



EDILIZI ACROBATICA[®]
Le soluzioni arrivano dall'alto

REPORT ON THE **MANAGEMENT**
OF CONSOLIDATED FINANCIAL STATEMENTS
AT **DECEMBER 31, 2022**



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EDILIZIACROBATICA S.P.A.

Registered office in Milan

Via Turati, 29

Share capital € 823.569

Tax code and VAT number 01438360990 – R.E.A. MI 1785877



Report on the Management of Consolidated Financial statements at December 31, 2022

Dear shareholders, the financial statements at 31/12/2022 show a net profit for the period of Euro 15.237.868, net of taxes which amounted to Euro 7.798.169.

In the Notes on the Consolidated Financial statements, you were informed of the disclosure of the consolidated financial statements for the year ended 31/12/2022. In this document, in accordance with art. 2428 of the Civil Code, the information concerning the situation of the company group

and the information on the management progress, as well as on the foreseeable evolution of the management, the net financial position and the main risks and uncertainties to which the Group is exposed are presented.

This report, drawn up with values expressed in units of Euro, is presented in support of the consolidated financial statements for the year to provide income, capital, financial and management information of the Group, accompanied, where possible, by historical elements and prospective assessments.

Shares held by Edilziacrobatica at 31 December 2022

Company	Registered office	Share capital	Share owned
Edilziacrobatica France S.a.s.	43-47 Avenue de la Grande Armée	550.000	100%
Edilziacrobatica Iberica S.L.	Carrer Girona 134, 08037 Barcelona, Espana	3.000	90%
Energy Acrobatica 110 S.r.l.	Via Filippo Turati 29, 20121, Milano	100.000	100%
EdilziAcrobatica Monaco SAM	2 Rue de la Lujernetas à Monaco 98000	150.000	60%

This financial statement that is submitted for your approval fully represents the Group's economic and financial situation.

Performance of the sector

The year 2022 was, at European level, certainly the year of confirmation of the good results shown in the post-Covid period with the reference framework is energy efficiency. The European community has indeed issued some guidelines for the years to come, which will draw a clear line on the need to adapt the entire housing sector in Europe.

The Group Edilziacrobatica Spa is active in the field of external restructuring, which are an integral part of the building redevelopment that has taken place in recent years. The reference market represents more than half of the value of production in the entire construction sector. It should also be noted that the sector has shown the trend toward professionalization in recent years with the growing presence of structured operators active in the management of buildings as a facility and property management company. Many large players in real estate management have also approached the

market of the condominium administrations both in Italy and abroad, as has already been the case in France for several years.

For the Group, this type of market evolution is to be considered a great advantage since in its sector it has a structure and an organization that turns out to be the real added value making the difference both at Italian level and at European level and becoming increasingly a point of reference for large customers who demand fast execution and high-quality standards. In fact, the growing trend to plan for routine and extraordinary maintenance of buildings is pushing the rope construction industry strongly. These, having no installation costs scaffolding or aerial platforms are often preferred by the condominiums and by the same administrators of condominium, in that they guarantee the possibility to face the entire external restructuring of the buildings through medium small interventions

planned in several phases of time, with completion of the works also in a wider period. This trend is increasingly strong thanks also to the possibility of delaying the payments of interventions by the condominiums over time and therefore thanks to a planning of the maintenance of the buildings more and more studied with great advance, so it does not address the emergency and does not address the major interventions in a single solution, thereby generating discontent on the part of households over-spending suddenly. This trend to schedule maintenance is part of the evolution of the role of the condominium administrator who is increasingly

becoming a Building Manager.

On the side of the residential buildings, it is certainly to be considered the renewed attention, both in Italy and in Europe, toward historical buildings, which has led to investments in the conservation of the same through recovery and maintenance operations both ordinary and extraordinary. In this micro-sector, the Group has created a new line of services to meet this need.

Italian market

The Italian market has been characterized by the introduction of various tax bonuses that have given greater strength to the growth of external restructuring. In Italy, the Bonus Facades made it possible to recover 90% of the costs incurred in 2020 and 2021 without a maximum spending limit. In 2022 the facade bonus was reduced to 60% with the aim of recovering the costs related to 2022.

The restructuring and maintenance market, net of bonuses, its rise has continued for some years and 2022 has confirmed the positive trend and forecasts for 2023, while showing a lower growth than in previous years, it still shows a positive projection of investment in terms of building renovation, with a further increase over the years previous.

French market

The construction market in France has recently been estimated at around EUR 149 billion (Fonte Fédération Française du Bâtiment)

- Despite the outbreak of the war in Ukraine, the 2022 of the French market distinguished itself as a good year for construction in general, whose activity grew by 3,7% in volume.
- The market for new housing has increased thanks to a good momentum in 2021 which continued in 2022 (around 400.000 per year). New non-residential activities have increased positively

driven by industrial and similar buildings, as well as commercial buildings. In terms of employment, 2022 also closes with the net creation of 15.000 jobs in France.

- The reference market for Edilziacrobatica France can be quantified in about 60 billion, consisting of the sector where it is taken to support the completion of the new buildings with external and covering finishes, installation of panels in facade, installation of photovoltaic panels, installation of lifelines, and works aimed at improving and maintaining the exterior of buildings.

Spanish market

Il mercato delle costruzioni spagnolo è stato The Spanish construction market was characterized by strong dynamism during 2022; neither the crisis caused by the war in Ukraine nor the rise in material prices due to the impetuous inflation were able to slow the growth rate of the sector. In 2022, 53,811 million yards were built in Spain, 19% more than in 2021 (45,150 million yards) and the industry's best record in the last five years.

As the study "Analysis and evolution of the construction sector" carried out by the technology company DoubleTrade analytical solutions reveals, EUR 80 billion was allocated in 2022 for the execution of new construction sites. This budget represents almost 55% more than the investment made in 2021 (EUR 51,4 billion) and demonstrates the essential role of construction in the national economy, especially in Catalonia and Andalusia, the two most active autonomous communities.

Moreover, in Spain, a substantial contribution is expected to be made from the activation of the Next Generation European Funds.

In the specific area of rope rehabilitation, the data follows the general dynamics. According to ANETVA (Asociación Nacional de Empresas de Trabajos verticales), 2022 was a record year in terms of both the number of associates and the turnover, the construction sites and the number of jobs created.

Therefore, the outlook for 2023 is good, despite the continuous increase in production costs combined with the increase in financial costs and the lack of skilled labor in the sector, which can, if not constantly monitored, generate some difficulties for the sector.

Competitive behavior

On the Italian market and at a European level, the Group now plays the undisputed role of leader. The Group, in fact, was born almost 30 years ago in Genoa and expanded on the whole national territory, makes its organization the strength. The current competitors are of smaller dimensions, both in terms of turnover and in terms of the widespread geographical areas of activity, and they carry out

operations on rope sometimes as additional services to traditional buildings, or, in some cases in niche segments (reclamation, environmental interventions, etc.). Even in 2022, there are no major new competitors, and the trend of small competitors on a local scale remains unchanged, that is, within cities without a proper expansion plan.

Performance and result of management regarding costs, revenues, and investments.

In relation to the economic performance, the volume of revenues increased from 87.677.804 euros recorded in 2021 to 134.462.246 euros, an increase of 53,4%; production costs amounted to 105.954.659 euros compared to 69.348.186 euros recorded in 2021, an increase of 56%.

Among the costs of production, the cost of personnel was 46.190.905 euros, an increase compared to the previous year (32.970.468 euros) of 40% and depreciation amounted to 1.986.623 euros, a decrease compared to the previous year (2.302.178 euros).

Finally, write-downs of loans included in working capital in 2022 amounted to euro 243.294, while write-downs in 2020 amounted to euro 650.000. The difference between value and cost of

production was positive for 28.507.586 euros (in 2021 18.329.618€), an increase of 57%.

Financial management generated net financial charges of 5.469.594 euros, compared to net financial charges incurred in 2021 of 1.538.054 euros, with a substantial increase of 3.547.278 euros; the increase in absolute value of net financial charges was due to the accounting for the adjustment of credit transfer costs of euro 4,6 million for practices completed in 2022.

The result for 2022 was a net profit of 15.237.868 euros, an increase of 11.085.555 euros compared to the net profit for 2021.

Income taxes amount to EUR 7.798.169.

The analysis of revenues and costs is broadly set out in the Explanatory Notes.

The situation of the Group and the performance of its operations

During 2022, the Group Ediliziacrobatica continued its strategy of expansion and territorial consolidation, both in Italy and abroad.

In addition to the territorial expansion, both in Italy and abroad, attention was paid to the company's profitability.

The Group has long shown a strong spirit of internationalization that began in 2019 with the acquisition of the French company in judicial liquidation "ETAIR – Entreprise de Travaux aériens et d'Interventions Rapides Méditerranée", constituting the 100%-controlled Construction Aerobatic France SAS, the assets of the French company came into being.

The French company is a leader in the double-rope construction sector in the south-west of France.

2022 was marked by the strengthening of the eight French offices: Perpignan, Toulouse, Nice, Montpellier, Nimes, Marseille, and Lyon. It should be noted that in France, the wind and industrial sector has also been structured.

The French market has always been looking for the rope construction sector, a thriving and opportunity-rich market.

It is in fact a market characterized by condominium administrators (in French syndic) who are mostly structured companies throughout the French territory. In the various cities they have seats in which the administrator of the apartment block resides, and a part dedicated to sale and rental of real estate. The large size of the customers generates an advantage for a company like Ediliziacrobatica, since the attention of these customers to the quality standards and professionalism is very high. Finally, within syndic companies a positive referral effect is created between colleagues of the same brand of different cities or belonging to the same city that greatly facilitates the commercial development of Ediliziacrobatica.

Continuing the internalization activity in 2021, the acquisition of the branch of Actés vertical, a Spanish company operating in the rope building sector, was completed.

The company has immediately become operational and already has two operations: One in Barcelona and one in Lleida and is planning to open further offices soon in some of Spain's main cities.

In 2022, the new Monaco-based Building company Monaco SAM was set up in joint ventures with some important local partners operating in the real estate market of the Principality. This company is part of a context, namely the Monegasque one, with enormous potential and development both in terms of results and in terms of the market.

At the Italian level, the establishment in 2021 of the company Energy Acrobatica 110 with the aim of fulfilling the role of General Contractor in projects and shipyards operating under the tax concession scheme of 110%.

The company is 100% controlled by Ediliziacrobatica S.p.A.

The company is active on the Italian market, especially in the North-West area with its headquarters in Turin, a city in which it consolidated a network of partners for the execution of restructuring and energy efficiency works that fall under the 110% Superbonus regime.

As far as the Italian market is concerned, in pursuit of the objective of acquiring new market shares through the capillary penetration of the Italian territory, other new offices have been opened, the number of which therefore reaches at the end of the year a total of 83 operating areas and 30 franchises.

The main factors that I have taken part in this exercise can be summarized as follows:

- - Facade bonuses: The introduction of the facade bonus, introduced by the 2020 Budget Law, which provided for a reduction of 90 % of the expenditure incurred in 2020 and 2021 and for the financial year 2022 a reduction of 60 % for operations aimed at the recovery and restoration of the exterior facade of the buildings gave a vigorous boost to the market and the restructuring sector. The organizational solidity and the reaction capacity of the Group, also on this occasion, have enabled the ever-increasing demands of the market to be met in a dynamic and efficient manner. All this led to an increase in sales revenues, due to the increase in sales and product volumes. The year 2022 was therefore characterized by a considerable increase in turnover, with a 53% increase in revenues compared to the same period last year.
- - Strengthening of the new Multiservices business branch, opened during a pandemic during 2020, continued its growth and development, strengthening its position in the market.
- - Establishment of the EA Monumenti a Siena business branch, dedicated to specific services on buildings of historical importance.
- - Marketing campaign: The marketing campaign on national television stations continued to further reinforce the value of the

- Brand for the final consumer.
- Rafisamento Central functions: Centralized functions have been strengthened to provide support both to Italian direct operating offices and franchisees, as well as to the French subsidiary, with the inclusion of some managers of high profile and proven experience, to build a company structure suitable to support the planned development and the requirements of a listed company.
 - Strategy of internalization and consolidation
Market position: in continuity with previous years the strategy of consolidation of market leadership continued with new openings of operating offices both in Italy and abroad. The Group has long adopted a policy of onboarding of the new premises, which foresees in the opening phase and in the subsequent phases of growth an intense activity of development of the commercial network, logistics and marketing, and of training and training courses, also in the form of on-the-job training that allows new aircraft to develop and achieve the desired goals
 - Continuation of Brand awareness strategy: The realization of Brand awareness strategy continued with the consolidation of partnerships and communication activities from the national reach: Starting with the renewal for the fourth consecutive year of the contract with Torino F.C. that sees Edilziacrobatica as Back Jersey Sponsor also for the championship 2022/2023, In 2022 the Group invested in strengthening the media plans with the broadcasters and heads of the Cairo RCS Group and in the realization of the first branded content television that has seen protagonists some of the most beautiful buildings in our country where the operational teams of the Group Si they see at work in the restoration and renovation works. In addition, online ADV campaigns have been enhanced with positioning and conversion objectives, ensuring a capillary coverage of the Brand throughout Italy.

Analysis of the business situation

For a better view of the balance sheet, financial and management situation, the tables below propose the reclassified balance sheet and income statement, as well as some indicators of results.

