at a distance, while guaranteeing the legal validity of the vote expressed by the condominiums and therefore of the votes; this is to allow the directors to continue with the deliberative phase necessary to forward the orders to EdiliziacrobatICA, which can thus continue to sell its services, using an innovative and unique tool in Italy;
- Despite the great uncertainty reigning throughout the world, in order to better understand how to deal with the crisis situation, the Company has updated the

economic and financial plans prepared before the emergence of the emergency, based on the final figures for the first few months of 2020 and the probable evolution for the entire year, evaluating the wide range of factors connected with the adverse economic situation;

- On the basis of the assessments made, the company intends to continue its growth strategy by opening new offices in Italy and continuing its expansion abroad; in fact, it is believed that the services offered will not be particularly affected by the probable economic crisis triggered by the Covid pandemic and it has taken into account a possible slowdown in the expected development;
- The marketing campaign on national television stations will also continue, aimed at further reinforcing the value of the Brand for the end consumer.
- In compliance with the principles of efficiency and cost containment, the centralized functions responsible for providing support to both direct Italian operations and franchisees, as well as to the French subsidiary and other possible acquisitions, will be reinforced, in order to build a solid, flexible and adequate corporate structure to the requirements of a listed company.

Milan, 27 march 2020

For the board of directors,

Riccardo Iovino (Administrator)

EDILIZIACROBATICA S.P.A.

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