Income statement

The summary data of the income statement as at 31/12/2022 are compared with those for the same period of the previous year:

RECLASSIFIED INCOME STATEMENT	31/12/2022	31/12/2021
Revenue	134.462.246	87.677.804
Production cost without depreciation and amortization	103.724.742	66.396.008
EBITDA	30.737.504	21.281.796
Depreciation and amortization	2.229.917	2.952.178
EBIT	28.507.587	18.329.618
Financial income and expenses	(5.469.594)	(1.538.054)
Financial asset adjustments	(105.981)	297.469
Pre-tax income	22.932.012	17.089.033
Income taxes	7.798.169	5.986.890
Net profit	15.133.843	11.102.143
Third-parties profit (loss)	(104.024)	16.591
Group profit (loss)	15.237.867	11.085.552
EBITDA %	23%	24%
EBIT %	21%	21%
Pre tax income %	17%	19%
Net profit %	11%	13%

REVENUE	31/12/2022	%	31/12/2021	%
1) Revenue from sales and services	133.662.103	99,4%	86.949.909	99,17%
4) Increases in fixed assets for internal works	214.629	0,2%	121.000	0,14%
5) Other income	585.514	0,4%	606.895	0,69%
a) contributions	352.402	0,3%	204.487	0,23%
b) other	233.112	0,2%	402.408	0,46%

PRODUCTION COST	31/12/2022	%	31/12/2021	%
Cost for raw materials, subsidiaries, consumer goods and other goods	13.019.018	13%	3.978.707	13%
Cost for services	35.857.554	35%	8.118.624	27%
Cost for the use of third-party assets	6.945.144	7%	2.039.902	7%
Cost for staff	46.190.905	45%	14.852.970	50%
Changes in inventories of raw materials, subsidiaries, consumption and goods	375.261	0%	-63.536	0%
Miscellaneous costs	1.336.860	1%	893.930	3%
TOTAL PRODUCTION COST	103.724.742	100%	29.820.597	100%

AMORTIZATION AND DEPRECIATION	31/12/2022	%	31/12/2021	%
Amortization of intangible assets	1.596.247	72%	1.931.070	65%
Amortization of tangible fixed assets	390.376	18%	371.109	13%
Depreciation	243.294	11%	650.000	22%
TOTAL AMORTIZATION AND DEPRECIATION	2.229.917	100%	2.952.179	100%

FINANCIAL INCOME AND EXPENSES	31/12/2022	%	31/12/2021	%
Financial income	158.370	-3%	249.746	-16%
Financial expenses	(5.627.964)	103%	(1.787.800)	116%
TOTAL FINANCIAL INCOME AND EXPENSES	(5.469.594)	100%	(1.538.054)	100%

REVALUATIONS OF FINANCIAL ASSETS	31/12/2022	%	31/12/2021	%
Revaluations	142.587	-135%	297.469	100%
Write-downs	(248.568)	235%	0	0%
TOTAL REVALUATIONS OF FINANCIAL ASSETS	(105.981)	100%	297.469	100%

EBITDA generally indicates the result before the financial charges, taxes and depreciation of fixed assets and write-downs of receivables included in the operating assets. EBITDA is therefore a proxy for the cash generation of the same, thus excluding non-cash elements, such as depreciation of fixed assets. EBITDA thus defined represents the indicator used by the administrators to monitor and evaluate the performance of the business. Since EBITDA is not identified as an accounting measure within the framework of accounting policies, it should not be considered as an alternative measure for the evaluation of the performance of the

Group's operating results. Since the composition of EBITDA is not regulated by the reference accounting principles, the determination criterion applied by the Group may not be consistent with that adopted by other companies and therefore not be comparable with them. EBIT indicates the result before the financial charges and taxes for the period. EBIT therefore represents the result of the management before the remuneration of the capital of both third parties and own. The EBIT thus defined represents the indicator used by the administrators to monitor and assess the performance of the business. Since EBIT is not

identified as an accounting measure within the framework of accounting policies, it should not be considered as an alternative measure for the evaluation of the performance of the Group's operating results. Since the composition of EBIT is not regulated by the reference accounting principles, the determination criterion applied by the Group may not be consistent with that adopted by other companies and therefore not be comparable with them.

Consolidated revenues for 2022 amounted to Euro 147,4 million, compared to Euro 98,6 million in the previous year and recorded an increase of 49% year over year. In Italy, the Group's first market, revenues in 2022 grew by 40,52%, from Euro 94,7 million in 2021 to Euro 133,1 million.

As regards the revenues of the Italian company and the Energy Acrobatica companies, it should be noted that in line with the "Notice on the methods of accounting for tax bonuses" issued by the Italian accounting agency (OIC), they were recorded at the market value (i.e. fair value), Net of the transfer charges of the tax bonus which was derived from the transfer contracts concluded by the Italian Company with Banca Intesa San Paolo during the financial year 2022.

In accordance with this OIC communication, consolidated revenues of Euro 147,4 million were recorded net of the charges for the sale of the tax bonus of Euro 12,9 million, thus bringing the total value of consolidated revenues to Euro 134,5 million.

The figures for 2022 therefore show a significant increase in the value of production, which increases by 53% from 134,5 million euros to 87,7 million euros.

In Italy, the fiscal stimulus to support the recovery has driven growth in sales, output, and revenues, accelerating the strong expansion of the business, especially in relation to the facade bonus. Despite the total absence of tax incentives, the French company recorded an increase in its revenues of 4,7 million, up from 3,4 million last year.

The Spanish company still in start-up and in strong organic expansion on the Iberian territory recorded a total of revenues produced equal to about 840 thousand euros.

The company Energy Acrobatica 110, on the other hand, has a much higher amount of 7,8 million euros net of bank charges (about 300 thousand euros).

In 2022, the Group recorded an EBITDA of Euro 30.737.503, an increase of 44,5% compared to Euro 21.281.799 in 2021.

A significant increase that is attributable to the excellent result of the Italian company that has benefited from the introduction of the Bonus facades incentives, provided for by the Revival Decree in favor of the works of improvement of the buildings, and on the other hand the result of the great dynamism and strong organizational capacity of the whole Group. The strong increase in EBITDA has consequently enabled the Group to expand even more in Italy, increasing its operating bases, but also to strengthen above all the central and corporate functions at the service of foreign companies. The French company contributes approximately 1.039 thousand to EBITDA. However, it should be noted that the French company continues to bear considerable amounts of training costs to complete the organizational process and to adapt to the philosophy and principles of the Group. The Spanish company contributes a negative contribution to EBITDA of approximately EUR 618 thousand.

Depreciation, equal to 1.986.623 euros, was lower than the previous year (€ 2.302.178), write-downs of 243.294 euros for loans difficult to recover also due to the difficult situation of the present Italian economic situation, brought EBIT to 28.507.586 euros, a strong growth compared to 2021 (€ 18.329.621 euros).

Asset and financial profile

The Reclassified balance sheet is compared with the data for the previous financial year:

RECLASSIFIED BALANCHE SHEET	31/12/2022	31/12/2021
(Amounts in Euros)		
Trade receivables	25.249.786	14.066.788
Inventory	3.135.776	3.511.037
Trade payables	(40.799.550)	(29.607.646)
Operating Working Capital	(12.413.988)	(12.029.821)
Other current credits	50.041.461	52.133.643
Other current debts	(8.206.239)	(9.009.040)
Tax debts	(9.400.878)	(15.528.668)
Net Working Capital	20.020.356	15.566.114
Tangible assets	1.112.907	1.189.703
Intangible assets	3.923.069	3.906.180
Financial assets	1.988.342	432.327
Fixed assets	7.024.318	5.528.211
Severance pay	(3.846.388)	(2.505.878)
Deferred taxes	(113.462)	(61.640)
Long term tax debts	-	-
Net Invested Capital	23.084.824	18.526.806
Equity	35.122.835	22.137.958
Cash and cash equivalents	26.864.633	18.208.024
Current financial credits	12.249.211	11.820.673
Current financial liabilities	(13.737.626)	(6.690.788)
Non current financial liabilities	(13.338.208)	(19.726.757)
Net Financial Position	12.038.010	3.611.152
Equity and Net Financial Position	23.084.825	18.526.806
Net short term Financial Position	25.376.218	23.337.909

The Group data, shown in the short- and medium-term net financial statements, show a growing financial position that rose from a net credit of about 31 million euros at 12/2021/31 to a net positive position of about € 12 million in December

2022 thanks to the positive cash flow generated by the Group's operations. Working capital has increased, due to the increase in credits.

	31/12/2022	31/12/2021
CURRENT ASSETS		
Inventories	3.135.776	3.511.037
Short term credit	74.930.832	65.538.943
Prepayments and accrued income	360.415	661.488
CURRENT LIABILITIES		
Short term debts	(58.237.997)	(53.721.860)
Accruals and deferred income	(168.670)	(423.494)
Net Working Capital	20.020.356	15.566.114

Main indicators

According to art. 2428 c.2 of the c.c. some indices and other information are highlighted, useful to illustrate in the most complete way the business situation in the evolution of the last few years.

Financial structure indicators

The purpose of the financial structure indicators is to quantify the "weight" percentage of certain aggregates of assets and liabilities, relative to total assets and liabilities.

These indicators are intended to identify possible

imbalances due to inappropriate relations between certain items of assets and liabilities, with the same indicators for 2021 and 2022.

	31/12/2022	31/12/2021
Fixed assets (I)		
a) Fixed assets' weight = -----	4%	5%
Assets (K)		
Working capital (C)		
b) Working capital weight = -----	94%	95%
K		
Equity		
c) Equity weight = -----	28%	21%
Liabilities		
Third-party capital		
d) Third-party capital weight = -----	72%	79%
Liabilities		

	31/12/2022	31/12/2021
Current Assets (C)		
a) Current Ratio = -----	163%	168%
Current Liabilities		
Liquidity		
b) Liquidity ratio = -----	54%	51%
Current Liabilities		
Equity		
c) Equity to Fixed Assets Ratio = -----	500%	400%
Fixed Assets		

Profitability (or economic situation) indices

The ROE reports the profitability of the investment in the Group's capital compared to other investments; it is supplied in the "after tax" version and in the "gross" version; the ROI represents the indicator of the profitability of the

operating management: measures the company's ability to generate revenue in the process of transforming inputs into outputs.

	31/12/2022	31/12/2021
ROE (Return On Equity)	43%	50%
Pre tax ROE	65%	77%
ROI (Return On Investment)	23%	17%
ROS (Return On Sales)	23%	24%

Risks related to the sector of activity and degree of competition

The primary requirement of the Group is to always acquire new customers to ensure continuity of production considering the large margins of economic return with respect to the volume of investments. The policy is oriented to the opening of new direct offices, penetrating in a capillary way the Italian, French and Spanish market, also developing a targeted retail policy able to make the offer customizable to every single customer. Another strong point of the Group that makes it particularly competitive is the experimentation of working procedures that can be more economically efficient, at the same time assuming a condition of lower overall risk than other traditional operating solutions.

It should also be noted that:

- the limited presence of workers.l'assenza di subappalti;
- the absence of subcontractors;
- the historical statistics of accident events

it means that the overall risk can be defined as being less than the overall risk that would arise if any traditional collective protection equipment were used. Over the years there has been a considerable reduction in the construction site timing compared to the use of other working methods, thus reducing the exposure to the overall risk.

Risks related to vendor lock-in

The Group, and in particular the parent company, has always had the support of the banking counterparts for any financing. The use of credit during the year recorded an increase, partly due to the need for new investments to support the development of the group both in Italy and

abroad, but we do not believe that this is a risk profile for the Group.

Liquidity risk

The Group's cash flows, financing needs and liquidity are monitored and managed with the aim of ensuring effective and efficient management of financial resources. Short- and medium-long-term liquidity needs are constantly monitored with a view to ensuring an effective collection of

financial resources or an adequate investment of the Cash and cash equivalents in a timely manner. Information on the future maturity of debts to banks is given in the Notes on the Notes. The overall financial situation has high standards.

Credit risk

The Group is exposed to the risks associated with the sale of its services. Even for possible new customers the risk is monitored, thanks to a careful evaluation of the names of potential customers and

their risk of insolvency thanks to the collaboration with the company of investigation and services Cerved Group Spa.

Information on relations with the environment

No damage to the environment occurred during the financial year.

During the financial year, no company in the Group was imposed definitive sanctions or penalties for offenses or environmental damage.

The Group has always distinguished itself for a business model in which the environmental impact is low.

In 2022, the Group produced the first sustainability report, which enabled us to report further data than those of the Life Cycle Assessment conducted in 2021, which had shown that for the 4 main types of interventions, the double rope technique allows a reduction of between 45% and 76% of the global warming potential by means of the reduced number of journeys, it also allows an estimated

51% to 68% of energy consumption and between 7% and 40% of water consumption.

Regarding the three-year sustainability strategy of eliminating the most environmentally impacting waste, we continued in the course of the year in all our operations with the actions that we had taken since the previous year: minimize the consumption of materials such as plastic and paper, the most common used in offices; eliminate the consumption of disposable products, implement a recycling plan, green mobility plan based on the replacement of petrol vehicles by electric/hybrid means.

In the second half of 2022, energy contracts for all locations in Italy were also replaced by "green" energy contracts.

Information regarding relations with staff

During the exercise, the companies of the Group have carried out the compliance foreseen by the law in the field of safety, carrying out all the initiatives undertaken for a long time and necessary for the protection of the workplace, in accordance with the provisions of the relevant legislation, with particular attention to the frequency of staff training meetings to improve knowledge of procedures to limit the risks related to the work carried out.

The work carried out in the field of security involves:

- employee and employee training;
- carrying out periodic medical examinations;
- Corporate monitoring of R.S.P.P.
- Preparation and dissemination of documents referred to in Legislative Decree 81/2008.

Come già accennato in precedenza, la società ha ottenuto la certificazione di qualità UNI EN ISO 9001:2008 (gestione della qualità dei processi).

I rapporti con il personale dipendente sono ottimi, e non vi sono state nell'esercizio situazioni contenziose, né se ne prevedono nei prossimi mesi.

Application of the Privacy Law

The Group companies have complied with the provisions of Law 675/1996 regarding the provisions on Privacy and subsequent amendments

in accordance with Legislative Decree 196/2003 and EU Regulation 679/2016

Fiscal situation

The tax situation of the Group is monitored, the residual taxes, net of the advances paid, due to

the Treasury are set aside in the appropriate item relating to tax debts.

Relations between the companies belonging to the Group

During the financial year, the following relations were maintained between the Parent Company and the following related companies:

	Loans	Credits	Accounts receivable	Accounts payable	Sales	Acquisitions
Ediliziacrobatia France S.a.s.	-	2.915.424	661.306	90.680	373.845	561.730
Energy Acrobatica 110 S.r.l.	-	-	-	-	-	-
Ediliziacrobatia Ibérica sl	-	400.000	106.417	26.944	106.417	-
Ediliziacrobatia Monaco SAM	-	4.000	276	-	276	-
Total	-	3.319.424	768.000	117.624	480.539	561.730

Such commercial and financial transactions took place under normal market conditions.

Secondary locations

The parent company has its registered office in Milan, Via Turati 29 and its administrative office in Viale Brigate Partigiane 18 in Genoa.

It should also be noted that the company has a sales network composed of 50 points with sign Ediliziacrobatia SPA over 68 warehouses.

Number and face value of the Treasury Stock, shares or shares of parent companies owned by the Company

As of 31 December 2022, the parent company directly owns 27.190 Treasury Stock.

The purchases of Treasury Stock during the financial year are part of the Treasury Stock purchase program authorized by the Shareholders' Meeting on June 25, 2021.

market from November 19, 2018; the share price on December 31, 2022, was €15,76, with an increase over the initial IPO price of €3,33 (on December 30, 2021, it was € 17,67).

- On the Euronext growth market in Paris (ticker ALEAC) from 22 February 2019, the share price to 30 December 2022 was Euro 15,80, with an increase over the initial share price of Euro 4,7, and a capitalization of Euro 30,7 million at the time.

The value of the title

The title of Ediliziacrobatia (ISIN IT0005351504) is listed:

- On the Euronext growth Milan (ticker EDAC)

Structure of the shareholders as of 31 December 2022

- Arim Holding is limited to 74,0%
- Market, employees, Group Directors 25,7%
- Ediliziacrobatica Spa 0,3%

Subsequent events at the end of the period

- Internalization: The Group wants to grow and cannot overlook the obligation of growth outside national borders, where there is a huge market and where competition is truly global. In this direction, the Group is working hard to expand and consolidate its positions abroad, focusing on new European markets. It is clear, therefore, that the path of internationalization is totally essential in relation to the Group's vision. In this context, following the binding agreement signed on 2 March 2023, the Group signed on 21 March the closing of the acquisition of 51% of the share capital of Enigma Capital Investments LLC from the sales partners (Enigma Capital),

a holding company incorporated under the law of the UAE's company based in Dubai, He leads a group active in the Middle East in the construction sector, "rope access", cleaning services for residential and commercial buildings and some facility management services.

Realization of the new IT system: the implementation of Oracle ERP continues the project, also in the perspective of new acquisitions, has the purpose of providing all the companies of the group with a technological advanced IT environment.

Environment, Social, Governance

The Group has integrated the principles of sustainability into its Business Model, guaranteeing a naturally sustainable service and a responsible approach that aims at the well-being and satisfaction of its internal and external stakeholders, and back in 2021, he obtained an ESG rating that places it among the lowest-risk companies in his reference cluster." In January 2023 he received an updated ESG rating from Morningstar Sustainable Development of 11,9. With this assessment, the leading rating and

research firm ESG has assessed the Group as low risk in relation to material financial impacts due to ESG factors. The new ESG risk score for the Group represents a 7,2 point improvement over the 20,8 score in 2022 (scale 100 to 0).

The new rating of Sustainalytics places the Group in the 5th percentile overall in the Sustainalytics overall ranking, in the 16th percentile in its sector and in the 4th percentile in the sub-sector.

Predictable management evolution

In the first two months of 2023, the Group recorded a value of contracts signed for Euro 13,8 in line with the previous year.

The Group's attention is focused on the constant warning of the extremely volatile economic situation and on assessing the wide range of factors connected with the economic situation in which it operates. The Group is ready to seize the opportunities that will arise even in difficult times and is ready to face the next challenges thanks to its organizational flexibility and the solidity of the financial situation.

In addition, investment in marketing continues, through advertising campaigns on television broadcasters, press magazines and social media, to further reinforce the Brand's value to the end consumer. It should be noted that the partnership regarding the back-sponsor contract on the Torino FC jerseys continued in Italy for the current

Serie A football season.

The Group therefore pursues its growth strategy, opening new offices in Italy and continuing its expansion abroad. As mentioned above, in March, the acquisition of 51% of the UAE's Enigma Capital Investment group was completed, which therefore takes the Group well beyond the European borders and places it as the main player of restructuring on the wire in the world.

It should also be noted that management has analyzed and continues to analyze the possible impacts that the extension of the Russia-Ukraine crisis could have on the operation of Group companies, developing alternative scenarios of price increases in Raw materials, transport, and fuel. However, the Group has an excellent financial stability and, therefore, no significant impact on its operations arising from the current crisis is expected.

Genoa, March 29 , 2023

The Board of Directors

Simonetta Simoni (Chairman)

Riccardo Iovino (Director and Chief Executive Officer)

Anna Marras (Councilor)

Simone Muzio (Councilor)

Paolo Caneva (Independent Councilor)



BALANCE SHEET

ASSETS	31.12.2022	31.12.2021
A. CREDITS TO YOUR MEMBERS FOR OUTSTANDING PAYMENTS		-
B. FIXED ASSETS		
I. Intangible assets		
1) Installation and enlargement costs	829.859	1.580.586
2) Development costs	-	-
3) Industrial patent rights and intellectual property rights	297.225	501.577
4) Concessions, licenses, trademarks and similar rights	538	978
5) Goodwill	562.524	603.254
6) Current assets and advances	946.400	422.709
7) Other intangible assets	1.286.523	797.076
8) Difference from consolidation	-	-
Total intangible assets	3.923.069	3.906.180
II. Tangible fixed assets		
1) Land and buildings	-	-
2) Plant and machinery	178.330	236.372
3) Industrial and commercial equipment	276.618	310.887
4) Other goods	657.959	642.444
5) Current assets and advances	-	-
6) Leasing fixed assets	-	-
Total material assets	1.112.907	1.189.703
III. Financial fixed assets		
1) Investments		
(a) in subsidiaries	-	-
(b) in related undertakings	-	-
(c) to Holding Companies	-	-
(d) undertakings under the control of the parent companies	-	-
(d-bis) other Companies	-	-
2) Credits		
(a) to subsidiaries	0	0
(b) to related undertakings	-	-
(c) to Holding Companies	-	-
(d) undertakings under the control of the Holding companies	-	-
(d-bis) other Companies	1.893.317	420.000
Payable by the financial year	-	-
Payable after the following financial year	1.893.317	420.000
3) other titles	-	-
4) financial derivatives assets	95.025	12.327
Total financial assets	1.988.342	432.327
TOTAL FIXED ASSETS (B)	7.024.318	5.528.210
C. CURRENT ASSETS		
I. Inventories		
1) Raw materials, subsidiaries and consumer products	3.135.776	3.511.037
2) Products in process and semi-finished products	-	-
3) Work-in-progress to order	-	-
4) Finished goods and goods	-	-
5) Advances	-	-
Total inventories	3.135.776	3.511.037
II. Credits		
1) Trade receivables	25.249.786	14.066.786
Payable by the financial year	25.249.786	14.066.786
Payable after the following financial year	-	-

3) Debt to shareholders	-	-
4) Debts to banks	18.055.913	16.575.121
<i>Payable by the financial year</i>	<i>11.790.028</i>	<i>6.482.873</i>
<i>Payable after the following financial year</i>	<i>6.265.885</i>	<i>10.092.248</i>
5) Debts to other donors	54.515	80.861
<i>Payable by the financial year</i>	<i>54.515</i>	<i>80.861</i>
<i>Payable after the following financial year</i>	-	-
6) Advances	31.463.398	22.718.476
<i>Payable by the financial year</i>	<i>31.463.398</i>	<i>22.718.476</i>
<i>Payable after the following financial year</i>	-	-
7) Accounts payable	9.336.152	6.889.170
<i>Payable by the financial year</i>	<i>9.336.152</i>	<i>6.889.170</i>
<i>Payable after the following financial year</i>	-	-
8) Debts represented by credit securities	-	-
9) Debts to subsidiaries	0	0
10) Debts to related undertakings	-	-
11) Debts to parent company	-	312.008
<i>Payable by the financial year</i>	-	<i>312.008</i>
<i>Payable after the following financial year</i>	-	-
11-bis) Debts owed to undertakings under the control of the parent companies	-	-
12) Tax debts	9.400.878	15.528.668
<i>Payable by the financial year</i>	<i>9.400.878</i>	<i>15.528.668</i>
<i>Payable after the following financial year</i>	-	-
13) Debts to social security institutions	4.120.386	3.315.747
<i>Payable by the financial year</i>	<i>4.120.386</i>	<i>3.315.747</i>
<i>Payable after the following financial year</i>	-	-
14) Other debts	3.917.183	4.957.791
<i>Payable by the financial year</i>	<i>3.917.183</i>	<i>4.957.791</i>
<i>Payable after the following financial year</i>	-	-
TOTAL DEBTS	85.313.835	80.139.405
ACCRUALS AND DEFERRED INCOME	168.665	423.494
TOTAL LIABILITIES	124.565.185	105.268.373

INCOME STATEMENT		31.12.2022	31.12.2021
REVENUE			
1) Revenue from sales and services		133.662.103	86.949.909
2) Change in inventories of work in progress, semi-finished and finished products		-	-
3) variation of Work-in-progress to order		-	-
4) increases in fixed assets for internal works		214.629	121.000
5) other income			
(a) contributions in the financial year account		352.402	204.487
(b) other		233.112	402.408
Total other revenues and income		585.514	606.898
TOTAL REVENUE (A)		134.462.246	87.677.804
B. PRODUCTION COSTS			
6) for Raw materials, subsidiaries, consumer goods and other goods		13.019.018	8.801.691
7) for services		35.857.554	20.054.095
8) for the use of third-party assets		6.945.144	4.535.565
9) for staff:			
(a) wages and salaries		28.817.907	20.648.315
(b) social security contributions		15.035.817	10.516.497
c) severance treatment		2.171.213	1.325.904
d) quiescent treatment and similar		-	-
(e) other costs		165.968	479.752

Total personnel costs	46.190.905	32.970.468
10) depreciation and devaluations		
(a) amortization of intangible assets	1.596.247	1.931.070
(b) amortization of tangible fixed assets	390.376	371.109
(c) impairment of intangible and tangible assets	-	-
(d) depreciation of the receivables included in the current assets	243.294	650.000
11) Change in inventories of raw materials, subsidiaries, consumption and goods	375.261	(887.341)
12) Provisions for operational risks	-	-
13) Other provisions	-	-
14) Miscellaneous costs	1.336.860	921.530
TOTAL PRODUCTION COSTS (B)	105.954.659	69.348.186
DIFFERENCE BETWEEN REVENUES AND COST OF PRODUCTION (A-B)	28.507.586	18.329.618
3. FINANCIAL INCOME AND CHARGES		
15) income from investments	-	-
16) other financial income:		
(a) from credits entered in fixed assets	-	-
(b) securities entered in fixed assets which do not constitute Investments	-	-
(c) securities entered in working assets which do not constitute Investments	-	-
(d) income other than previous income		
- interests and commissions from subsidiaries	-	-
- interest and commission from related undertakings	-	-
- interests and commissions from Holding companies	-	-
- interest and commissions from others and miscellaneous income	158.370	249.746
17) Interest and other financial charges		
(A) to subsidiaries	-	-
(b) to related undertakings	-	-
(c) to Holding companies	-	-
(d) other	(5.335.078)	(1.787.800)
17-bis) profits and Foreign exchange losses	(292.886)	-
TOTAL FINANCIAL INCOME AND CHARGES (C)	(5.469.594)	(1.538.054)
4. ADJUSTED VALUE OF FINANCIAL ASSETS		
18) evaluations		
(a) investments	-	-
(b) financial fixed assets which do not constitute Investments	-	-
(c) securities entered in the current assets which do not constitute Investments	142.587	297.469
(d) derivative financial instruments	-	-
19) devaluations		
(a) Investments	-	-
(b) financial fixed assets which do not constitute Investments	-	-
(c) securities entered in the working capital which do not constitute Investments	(248.568)	-
(d) derivative financial instruments	-	-
ADJUSTED TOTAL VALUE OF FINANCIAL ACTIVITY (D)	(105.981)	297.469
PRE-TAX RESULT (A-B+C+D)	22.932.012	17.089.033

20) taxes on income for the period, current, deferred and anticipated		
- current	7.795.938	6.145.738
- deferred	2.231	(205.007)
- from previous exercises	0	46.159
21) RESULT FOR THE FINANCIAL YEAR INCLUDING THE SHARE OF THIRD PARTIES	15.133.844	11.102.146
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THIRD PARTIES	(104.024)	16.591
GROUP NET PROFIT (LOSS)	15.237.868	11.085.555

Cash Flow Statement

	31.12.2022	31.12.2021
Cash Flow statement, indirect method		
(A) Cash flows arising from the operating activity (indirect method)		
Net Profit (loss) for the year	15.238.866	11.102.147
Income taxes	7.798.169	5.986.890
Interest payable/(assets) (Dividends)	5.469.594	1.538.054
<i>(Capital gains)/losses arising from the sale of assets</i>		
and plus/or losses from		
rebalanced in net working capital	28.506.630	18.627.091
capital		
Accruals to funds	2.414.507	1.975.904
Depreciation of fixed assets	1.986.623	2.302.178
Impairment losses		
Value adjustments of financial assets and liabilities of derivative financial instruments that do not involve monetary movement		
Other adjustments increasing/(decreasing) for non-monetary items	31.674	53.388
Total adjustments for non-monetary items that did not have a return on net working capital	4.432.804	4.331.470
2) Financial flow before changes in net working capital	32.939.434	22.958.561
Changes in net working capital		
Decrease/(increase) of inventories	374.261	(803.979)
Decrease/(increase) of the Accounts receivable	(11.183.000)	6.007.510
Increase/(decrease) of the Accounts payable	2.446.981	1.619.750
Decrease/(increase) of accruals and repayments	301.074	20.687
Increase/(decrease) in accruals and accrued income	(254.829)	82.028
Other decreases/(other increases) in net working capital	(2.575.342)	(12.992.956)
Total changes in net working capital	(10.890.855)	(6.066.961)
3) Financial flow after changes in net working capital	22.048.579	16.891.601
Other corrections		
Interest received/(paid)	(5.469.594)	(1.538.054)
(Income taxes paid)	(2.471.958)	(529.763)
Dividends received		
(Use of funds)		
Other receipts/(payments)		
Total other corrections	(7.941.551)	(2.067.817)
Financial flow of operational activity (A)	14.107.027	14.823.783
(B) cash flows arising from the investment activity		
Tangible fixed assets		
(Investments)	(311.989)	(257.030)
Divestment		
Intangible assets		
(Investments)	(1.614.727)	(1.408.452)
Divestment		
Financial fixed assets		
(Investments)	(1.556.015)	-
Divestment	-	-
Non-immobilized financial assets		
(Investments)	(428.538)	(2.576.269)
Divestment		

<i>Acquisition of subsidiaries net of Cash and cash equivalents</i>		
<i>Sale of subsidiaries net of Cash and cash equivalents</i>		
Financial flow of investment activity (B)	(3.911.269)	(4.241.751)
(C) cash flows arising from the financing activity		
Means of third parties		
Increase/(decrease) short-term debts to banks		1.617.399
Loans taken	6.000.000	3.991.537
(Funding refund)	(5.433.616)	(4.365.930)
Own means		
Capital increase payable		538.897
(Repayment of capital)		
Sale/(Purchase) of Treasury Stock	289.800	(654.824)
(Dividends and advances on dividends paid)	(2.487.243)	(1.743.053)
Financial flow of financing activity (C)	(1.631.060)	(615.975)
Consolidation perimeter changes (D)		
Increase (decrease) Cash and cash equivalents (A ± B ± C ± D)	8.564.699	9.966.057
Effect of changes on Cash and cash equivalents		
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	18.193.469	8.223.425
Checks		
Cash and cash values	14.555	18.542
Total Cash and cash equivalents at the beginning of the exercise	18.208.024	8.241.967
Of which not freely usable		
Cash and cash equivalents at the end of the year		
Bank and postal deposits	26.772.675	18.193.469
Checks		
Cash and cash values	48	14.555
Total Cash and cash equivalents at year-end.	26.772.723	18.208.024
Of which not freely usable	-	-

Notes at the bottom of the Cash Flow statement:

The change in the scope of consolidation is generated by the merger operations of the subsidiaries during the year.

Notes to the financial statements

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

This consolidated financial statement of Ediliziacrobatica S.p.A. and its subsidiaries (jointly, the "Ediliziacrobatica Group" or "EDAC") has been drawn up in accordance with the rules of the Civil Code, supplemented and interpreted by the accounting principles adopted by the Organismo Italiano Contabilità (O.I.C.).

It consists of the balance sheet and the income statement (prepared in accordance with the schemes referred to in Articles 1 and 2 respectively). 2424, 2424 bis c.c., to arts. 2425 and 2425 bis c.c. and art. 2425 b of the civil code) and this addendum.

The function of the supplementary note is to provide the disclosure, analysis and in some cases an integration of the budgetary data and to contain the information required by articles 6 and 6 of the EC Treaty, articles 2427 and 2427 bis of the civil code, other provisions of the civil code on budgetary matters and other previous laws. In addition, it provides all the additional information deemed necessary to give the most transparent and complete representation, even if not required by specific legal provisions.

Business continuity considerations

Article 2423 bis paragraph 1 n.1 establishes the principle of business continuity, which is also one of the principles to be taken into account in the continuous monitoring provided for in the Code of the crisis of the company.

Accounting Standard OIC 11 provides that, when preparing the financial statements, management must carry out a prospective assessment of the company's ability to continue to constitute a functioning economic complex for income production for a foreseeable future period, covering a period of at least 12 months from the balance sheet date. In cases where significant uncertainties regarding this capacity are identified as a result of this prospective assessment, the information on risk factors, assumptions made and

identified uncertainties must be clearly provided in the Addendum and future business plans have to address these risks and uncertainties.

The addendum must therefore report on the business continuity perspective.

After a careful consideration of the situation of the Group and its prospects for future activities, the result of the valuation is positive, which means there are no harms to the company's ability to continue to constitute a functioning economic entity destined to the production of income for a period of multiannual duration: therefore, there is no risk to business continuity and there is no need to resort to the above derogation.

Subsequent events

Following the closing of the financial year, the following important facts took place:

- Implementation of the new IT system: The implementation of Oracle ERP continues. The project aims to provide all the companies of the group with an innovative information technology equipment;
- - Bonus facades: The bonus facades was introduced by the 2020 budget law and has been extended and maintained unchanged by the 2021 budget law. The 2022 budgetary law extended the facades bonus for another year, but with a reduction of the tax deduction to 60%. The tax deduction was provided for in the case of operations aimed at the

recovery or restoration of the external facade of existing buildings, of any category of land, including instrumental buildings. The buildings concerned must be located in specific areas, as identified by Ministerial Decree no. 1444/1968, or in areas similar to them according to regional regulations and municipal building regulations. In 2023, The Minister of Economy and Finance issued the DL of 16 February 2023 n. 11, with which he ended the invoice discount and the transfer of building credits. The decree entered into force on 17 February 2023, the date from which it was no longer possible to use the alternative form of tax deduction for the building interventions indicated by the previous Revival Decree. The company believes that this decree will bring the market back to normal

operation, a market in which the company has been leading for years.

- Closing of the 51% acquisition of Enigma Capital Investments LLC: On March 2, 2023, the Parent Company signed a binding agreement, the closing of which took place on March 21, 2023, with Enigma Capital Investments LLC for the acquisition of 51% of the share capital of

Enigma, for an amount equal to Euro 7,2 million. Enigma Capital Investments LLC is a holding company incorporated under the UAE's law, based in Dubai. It heads a group active in the Middle East in the construction sector, "rope access", cleaning services for residential and commercial buildings, as well as some facility management services.

The consolidated financial statements include the financial statements of Ediliziacrobatica S.p.A. (the "Company" or "Parent Company"), the financial statements of the following companies of which the Parent Company holds control:

- EDAC France S.a.s., based in Paris, with a share capital of 550.509 Euro, with a total shareholding of 100%
- Energy Ediliziacrobatica 110 S.r.l, established on 7 April 2021, based in Milan, with a total share capital of Euro 100 thousand, with a total shareholding of 100%.
- Ediliziacrobatica Iberica, Sociedad Limitada, acquired at 90% in 2021, formed within an agreement between Ediliziacrobatica S.p.A and the Spanish Company Access vertical with the aim of developing within the Spanish territory.
- Monaco S.A.M. Building, acquired at 60% in 2022, with a total share capital of Euro 150.000.

Please refer to the report on the management of the main initiatives of the participating companies.

The financial statements of the subsidiaries, used for consolidation, are those prepared by the Board of Directors of the subsidiary company, modified or reclassified, where necessary, to comply with the Group's accounting principles, which comply with the current legal provisions.

PRINCIPLES OF CONSOLIDATION

The consolidation principles used are as follows:

- The book values of the investments in the subsidiaries have been eliminated toward their net worth, against the assumption of the assets and liabilities of the subsidiary, according to the method of global integration. The differences between the cost of the investments and the corresponding equity shares of the investee were entered entirely in the item of equity called "new profit (loss)".
- Transactions that result in credits and debts and/or costs and revenues among companies, using the global integration method, have been eliminated.
- Profits not yet realized, resulting from intra-group transactions between companies, included in the valuation of intangible assets, have been eliminated.
- The equity shares and the result attributable to minority shareholders in the seven subsidiaries were shown separately in a special item in the financial statements.

ACCOUNTING STANDARDS

The following accounting principles have been adjusted with the changes, additions and innovations introduced to the rules of the Civil Code by Legislative Decree no. 139/2015, which implemented in Italy the accounting directive 34/2013/EU. In particular, the national accounting

standards were applied in the revised version by the OIC on 22 December 2016.

The application of these principles, where required, has been agreed with the Board of Statutory Auditors.

EVALUATION CRITERIA

The criteria adopted in the valuation and value adjustments of the various categories of goods are those set out in Article 2426 of the Civil Code, interpreted and supplemented by accounting principles elaborated by the Organismo Italiano Contabilità (OIC) and, where missing and as not contrary to Italian accounting standards and principles, by those issued by the International Accounting Standard Board (I.A.S.B.), in view of the continuation of the business, with the further details set out below.

They were applied in a prudent manner, taking into account the economic function of the asset and liability element concerned.

The most significant criteria adopted in the valuation of items of consolidated financial statements in compliance with Art. 2426 c.c. and the above accounting principles are as follows:

Intangible assets

are recorded at the purchase or production cost, including ancillary costs and costs directly attributable to the product, and are systematically depreciated in constant shares in relation to the residual possibility of using the assets.

The costs of installation and enlargement and the costs of applied research and development having a multiannual utility are amortized in constant installments, on the basis of their estimated future utility over five years. Until depreciation is completed dividends may be distributed only if sufficient available reserves remain to cover the amount of undepreciated costs. The costs incurred for basic research are charged to the income statement in the period in which they are incurred.

The costs of installation and expansion are amortized over a period of five years, with Amortization at constant shares. Development costs are amortized according to their useful life, in exceptional cases where it is not possible to estimate their useful life reliably, they shall be amortized within a period not exceeding five years. Until depreciation is completed dividends may be distributed only if sufficient available reserves remain to cover the amount of undepreciated costs.

Advertising and research costs are fully charged at the cost of the period in the period in which they are incurred.

Improvements in third-party assets are capitalized and recorded as "other intangible assets" if they are not separable from the assets themselves (otherwise they are entered as "tangible assets" in the specific item of ownership), They are depreciated systematically to the minor between the period of expected future use and the remaining period of the lease, taking into account the possible renewal period, if dependent on the Company.

It should be noted that on 31 December 2021 the parent company did not avail itself of the derogation provided for in DL 228/2021 to suspend the shares of Amortization for the financial year 2021.

If, irrespective of the depreciation already accounted for, there is an impairment loss, the immobilization is correspondingly devalued; if in subsequent periods the reasons for the depreciation are lost, the original value is restored, within the limits of the value that the asset would have had if the value adjustment had never taken place, except for Section Goodwill and "Multiannual charges" referred to in Article 2426 nr. 5 of the civil code.

The registration and valuation of intangible assets is carried out with the consent of the Board of Statutory Auditors in the cases provided for by law.

Tangible fixed assets

are recorded at the cost of purchase or internal construction, net of depreciation made in the year and in the previous years. The cost includes ancillary costs and direct and indirect costs for the reasonably attributable portion of the asset, relating to the manufacturing period and up to the time from which the asset can be used. Tangible assets may only be revalued in cases where special laws require or permit it.

Fixed assets recorded at their cost in a foreign currency shall be entered at the exchange rate at the time of their purchase or at the lower rate at the

date of closure of the financial year, if the reduction is deemed to be durable.

Fixed assets are systematically depreciated in each financial year at constant shares, which are considered representative of the residual use of the assets. The applied rates are shown in the asset comment notes section. For fixed assets operating in the financial year, the rates are reduced to 50%, assuming that purchases are evenly distributed over the financial year. Depreciation is also calculated on assets that are temporarily not used. Land, which is not used to the end of its useful life, is excluded from depreciation.

If, irrespective of the depreciation already accounted for, there is a lasting loss of value, the immobilization is correspondingly devalued; if in subsequent periods the reasons for the devaluation are lost, the original value is restored, within the limits of the value that the asset would have if had the value adjustment never took place.

Maintenance and repair costs of an ordinary nature shall be full charged to the profit and loss account. Maintenance costs of an incremental nature are attributed to the assets to which they relate and amortized in relation to the residual possibilities of use.

The costs incurred in extending, modernizing or improving the structural elements of a material immobilization are capitalized if they produce a significant and measurable increase in production capacity, safety or useful life. If these costs do not produce these effects, they are treated as routine maintenance and charged to the income statement.

Tangible fixed assets at the time they are destined for disposal are reclassified in a specific section in the working assets and therefore valued at the lower between their book value and the value that can be deduced from the market trend. Goods destined to be sold are no longer amortized.

Fixed assets are depreciated in constant shares on the basis of economic and technical rates determined in relation to the residual possibilities of use of the assets.

Assets with a value of less than Euro 516 are fully spent in the acquisition period.

Plant contributions are recognized when there is reasonable certainty that the conditions for the recognition of the contribution are met and that the contributions will be paid. They indirectly reduce costs as they are charged to the income statement in Section A5 "other income" and then registered in "deferred income" due to the competence principle.

Impairment losses of tangible and intangible assets -- at each balance sheet date, the Group assesses

the existence of indicators of potential impairment losses of tangible and intangible assets, including goodwill. If these indicators exist, the value of these assets is reduced to the relative recoverable amount, understood as the greater between the of the value of use, and the fair value.

The loss of value shall be recorded if the recoverable amount is less than the net book value of the immobilization.

Any impairment due to loss of value shall be restored if the reasons for loss have been lost, within the limits of the original value net of depreciation.

Financial fixed assets

these are represented by investments in subsidiaries, related companies and others, not consolidated with the global integration method, debt securities and credits entered in fixed assets if they are intended for a lasting permanence in the Group's assets.

Investments in other companies, where the percentage held is less than 30% or in subsidiaries and related companies which are not operational, in liquidation or which are not very significant within the Group, or where information for the application of the full consolidation method is not available in a timely manner or without proportionate costs, shall be assessed by the cost method. The balance sheet value is determined on the basis of the purchase price. The cost is reduced, in cases where the share of the Company's equity is less than the book value of the investment entered in the balance sheet, if this condition represents a lasting loss of value; the original value is restored in subsequent periods if the reason for the write-down is lost. Losses exceeding the book value of the investments are set aside in a special fund of liabilities.

The claims entered in the financial fixed assets are exposed to the assumed realizable value, determined, where appropriate, by adjusting the nominal value of the claims so as to take into account all risks of non-collection.

Derivative financial instruments

derivative financial instruments are financial assets and liabilities recognized at fair value. Derivatives are classified as hedging instruments only when, at the beginning of the hedging, there is a close and documented correlation between the characteristics of the hedged item and those of the hedging instrument and this hedging relationship is formally documented and the effectiveness of the hedging, periodically verified, is high. Therefore, changes in the relative fair value of hedging derivatives are registered as follows:

- In the income statement in sections D18 or D19 in the case of covering the fair value of an asset

or liability entered in the balance sheet as well as changes in the fair value of the items covered (where the change in fair value of the hedged item is greater in absolute value than the change in fair value of the hedging instrument, the difference is recognized in the income statement item concerned by the hedged item);

- In a special reserve of equity (in item AVII "reserve for transactions covering expected cash flows") in the case of hedge of cash flows in such a way as to counterbalance the flows of the hedging instrument (the ineffective component, As well as the change in the time value of options and forward, it is classified in sections D18 and D19).

Inventories

inventories are recorded at the lower between the purchase or production cost and the value of presumed realization that can be deduced from the market trend (art. 2426 number 9 dc). Purchase cost is the actual purchase price plus ancillary costs, excluding financial charges.

In the case of goods, finished goods, semi-finished products and products in progress to be realized, the reference for the determination of the realization value is derived from market developments directly by the net realization value of these goods. Inventories are depreciable in the balance sheet when the book value resulting from market performance is less than the book value. Obsolete and slow-running stocks are devalued in relation to their possibility of use or realization.

Credits

If the amortized cost criterion is not applied when the effects are insignificant, i.e., when transaction costs, fees paid between the parties and any other difference between initial value and maturity value are of little importance or if the credits are short-term (i.e. less than 12 months).

The value of the claims, as determined above, is adjusted, where necessary, by a special depreciation fund, exposed to a direct decrease in the value of the claims themselves, in order to adapt them to their presumed realizable value.

The amount of the depreciation is recognized in the income statement.

The credits generated by cash pooling are recognized, if the time limits allow, in a specific item of the working assets. If short-term time limits are not met, these claims are recognized as financial assets.

Cash and cash equivalents

Cash and cash equivalents at the end of the financial year are valued at nominal value. Assets denominated in foreign currency are valued at the exchange rate at the end of the year.

Accruals and deferrals

in the installments and repayments item were entered cost and revenue shares for the financial year, but payable in subsequent financial years and cost and revenue shares incurred by the end of the financial year, but for subsequent financial years, in accordance with the principle of time competence.

Provisions for risks and charges

the risk and expense funds are allocated to cover losses or debts of a specific nature, of a certain or probable existence, of which, however, at the end of the financial year, the amount or the date of the contingency cannot be determined. The appropriations reflect the best possible estimate on the basis of the facts available. The risks for which the occurrence of a liability is only possible are indicated in the notes on the funds, without the provision of a risk fund. Provisions for the risks and charges funds are entered primarily in the income statement cost sections of the class associated to the risk (B, C or D). Whenever this correlation between the nature of the provision and one of the items in the above classes is not feasible, provisions for risks and charges are entered in sections B12 and B13 of the income statement.

Severance pay fund

at the end of severance pay section, the amount to be received by an employee in the event of termination of employment at the date of closure of the financial statements is shown. The seniority allowances forming part of that item, i.e., the accrual portion for the year and the annual revaluation of the pre-existing fund, shall be determined in accordance with the rules in force. The severance pay is entered in section C of the liabilities and the provision in section B9 of the income statement.

The above applies to employees who have chosen to leave in the company the severance pay matured. For employees who, under the law of 27 December 2006, n. 296, have opted for the payment of their share of the severance pay to supplementary pension funds, the cost for the company of holding that capital into these funds accumulated in the year is recognized in section B 9 of the income statement. The provision for severance pay represents the actual debt accrued to employees in accordance with the law and the employment contract in force, pursuant to art. 2120 C.C. and has been entered in each financial year on the basis of economic competence. According to L. 27 December 2006, n. 296 (Financial

Law 2007), the shares of severance pay accrued until 31 December 2006 remained accrued on the holding; subsequent shares, at the employee's choice, could be allocated to supplementary insurance or paid to the Treasury Fund managed by the INPS or be held in the holding.

Payables

the debts are entered according to the amortized cost criterion, taking into account the time factor. The amortized cost criterion shall not be applied to debts where its effects are negligible. The effects are considered irrelevant for short-term debts (i.e., with a maturity of less than 12 months). For the amortized cost criterion, see the above with regard to credits. Debts for leave earned by employees and for deferred salaries, including what is due to social security institutions, are allocated on the basis of the amount that should be paid in the event of termination of employment at the date of the budget.

Leasing operations

(Leases) -- In civil financial statements, the assets leased by third parties, in accordance with the consolidated practice followed in Italy, are accounted as an the assets only at the time of redemption, while the income statement includes the rents, which amount is divided for the duration of the contract (asset method).

The financial methodology applied in the Annex to the consolidated financial statements to leasing operations provides that:

- the value of the assets received in financial leases is entered in tangible fixed assets and amortized on the estimated useful life.
- the residual debt to the leasing companies is included in the debt to other lenders.
- interest accrued and included in the fees for the financial year is included in the financial charges, while the remaining part of the fees for the financial year is deleted from the income statement.
- the prepayments for rents shall be deleted from the balance sheet.

In the balance sheet between the Parent Company's net worth and the consolidated results, the effects of accounting for assets leased by third parties according to the financial methodology are highlighted in the context of consolidation adjustments.

Revenues

revenues for the sale of goods are recognized when the substantial and non-formal transfer of the property title occurred, assuming as a benchmark, for the substantial transition, the transfer of risks and benefits.

Revenues from the sale of products and goods or from the provision of services related to the characteristic management are recognized net of returns, discounts, rebates and premiums, as well as taxes directly linked to the sale of the products and the provision of services.

Revenues deriving from the providing of services are recognized at the completion and/or maturity of the services.

Transactions with related entities were conducted under normal market conditions.

Costs

costs are accounted for on the basis of the competence principle, regardless of the date of collection and payment, net of returns, discounts, rebates and premiums.

Dividends

dividends are accounted for in the period in which they are decided by the Shareholders' Meeting. Dividends are recognized as financial income regardless of the nature of the reserves being distributed.

Financial income and charges

Financial income and charges are entered by competence. The costs relating to the demobilization of credits in any way (pro solvendo and pro soluto) and of any kind (commercial, financial, other) are charged to the exercise of competence.

Income taxes for the financial year

are recorded on the basis of the estimated taxable income in accordance with the provisions in force, taking into account the applicable exemptions and the tax credits due.

Deferred tax liabilities and deferred tax assets are calculated on the temporary differences between the values of assets and liabilities determined according to the civil criteria and the corresponding values recognized for tax purposes. Their assessment is made taking into account the likely tax rate that the Company is expected to sustain in the year in which such differences will contribute to the formation of the tax result, taking into account the rates in force or already adopted on the balance sheet date. Those are recorded respectively in the "deferred tax liability" entered in the liabilities under the risk and expense funds and in the item "deferred tax assets" of the working assets.

Deferred tax assets are recognized for all deductible temporary differences, in respect of the principle of prudence, if there is reasonable certainty of existence in periods in which they will pay a taxable income not less than the amount of the differences which will be canceled.

On the other hand, deferred tax liabilities are recognized on all taxable temporary differences.

Deferred taxes relating to suspended reserves are not recognized if there is little chance of distributing such reserves to shareholders.

CURRENCY CONVERSION CRITERIA

Non-monetary assets and liabilities originally expressed in foreign currency are entered in the balance sheet at the exchange rate at the time of their purchase, i.e. at the initial cost of entry.

The assets and liabilities originally expressed in foreign currency of a monetary nature are converted into the balance sheet at the spot exchange rate at the date of the financial year's close; the relative

profits and foreign exchange losses are entered in the income statement and any net profit is placed in a special reserve that cannot be distributed until realized.

At the date of the consolidated financial statements as at 31/12/2022, there are no monetary or non-monetary items to which the conversion requirements laid down in the ICUs are to be applied.

USE OF ESTIMATES

The preparation of the consolidated financial statements and the related Notes requires the making of estimates and assumptions that have an effect on the value of the assets and liabilities entered, on the information relating to assets and Contingent liabilities at the balance sheet date and on the amount of revenues and period costs.

Estimates are used in several areas, such as Allowance for doubtful accounts, depreciation, employee benefits, income taxes, other risk funds, and the assessment of any impairment losses of

tangible, intangible and financial assets (including equity investments).

Actual results may differ from estimated results due to uncertainty characterizing assumptions and conditions on which estimates are based. The estimates and assumptions are reviewed periodically by the Group on the basis of the best knowledge of the Group's business and other factors reasonably deducible from the current circumstances. The effects of each change are reflected immediately in the income statement.

CASH FLOW STATEMENT

The Cash Flow statement includes all Cash and cash equivalents flows in and out during the period. In the Cash Flow statement, individual cash flows are presented separately in one of the following categories:

- a. operation
- al management.
- b. investment activities.
- c. financing activities.

The cash flow categories are presented in the above sequence.

The financial flow of the operating activity is determined by the indirect method, or by adjusting the profit or loss for the period reported in the income statement.

The algebraic sum of the cash flows of each category mentioned above represents the net change (increase or decrease) of the Cash and cash equivalents during the period. The Presentation form of the Cash Flow statement is of an indirect type.

Interest paid and collected is presented separately among cash flows of income management, except in particular cases where they relate directly to investment (investment activity) or financing (financing activity).

Dividends received and paid are presented separately, respectively, in the income management and in the financing activity. Cash flows relating to income taxes are separately indicated and classified in the income management.

MORE INFORMATION

Derogations pursuant to the fourth paragraph of art. 2423 -- it should also be noted that no exceptional cases have occurred which have required derogations from the legal rules relating to the budget pursuant to the fourth paragraph of Art. 2423.

According to art. 2427 dc:

- in the financial year, no financial charges were charged to the values entered in the assets of the balance sheet;
- there are no commitments outside those set out in the supplementary note;

COMMENTS ON THE MAIN ITEMS OF ASSETS

Introduction to the assets addendum

A detailed description of the items constituting the balance sheet assets on 31 December 2022 is given below.

FIXED ASSETS

For fixed assets (intangible and tangible), special prospectuses have been prepared, which are shown on the following pages, indicating for each item in the two categories, historical costs, previous depreciation and previous revaluations and devaluations, movements during the period, the final balances and the total revaluations existing at the end of the financial year.

Introduction, intangible assets

The section "intangible assets" totaled Euro 3.923.069 at December 31, 2022 (Euro 3.906.180 at December 31, 2021).

The section "Installation and enlargement costs"

equal to Euro 829.859 (Euro 1.580.586 at December 31, 2021) includes the costs of multiannual utility relating to the costs of the deployment and start-up of new direct offices.

The section "concessions, licenses, trademarks and similar rights" amounts to Euro 538.

The section "Goodwill" equal to Euro 562.524 at December 31, 2022 (Euro 603.254 at December 31, 2021) includes the consolidation differences resulting from the elimination of the value of the equity investments against the relative pro rata share of equity.

The section "Industrial patent rights and rights to use the works of the invention" for Euro 297.225 (Euro 501.577 at December 31, 2021) refers to the

rights to use the software.

The section "current assets and advances" for Euro 946.400 (Euro 422.709 at December 31, 2021) is composed of costs incurred by the Parent Company for the realization and development of new software for the implementation of computer systems designed to improve the company's functionality. The section "other intangible assets", equal to Euro 1.286.523 (Euro 797.076 at December 31, 2021), includes improvements on third-party assets at the end of the year.

No commitments relating to intangible assets held were present on 31 December 2022.

Introduction, movements of intangible assets

The item intangible assets has a balance of Euro 3.923.069 (Euro 3.906.180 at December 31, 2021). Below is the detail of the movement of items intangible assets.

Analysis of movements of intangible assets (prospectus)

	Installation and enlargement costs	Development costs	Industrial patent rights and intellectual property rights	Concessions, licenses, trademarks and similar rights	Goodwill	Current assets and advances	Other intangible assets	Total intangible assets
Value at the beginning of the year								
Cost	4.844.841	278.978	1.132.468	5.562	643.984	422.709	1.766.269	9.094.811
Revaluations	-	-	-	-	-	-	-	-
Depreciation (Amortization Fund)	3.264.255	278.978	630.891	4.584	40.730	-	969.193	5.188.631
Devaluations	-	-	-	-	-	-	-	-
Balance value	1.580.586	-	501.577	978	603.254	422.709	797.076	3.906.180
Changes during the year								
Increases for acquisitions	255.866	-	-	-	-	523.691	909.871	1.689.428
Reclassifications (of balance sheet value)	-	-	-	-	-	-	-	-
Decreases in alienation and disposals (of balance sheet value)	-	-	134.123	-	-	-	-	134.123
Revaluations made in the period	-	-	-	-	-	-	-	-
Amortization of the exercise	1.006.574	-	128.078	440	40.730	-	420.424	1.596.247
Write downs made during the year	-	-	-	-	-	-	-	-
Other variations	20	-	(57.849)	-	-	-	-	(57.829)
Total variations	(750.687)	-	(320.050)	(440)	(40.730)	523.691	489.446	(98.770)
End of year value								
Cost	5.100.707	278.978	998.345	5.562	643.984	946.400	2.676.140	10.650.116
Revaluations	-	-	-	-	-	-	-	-
Depreciation (Amortization Fund)	4.270.848	278.978	701.120	5.024	81.460	-	1.389.617	6.727.048
Devaluations	-	-	-	-	-	-	-	-
Balance value	829.859	-	297.225	538	562.524	946.400	1.286.523	3.923.069

Remarks, movements of intangible assets

The item "installation and enlargement costs" shows a negative change of Euro 750.687 due mainly to the ordinary Amortization process, for Euro 1.006.574. The increases of Euro 255.866 are mainly attributable to the capitalizations of the Parent Company of Start Up costs for the opening of new points in the territory.

The heading Industrial patent rights and rights to use the works of ingenuity at the end of the year amounted to Euro 297.225 (Euro 501.577 the previous year) and is mainly composed of costs related to internally developed software programs.

Development costs amounted to Euro zero as of 31.12.2022 (Euro zero as of the previous year).

The item Goodwill has been entered in the financial statements of EDAC France s.a.s. in connection with the acquisition of assets acquired by the company in bankruptcy Eair Mediterranée s.a.s. following the agreement signed by the Parent Company with the bankruptcy court of Perpignan. The decrease of Euro 40.730 in the period refers to the difference

resulting from the consolidation of the Spanish subsidiary.

The increase in "current assets and allowances" was due to the implementation of software projects during 2022. It consists of costs incurred by the Parent Company for the realization and development of new Software projects not yet concluded as of 31.12.2022.

The increase in the period for "other intangible assets" recorded an increase of Euro 909.871 due, mainly, to expenses incurred by the Parent Company, equal to Euro 836 thousand, mainly related to costs incurred for improvements in third-party assets. In particular, these are works and works carried out on the points of the company that are spread throughout the territory.

When drawing up the financial statements and in the presence of indicators of impairment losses, the Group assesses the recoverability of intangible assets held. No indicators of impairment loss have emerged from the analysis carried out.

Introduction, tangible fixed assets

The item tangible fixed assets net of Amortization funds amounts to Euro 1.112.907 (Euro 1.189.703 at December 31, 2021).

Ordinary depreciation, as shown in the prospectus, was calculated on the basis of rates considered representative of the residual possibility of use

of the relative tangible fixed assets. The rates are applied as follows:

- plants and machinery 15%
- Industrial and commercial equipment 20,00%
- other goods:
 - Electronic office machines 20,00%
 - Office furniture and equipment 12,00%
 - vehicles 25,00%

Introduction, movements of tangible fixed assets

The details of the handling of items of tangible assets are as follows:

Analysis of movements of tangible fixed assets (prospectus)

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other goods	Current assets and allowances	Total tangible assets
Value at the beginning of the year						
Cost	-	385.093	387.641	1.557.963	-	2.330.697
Revaluations	-	-	-	-	-	-
Depreciation (Amortization Fund)	-	148.721	76.754	915.519	-	1.140.994
Devaluations	-	-	-	-	-	-
Balance value	-	236.372	310.887	642.444	-	1.189.703
Changes during the year						
Increases for acquisitions	-	17.704	6.536	288.713	-	312.954
Reclassifications (of balance sheet value)	-	-	-	-	-	-
Decreases in alienation and disposals (of balance sheet value)	-	-	-	-	-	-
Revaluations made in the period	-	-	-	-	-	-
Amortization of the exercise	-	75.747	41.431	273.198	-	390.376
Write downs made during the year	-	-	-	-	-	-
Other variations	-	-	626	-	-	626
Total variations	-	(58.043)	(35.521)	15.516	-	(78.048)
End of year value						
Cost	-	402.797	394.177	1.846.676	-	2.643.651
Revaluations	-	-	-	-	-	-
Depreciation (Amortization Fund)	-	224.468	117.559	1.188.717	-	1.530.744
Devaluations	-	-	-	-	-	-
Balance value	-	178.330	276.618	657.959	-	1.112.907

Remarks, movements of tangible fixed assets

The main increases for the year concerned the budget item "other tangible fixed assets" of Euro 289 thousand, of which 283 thousand were attributable to the Parent Company, relating to the purchase of furniture and furnishings, electronic equipment necessary for the company and the Ediliziacrobatica points of sale.

In the preparation of the financial statements and in the presence of indicators of impairment losses, the Group Companies assess the recoverability of the tangible fixed assets held.

No indicators of impairment loss have emerged from the analysis carried out.

Remarks, movements of financial fixed assets

With regard to the fixed loans to other companies, there was an increase of one and a half million for interest-bearing financing stipulated by the Parent Company with respect to Enigma Capital Investment LLC. For more information on the operation, see the instructions given by the administrators in the report on the management.

As regards the financial fixed assets to be noted, the positive change in the derivative financial instruments of Euro 82.698 was attributable entirely to the recognition of the book of alignment of the derivatives with respect to the mark to market value at the 31.12.2022 balance sheet date.

Financial leases (lessee) (prospectus)

In accordance with IAS 17, existing finance leases have been reclassified using the following scheme:

- the cost of leased assets was entered as tangible assets under "Industrial and commercial equipment" and systematically depreciated on the basis of the estimated useful life; in return, a financial debt was entered against the lessor;
- any maxi-fee initially paid is considered to be an immediate repayment of the capital-line financing;

- lease fees are accounted for in such a way as to separate interest liabilities from the capital share, which reduces the residual debt.

As of 31.12.2022, property was leased for Euro 45.950 (Euro 83.164 as of December 31, 2021).

Table 1.3

	Amount
Total amount of the leased assets at the end of the financial year	45.950
Depreciation for the financial year	37.684
Current value of the fees not expired at the end of the financial year	54.515
Financial charges for the financial year on the basis of the actual interest rate	5.193

Introduction, current assets

For the item in question, special detailed statements have been prepared, indicated on the following pages, which highlight the nature of the individual items and the relative movement of period.

Introduction, inventories

The stock inventories consist of the goods that contribute to the production of the services provided by the company, and more specifically consist of the equipment that each team of rope operators must be equipped with such as slings, ropes and safety equipment and the inventories of building materials, used to perform jobs.

As of December 31, 2022, the Group's stock inventories amounted to Euro 3.135.776 (Euro 3.511.037 as of December 31, 2021). The stock entered on the balance sheet mainly includes building materials present at the warehouses of the Parent Company for Euro 792.647 (Euro 1.051.736 at December 31, 2021) relating to the building materials used for the execution of the works. In addition, the Parent Company enters stock inventories for Euro 2.165.421 (Euro 2.332.138 at December 31, 2021) relating to goods that contribute to the production of the services provided by the Company, and more specifically consist of the equipment of which each team of rope operators must be equipped as slings, safety ropes and equipment.

Analysis of changes in inventories (prospectus)

	Raw materials, subsidiary and consumer products	Products in process and semi-finished products	Work-in-progress to order	Finished goods and goods	Advances	Total inventories
Value at the beginning of the year	3.511.037	-	-	-	-	3.511.037
Variation occurred during the year	(375.261)	-	-	-	-	(375.261)
Value at the end of the year	3.135.776	-	-	-	-	3.135.776

Remarks, inventories

Any profits relating to the intercompany resale of slings and protective devices for rope operators have been eliminated within the consolidated item. The decrease compared to the previous year of Euro 375.261 is attributable mainly to the Parent Company, which is carrying out a process of greater efficiency and rationalization of acquired purchases which began already in the course of the year 2021 and continued with positive results in the course of 2022.

Introduction, current assets: Credits**Accounts receivable**

The Accounts receivable amounts to Euro 25.249.786 (Euro 14.066.786 as of December 31, 2021) and relate to credits deriving from normal sales and transactions with customers. For the portion of the Accounts receivable payable within the year of Euro 25.249.786, the expected recovery of which takes place in normal commercial terms, the Group has not used the method of assessing the amortized cost.

It should be noted that the trade receivables attributable to the Parent Company's customers are

equal to Euro 18.144.048.

Trade receivables as of December 31, 2022 are entered net of a devaluation fund allocated to adjust the value of the receivables to that of presumed realization. The Allowance for doubtful accounts on 31 December 2022 amounted to Euro 1.005.997 (Euro 1.286.555 the previous year).

The depreciation of claims is considered reasonable overall, also in relation to the progress of the recovery, through legal proceedings, of claims in litigation.

The Allowance for doubtful accounts ex art. 106 TUIR, shall accept the devaluations carried out on a flat-rate basis and by mass of all the appropriations entered in the balance sheet, within the limits of taxation laid down.

The Accounts receivable, fully payable within the financial year, relate to claims arising from normal sales operations on the domestic market.

It should be noted that there are no credits with a residual duration exceeding 5 years (art. 2427 co. 1 no. 6 C.c.) and that for the 2022 report a breakdown by geographical area of the credits is not provided because the most important part of the business is still carried out in Italy.

The details of the composition and handling of the devaluations are as follows:

Table 1.4

	31.12.2021	Accrual	Uses	31.12.2022
Allowance for doubtful accounts	1.286.555	247.294	(527.852)	1.005.997
Allowance for doubtful accounts taxed	-	-	-	-
Total	1.286.555	247.294	(527.852)	1.005.997

Tax credits and advance taxes

Tax credits include certain, determined and in some cases allocated amounts arising from claims for which a right of realization has arisen through reimbursement or compensation.

The item "Tax credits" mainly includes the following tax credits entered in the Parent Company's financial statements:

- The credits for withholding tax incurred for Euro 2.360.545
- The credit to the treasury for Building Bonus of Euro 41.610.356 was generated following the invoice discounts granted by the Parent Company and by the Energy Acrobatica 110 S.r.l to customers for the works carried out according to the rules of the sale to third parties according to art. 121 of the Decree relaunch. It should be noted that the Organismo Italiano Contabilità (OIC), following a specific request from the Revenue Agency, has issued the "Notice on the methods of accounting for tax bonuses". This notice provides that the company, which has carried out works

in accordance with the rules governing the transfer to third parties pursuant to art. 121 of the Rehabilitation Decree converted into Law 77/2020 of 19 July 2020 and granted an invoice discount to the customer, is required to enter revenue in return for receivables recognized at the market value (i.e. fair value). In the present case, it should be noted that the claims to the Treasury for Building Bonuses were recognized at the Fair value, derived from the contracts for the sale of tax bonus credits concluded during the year with primary credit institutions.

The Deferred tax assets of Euro 280.939 relate to the temporary differences between civil profit and taxable income in addition to the effect deriving from consolidation accounts; These claims have been made because, on the basis of the multiannual plans drawn up by the management of the Parent Company, there is a reasonable assurance that the Group will produce sufficient taxable income for their recovery in future periods.

Other receivables

The item "other receivables" amounts to Euro 3.557.042 (Euro 2.289.372 the previous year) includes, mainly Euro 1.960.037, recognized by the Parent Company, for receivables from social security institutions.

Introduction, changes and maturity of the credits entered in the working assets

The most significant changes during the year with respect to the credits entered in the working assets

are reported in the appropriate next handling schedule. circolante sono riportate nell'apposito

Analysis of changes and maturity of receivables in current assets (prospectus)

Table 1.5

	Trade receivables	Tax credits	Credits to Holding Companies	Credits to Subsidiaries	Advance taxes	Other credits
Value at the beginning of the year	14.066.786	48.348.938	316.806	517.038	2.289.372	65.538.940
Changes occurred during the year	11.183.000	(3.046.070)	223.392	(236.099)	1.267.670	9.391.892
Value at the end of the year	25.249.786	45.302.868	540.198	280.939	3.557.042	74.930.832
Due within one year	25.249.786	45.302.868	540.198	280.939	3.557.042	74.930.832
Receivable beyond one year						
Of which, receivable beyond five years						

Introduction, changes in financial assets that do not constitute fixed assets

The financial assets that do not constitute fixed assets amount to Euro 12.249.211 and relate to investments made during the previous financial years by the Parent Company in capitalization financial products and a new investment made in 2022. In particular, the Parent Company invested in the following financial instruments:

- "Aviva Solution value UBI Edition 2017", the contract was concluded on 27 February 2018 for a value equal to Euro 1.000.000;
- "Eurovita Private value", the contract was concluded on 13 December 2018 for a value of Euro 3.000.000.
- " Polizza Ezum BNL", the contract was concluded on 5 November 2020 for a value of Euro 5.000.000

- Purchase of other marketable securities on 9 November 2020 for a value equal to Euro 48.000
- "Protected capital 3 years BPM", has a value of Euro 2.084.400 as of June 30, 2021.
- Purchase of shares in "Nusco Spa" during 2021, for a total of 249.000 shares with a nominal value of Euro 298.000

During the financial year , the Parent Company acquired a minority stake in NewCleo LTD worth Euro 200 thousand with which 133.334 shares were acquired.

The directors made these investments with a prospect of temporary liquidity use with a ransom option.

Table 1.6

	Investments in subsidiaries	Investments in related undertakings	Investments in Holding Companies	Investments in undertakings under the control of the parent companies	Investments in other companies	Financial derivative assets	Other titles	Total financial assets not immobilizes
Value at the beginning of the year	-	-	-	-	-	-	11.820.673	11.820.673
Changes occurred during the year	-	-	-	-	-	-	428.538	428.538
Value at the end of the year	-	-	-	-	-	-	12.249.211	12.249.211

Introduction, Cash and cash equivalents variations

The breakdown of this section is already provided in the balance sheet.

It should be noted that the liquid availability of the Group is equal to Euro 26.772.723 (Euro 18.208.024

at December 31, 2021), this amount is distributed among the Parent Company for Euro 25.749.074, EDAC France s.a.s. for Euro 130.346, Energy Acrobatica 110 S.r.l for Euro 889.420, EDAC Iberica for Euro 227, And EDAC Monaco for Euro 95.566.

Analysis of Cash and cash equivalents variations (prospectus)

Below is the analysis of Cash and cash equivalents variations.

Table 1.7

	Bank and postal deposits	Checks	Money and other cash values	Total Cash and cash equivalents
Value at the beginning of the exercise	18.193.469	-	14.555	18.208.024
Variation in the exercise	8.671.116	-	(14.507)	8.656.609
End of year value	26.864.585	-	48	26.864.633

Comment, Cash and cash equivalents variations

The increase in “Cash and cash equivalents” comes from the difference between positive and negative cash flows. In particular, this positive change,

significant in amount, was due to a significant increase in turnover compared to the previous year (an increase of 53,7%) and a faster collection capacity for loans.

PREPAYMENTS AND ACCRUED INCOME

This item includes active repayments of Euro 360.415 due to insurance premiums, mortgage costs and rents.

The decrease in the year is due to the the fact that

the new sponsorship contract with Torino Calcio stipulated by the Parent Company doesn't lead to a registration of deferred income anymore.

Table 1.8

	Active rates	Active accounts	Total accruals and accrued income
Value at the beginning of the exercise	-	661.488	661.488
Variation in the exercise	-	(301.074)	(301.074)
End of year value	-	360.415	360.415

COMMENTS ON THE MAIN LIABILITIES

Introduction, Supplemental Passive Note

With reference to the year ending below, the comments on the main items of equity and liabilities are given.

Introduction, equity

The handling of the items constituting the Net assets of the last two financial years is given below.

Statement of handling of the items of net assets

Table 1.9

	Capital	Share surcharge reserve	Legal reserve	Reserve for expected hedging operations	Other reserves	Profit (loss) carried over	Profit (loss) for the financial year	Negative reserve for Treasury Shares held	Total Group equity	Capital and reserves of third parties	Profit (loss) from third parties	Total Group and third parties equity
Value at the beginning of the year	815.415	7.207.101	160.650	(7.174)	879.583	2.614.761	11.085.555	(654.824)	22.101.067	20.300	16.591	22.101.067
Last year's profit destination			2.446			11.083.109	(11.085.555)				(16.591)	
Dividend allocations						(2.487.419)			(2.487.419)			(2.487.419)
Other destinations									-			-
Other changes												
Increases		-		46.022	73.729			204.950	324.701	42.608		367.309
Decreases						(12.267)			(12.267)			(12.267)
Reclassifications	8.154					(8.154)			-			-
Net income (loss)							15.237.868		15.237.868	-	(104.024)	15.133.844
Value at the end of the year	823.569	7.207.101	163.096	38.848	953.312	11.190.030	15.237.868	(449.874)	35.163.951	62.908	(104.024)	35.122.835

We comment below on the main items that make up the equity and its variations.

CAPITAL

The capital was fully subscribed and paid up on 31 December 2022 and amounted to Euro 823.569 represented by n. 823.569 common stock. Compared to the previous year, the share capital increased by an amount of Euro 8.154, following the decision of a conditional capital increase to meet the Stock Grant plan for certain categories of employees.

LEGAL RESERVE

The reserve registered in the balance sheet amounts to Euro 163.096 and is increased with respect to the previous year (Euro 160.650) as a result of the allocation of profits for the financial year 2021 as per the Shareholders' Meeting resolution of April 28, 2022.

SHARE PREMIUM RESERVE

The reserve entered in the balance sheet amounts to Euro 7.207.101. It did not move during the exercise.

OTHER RESERVES

The other reserves item is composed for Euro 864.422 of a reserve of an unavailability nature set up following the suspension of the shares of Amortization by the Parent Company, for the financial year 2020 as decided at the destination of the profit 2020. During the financial year, a decrease of Euro 14.246 was made in respect of assets already fully depreciated, for which a reserve for depreciation suspended in 2020 was set up.

Reconciliation between the net assets and the net operating income of Ediliziacrobatica S.p.A. with the net assets and the net result of the consolidated financial statements.

The comparison between the composition of the net worth indicated in the financial statements of

Table 1.10

	EDAC S.p.A.	Consolidated financial statements
Capital	823.569	823.569
Share surcharge reserve	7.207.101	7.207.101
Legal reserve	163.096	163.096
Other reserves	992.509	992.160
Profits (losses) carried over	13.072.623	11.190.030
Profits (loss) for the financial year	16.195.360	15.238.868
Negative reserve for Treasurt Shares held	(449.874)	(449.874)
Total	38.004.384	35.164.950

NEGATIVE RESERVE FOR TREASURY SHARES HELD

In 2021, the Parent Company also set up a 654.824 euro negative reserve for Treasury Stock, which was formed following the acquisition of Treasury Stock by the Company. As of 31.12.2022, this negative reserve amounts to Euro 449.874. During the year, a decrease of Euro 204.950 was recorded as a result of the return of the Parent Company's shares to Arim Holding.

PROFITS CARRIED OVER

At December 31, 2022, the profits carried over amounted to Euro 11.190.030. New earnings decreased during the year for the payment of dividends of Energy Acrobatica 110 S.rl. And of the Parent Company for an amount of Euro 2.446.243 following the distribution of dividends, as approved by the Shareholders' Meeting of 28/04/2022 for Euro 2.446.243.

SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THIRD PARTIES

As of December 31, 2022, net equity (capital and reserves) and net profit attributable to third parties refer to the minority interest held by third parties in the Group's companies. In particular, capital and third-party reserves amounted to Euro 62.908 and the loss of the third-party period amounted to Euro 104.024.

the Parent Company at December 31, 2022 and the corresponding values shown in the consolidated financial statements at the same date is as follows.

These differences can be explained as follows:

Table 1.11

Amounts expressed in thousands	Equity	Net profit (loss)
Edac S.p.A.	38.004	16.195
- Edac Iberica consolidation	(1.059)	(623)
- EA 110 consolidation	866	807
- Edac France consolidation	(3.029)	(1.105)
- Edac Monaco consolidation	34	(26)
- Entry fees elision		
- IAS 7	(18)	(8)
- Devaluation Edac Granda		
- Edac Iberica Goodwill	324	(41)
- France capitalization		(64)
Consolidated financial statement	35.122	15.133
Amounts attributable to third shareholders	42	104
Amounts attributable to the Group	35.164	15.237

Introduction, information on funds for risks and charges

As of 31 December 2022, they amount to Euro 113.462 (Euro 61.640 as of 31 December 2021) and are composed as follows:

Analysis of changes in funds for risks and charges (prospectus)

Tabella 1.13

	Funds for retirement treatment and similar	Funds for taxes, even deferred	Consolidation fund for future risks and changes	Financial derivative instruments	Total funds for risks and charges
Value at the beginning of the year					
Changes occurred during the year		39.254	56.177	18.031	113.462
Accrual in the period					
Use during the year					
Other variations					
Total variations					
Value at the end of the year		39.254	56.177	18.031	113.462

Remarks, information on funds for risks and charges

The provision reflects the amounts charged for the period, while the use represents the use of previous provisions for the purpose to which they were intended. In addition, a passive financial instrument for Euro 56.177 is included in the risk and expense funds. This value corresponds to the fair value on 31 December 2022 of n.1 derivative covering expected cash flows. Specifically, n. 1 "interest rate swap" contract was stipulated to cover the variable interest rate fluctuation risk of a passive loan, concluded on 20 July 2020 with the Deutsche Bank credit institution, for an amount of € 2 million. The hedging

function of these derivatives is considered to be sufficient, it is present since the conclusion of the deal a close and documented correlation between the characteristics of the mortgage and those of the hedging derivative itself.

Introduction, information on the severance pay

The severance pay amounted to Euro 3.846.388 (Euro 2.505.878 at December 31, 2021), determined in accordance with the provisions of art. 2120 of the civil code, highlights the following movements:

Table 1.14

31.12.2021-31.12.2022	
Fund as at 31.12.2021	2.505.878
Accrual for the period	2.171.213
Delivered	(830.703)
Fund as at 31.12.2022	3.846.388

Comment, information about the severance pay

The accrued fund represents the actual debt of the Company on 31 December 2022 to employees on that date, net of the advances paid.

Introduction, changes and maturity of debts

Let us comment below on the composition, the deadline and the movements of the exercise of the items that make up this grouping.

Introduction, payables

Debts are valued at their face value.

Table 1.15

	Bonds	Debt to banks	Debt to other lenders	Advances receivers	Accounts payable	Debts to Holding Companies	Debts to subsidiaries	Tax debts	Debts to social security and social security institutions	Other debts	Total Debts
Value at the beginning of the year	9.761.563	16.575.121	-	80.861	22.718.476	6.889.170	312.008	15.528.668	3.315.747	4.957.791	80.139.405
Changes occurred during the years	(796.153)	1.480.792	-	(26.346)	8.744.922	2.446.982	(312.008)	(6.127.790)	804.639	(1.040.608)	5.174.430
Value at the end of the year	8.965.410	18.055.913	-	54.515	31.463.398	9.336.152	-	9.400.878	4.120.386	3.917.183	85.313.835
Due within one year	1.947.601	11.790.028	-	54.515	31.463.398	9.336.152	-	9.400.878	4.120.386	3.917.183	72.030.141
Payable beyond one year	7.017.808	6.265.885	-	-	-	-	-	-	-	-	13.283.693
Of which payable beyond five years	4.168.478	-	-	-	-	-	-	-	-	-	4.168.478

Remarks, changes and maturity of debts

The total amount of the debts is placed in the "liabilities" section of the balance sheet in class "D" for an amount of Euro 85.313.835 (Euro 80.139.405 at December 31, 2021). The new wording of art. 2426 c.c. provides that receivables and payables should be recognized in the balance sheet according to the amortized cost criterion, taking into account the time factor (and, as regards receivables, the value of presumed realizable).

Let's comment below on the composition of the main items that make up this grouping.

Bonds

The "bond debts" consist of a bond issued by the Company on July 31, 2020 for Euro 10.000.000. The bonds are valued using the amortized cost method. Therefore, the Parent Company reduced the value of the issued obligation by 238.437 euros i.e., the transaction costs incurred.

The issue of the Bond loan is aimed at the development of new markets through the strengthening of the commercial presence, continuation and

consolidation of the internationalization process, new business lines also through merger and acquisition of companies or individual business branches, as well as the strengthening and/or rationalization and/or modernization of both Italian and foreign production areas, in order to strengthen its presence on the reference markets and to develop working capital in relation to the growth of revenues.

As of 31.12.2022, the Parent Company verified that it had complied with the covenants provided for in the agreement signed with Banca Intesa Sanpaolo.

It should be noted that as of 31.12.2022 the Parent Company made the first payment of the share capital, which resulted in a change in the period, by means of the amortized cost method, of Euro 796.153

Debts to banks

Debts to banks are constituted as follows.

Table 1.17

	Balance 31.12.2022	Balance 31.12.2021
Advance on invoices	3.689.972	2.259.205
Credit cards	12.639	11.623
Financing	14.353.302	14.304.293
Total	18.055.913	16.575.121

The "Bank payables" regard for Euro 3.689.972 ordinary entrusts to primary credit institutions with which the Parent Company and the other companies of the group maintain regulated relations at rates in line with the market. For Euro 14.353.302 financing contracts aimed at the investments necessary for the strengthening of productive activity. It should be specified that these funds are mainly attributable to the Parent Company for Euro 9.406.779 and to the Company Energy Acrobatica S.r.l. for Euro 4.131.239.

In this regard, the Parent Company has entered into a new financing contract with Credem for Euro 1.000.000 in December 2022 and one with Carige for 1.500.000 in January 2022. The company Energy Acrobatica S.r.l. has signed a new financing contract with the Deutsche Bank, equal to Euro 3.500.000 in June 2022.

The breakdown of debts to banks due within the period and due beyond the period is as follows.

Table 1.18

	Balance 31.12.2022	
Payable by the financial year	11.790.028	
Payable after the following financial year	6.265.885	
Total	17.964.003	

The following table enlightens the amounts due within and after the fiscal year 2023, divided by singular loans:

Table 1.19

	Amount due within a year	Amount due in the next years
Loan INTESA	1.127.380	2.000.000
Loan UNICREDIT	41.969	-
Loan BPM	890.644	1.349.569
Loan DEUTSCHE	499.137	881.692
Loan CREDEM	593.898	1.207.198
Loan CARIGE	752.341	62.950
Loan EDAC 110	3.366.763	764.476
Loan EDAC IBERICA	170.000	
Loan EDAC FRANCE	645.286	-
Credit cards	12.639	-
Advance on invoices	3.689.972	-
Total	11.790.028	6.265.885

Debts to other lenders

Debts to other lenders consist of financing for a company car and leasing fees.

Advances

The section "advances", equal to Euro 31.463.398 (Euro 22.718.476 the previous year), accepts advances received from customers relating to supplies of goods and services not yet carried out. It should be noted that the whole amount of the advances is attributable to the Parent Company, this amount includes advances received from customers relating to the supply of services not yet carried out. It mainly accepts the receipts already received for productions not yet finished in 31.12.2022, almost entirely related to the practices with invoice discounts granted by the Company to customers for the works carried out according to the rules

of the sale to third parties pursuant to art. 121 of the Decree relaunch. The change in advances in the accounts for the financial year is equal to Euro 8.744.922. This significant increase was due to the large number of practices stipulated during the year and not yet concluded at the balance sheet date.

Accounts payable

The "Accounts payable" are for commercial transactions within normal payment terms, all of which expire within the year. The Company has therefore not used the method of assessing the amortized cost for these debts. The item has an amount of Euro 9.336.152 at December 31, 2022 (Euro 6.889.170 at December 31, 2021).

The increase in the period, mainly related to the Parent Company, of Euro 2.446.982, is due to the increase in volumes of activity, the company in fact does not present situations of significant debt to

suppliers expired beyond the year.

Tax payables

The item "tax payables", equal to Euro 9.400.878 (Euro 15.528.668 the previous year), is mainly related to the debt for current taxes for the year,

net of the advances attributable to the months of June and November, equal to Euro 3.657.280 for the Group companies, The VAT debt mainly attributable to the Parent Company, for Euro 5.240.358 and to debt for withholding taxes on employees and self-employed persons, mainly attributable to the Parent Company, for Euro 453.091.

The composition of the entry is as follows:

Table 1.21

	Total at 31.12.2022
Income taxes and minor taxes	3.657.280
VAT due	5.240.358
Tax withholding on employee work	453.091
Withholding tax on self-employment	50.148
Total	9.400.878

The breakdown of tax liabilities is as follows:

Table 1.22

	Balance at 31.12.2022
Payable by the financial year	9.400.878
Payable after the following financial year	-
Total	9.400.878

Debts to social security institutions

This section refers to the debts owed to the insurance and social security institutions of by Parent Company for Euro 3.910.656, by the subsidiary EDAC France S.a.s. for Euro 157.341, by the subsidiary Energy Acrobatica 110 S.r.l for Euro 19.062, by the subsidiary EDAC Iberica for Euro 33.327.

In particular, the debts are mainly due to pension and construction funds whose increase on the Parent Company over the previous period is due to the acquisition of employees in forces on the subsidiaries assumed since January 1, 2022.

The composition of the entry is as follows:

Table 1.23

	Total at 31.12.2022	Total at 31.12.2021
Debts to staff	3.336.162	2.442.096
Payables to Members for profits to be paid	85.000	1.054.822
Debts to Franchising	64.325	42.125
Other different debts	431.696	1.073.696
Total	3.917.183	4.612.739

Introduction, information on accruals and deferred income

According to art. 2424 bis, paragraph 6, of the civil code, there are registered costs which competence is in the year 2022, but the financial manifestation will occur in the next years, and income received during the year but which competence is in the following years.

Remarks, information on accruals and deferred income

On 31 December 2022, the item accruals and accrued income was equal to Euro 168.665.

There are no installments and repayments of more than five years on 31 December 2022.

Introduction, notes on income statement

Before analyzing the individual items, it is recalled that the comments on the general trend of costs and revenues are presented, according to art. 2428, paragraph 1, of the civil code, in the Management report.

Introduction, revenues

Revenues amounted to Euro 134.462.246 (Euro 87.677.804 at December 31, 2021), a significant increase compared to the same period of the previous year; the increase in this item is mainly due to the effect that the Ecobonus maneuver had on the

Other payables

The section "other payables", equal to Euro 3.917.183, is mainly composed of Euro 3.636.162 by debts to employees for competences accrued in December 2022 and cleared in January 2023 and by debts to Members for profits to be paid, mainly related to the Parent Company, for Euro 113.788.

Company. Reference is made to the Management Report for the analysis of revenue trends for the financial year 2022.

It is recalled, as already indicated in the section "Tax receivables", that the revenues relating to the works carried out according to the rules governing the sale to third parties pursuant to art. 121 of the Rehabilitation Decree converted into Law 77/2020 of 19 July 2020, are entered net of the financial charges that have already been incurred or will be sustained under the transfer mechanism, of the loans for building bonuses, to financial institutions. In particular, the effect resulting from the above has led to a reduction in revenues and sales of Euro 12.649.086.

Section A4) "increases in fixed assets for internal works" includes capitalized costs that generated increases in the assets of the balance sheet under the item "current assets and advances" entered in the amount of Euro 214.629 among intangible assets. For details of the increments, see the comment in the item "current assets and advances".

Section A5) "other income" includes contributions in the period account entered under "contributions in the period account" for Euro 352.402 and other revenues entered under "other" for Euro 233.112. contributi in conto esercizio iscritti alla voce "Contributi in conto esercizio" per Euro 352.402 e altri ricavi iscritti alla voce "Altri" per Euro 233.112.

Breakdown of sales and performance revenues by activity category

Introduction

The breakdown of sales revenue by activity category is as follows:

Table 1.24

	Balance	Balance
Values in Euro	31.12.2022	31.12.2021
Direct operating location revenue	126.957.881	81.800.993
Revenue from franchised operating locations	6.704.222	5.347.519
Total	133.662.103	86.949.909

Comment

As on 31 December 2022 the item "Sales and services revenues" includes revenues from production in the yards for Euro 126.958 thousand (in 2021 for Euro 81.801 thousand); this increase is due both to the opening of new direct operating areas and to the further development in terms of sales and production activities of those already present, as well as to the evolution of the volume of the business linked to the practices with invoice discounts granted by the Company to customers for the work carried out according to the discipline of the transfer to third parties pursuant to art. 121 of the Decree relaunch.

The increase in royalties is due to the increase in the production volume of the areas managed by the franchisees; this has also led to an increase in the sales of material to the franchisees.

PRODUCTION COSTS

The costs and charges in Class B of the income statement, equal to Euro 105.954.659 (Euro 69.348.186 on 31 December 2021), classified by nature, were shown net of returns, trade discounts, rebates and premiums, while financial discounts were recognized in Section C.16, by constituting financial income. The costs for the purchase of goods also include the ancillary costs of purchase (transport, insurance, loading and unloading, etc.) if the supplier has included them in the purchase price of the materials. Otherwise, these costs were included in the cost of services (Section B.7). It should be noted that the non-recoverable VAT was incorporated into the cost of purchasing the goods. Sections B.6, B.7 and B.8 were charged not only of the costs resulting from invoices received from suppliers, but also those of an estimated amount not yet documented, for which appropriate investigations were carried out. It should be noted

that the criterion of the classification of costs "by nature" should prevail, provisions to funds.

COSTS FOR RAW MATERIALS, SUBSIDIARY AND CONSUMER COSTS

The costs for Raw materials, subsidiaries and consumption amounted to Euro 12.378.615 (Euro 8.801.691 the previous year). This item is mainly made up of the costs for the purchase of slings, equipment and materials for the working teams in the production process.

COSTS FOR SERVICES

The costs for services are set at Euro 35.857.554 (Euro 20.054.095 the previous year). This item is mainly composed of consultancy costs for administrative staff (Euro 275.043), commercial consultancy costs (Euro 8.688.460), reimbursement of expenses for workers, collaborators and coordinators (Euro 3.733.204), labor costs at the yards (Euro 2.689.512), waste disposal costs (Euro 521.027), Insurance costs (Euro 373.656), fuel costs (Euro 1.276.199), representation and advertising costs (Euro 2.183.941) and utility costs (Euro 397.144).

COSTS FOR THE USE OF THIRD-PARTY ASSETS

In Section B8) there are costs for the use of third-party assets for Euro 6.945.144 (Euro 4.535.565 at December 31, 2021). This item mainly includes rental fees for the buildings of direct operating offices for Euro 2.230.431, software license fees for Euro 278.613, vehicle rental fees for Euro 2.956.908, construction and office equipment rental fees of Euro 901.582 and Euro 23.106 respectively, Other rentals for Euro 74.822.

These costs for the Parent Company increased by 52% compared to the previous year, This is mainly due to the increase in costs closely linked to the opening of new operating areas, which has led to

the support of higher company vehicle and truck rental fees and rental fees for the Points located in the national territory.

PERSONNEL COSTS

The personnel cost section is entered in the production costs of the income statement for a total of Euro 46.190.905 (Euro 32.970.468 at December 31, 2021).

In detail, under section B9a, wages and salaries are recognized, including accrued and non-paid allowances for additional payments and holidays accrued and not taken before taxes and social security contributions payable by the employee; under section B9b) we find the charges borne by the enterprise, under section B9c) provisions made in the period for treatment of end of employment, under section B9d) provisions to supplementary pension funds other than the TFR.

In addition, "other costs" includes the cost of temporary work and of staff on secondment from other Group companies, travel allowances and business premiums for workers of Euro 165.968.

DEPRECIATION AND AMORTIZATION

The breakdown into the four sub-items required is already presented in the income statement.

Section B10d) "write-downs of receivables included in current assets and Cash and cash equivalents" mainly includes write-downs of business receivables from customers included in the Parent Company's current assets.

CHANGE IN INVENTORIES OF RAW MATERIALS, SUBSIDIARIES, CONSUMPTION AND GOODS

The change in consolidated inventories of the Group amounted to Euro 375.261 mainly attributable to the Parent Company due to the change in the Construction Warehouse, the Pedestrian Tunnels and the Operator's Kit during the financial year 2022.

DIFFERENT OPERATING CHARGES

The item "different operating charges" has a balance of Euro 1.336.860 (Euro 921.530 the same period of the previous year) and is composed for the most part of Euro 1.300.198, entered in the Parent Company's financial statements, relating to Euro 365.157 contingent liabilities, for Euro 548.099 relating to sanctions, Penalties and fines mainly in the case of Ediliziacrobatica S.p.A.

Introduction, financial income and charges

In Class C, all positive and negative components of the operating income related to the company's financial activity were recognized.

Net financial income has a positive balance of Euro 158.370 attributable to interest on fixed assets in respect of the receivables from the practices with invoice discounts granted by the Company to customers for the work carried out in accordance with the rules governing the sale to third parties pursuant to Art. 121 of the Decree re-launch recorded in the financial statements at 31.12.2022.

Interest and other financial charges

The financial charges, equal to Euro 5.469.594, mainly include bank interest liabilities of Euro 27.652, interest on loans of Euro 148.334 and interest linked to bond loans, referred to the Parent Company, for Euro 334.584. The main cost item, however, is that relating to the costs for credit transfer practices for the financial year 2021, reported to the Parent Company, for a net amount of Euro 4.698.951. For the benefit of greater understanding, it should be

noted that this amount derives from the difference between the adjustment to the Fair value of the "Building Bonus" credits for previous years and the financial charges actually incurred during the financial year 2022. This difference is due to the fact that the adjustment to fair value made in previous years did not reflect the new contractual conditions applied by credit institutions during the financial year 2022.

The details of interest and other financial charges are given below.

Table 1.28

	31.12.2022
Active interest	158.370
Passive bank interest	27.652
Interest payable on bond loans	334.584
Interest payable on loans	183.703
Interest payable on third-party financing	995
Credit transfer costs	4.698.951
Other	89.194
Losses on securities	292.886
Total	5.469.594

VALUE ADJUSTMENTS FOR FINANCIAL ASSETS

The item revaluations of securities entered in the working assets that do not constitute equity is composed of Euro 142.587 for the revaluation of the

value of the item "other securities" entered in the working assets. olante.

Table1.29

	Balance
	31.12.2022
securities entered in fixed assets which do not constitute holdings	-
securities entered in the current assets which do not constitute holdings	142.587
Total	142.587

The item write-downs of securities registered in working assets that do not constitute equity investments is composed of Euro 248.568 for

the depreciation of the value of the item "other securities" entered in working assets.

TAXES ON INCOME FOR THE FINANCIAL YEAR

Taxes have been calculated on the basis of the tax legislation in force and represent the amount of taxes for the financial year to which the budget relates.

They total Euro 7.798.169 (Euro 5.986.890 at December 31, 2021) and relate to:

- (a) current taxes on taxable income for the period;
- (b) deferred and advanced taxes;
- (c) current taxes relating to previous years.

The item "taxes" includes current, anticipated, deferred and earlier taxes. The tax statements of the Parent Company are given below.

Table 1.30

31.12.2022	
Irap	1.978.130
Ires	5.817.808
Deferred and anticipated taxes	2.231
Taxes referred to previous years	-
Totale	7.798.169

The theoretical rate determined on the basis of the configuration of taxable income for the purposes of the Ires tax is 24%.

The reconciliation with the actual rate is as follows:

Table 1.31

IRES RECONCILIATION	
Result before taxes	23.670.047
Theoretical tax burden (%)	24%
Theoretical IRES	5.324.600
Permanent differences	1.921.107
Temporary differences	222.436
Taxable income	22.185.834
Actual IRES	5.547.036
Actual tax burden (%)	25%

The theoretical rate determined on the basis of the configuration of taxable income for the purposes of the Irap tax is 3,9%.

The reconciliation with the actual rate is as follows:

Table 1.32

IRAP RECONCILIATION	
Result before taxes	23.670.047
Not significant costs	42.827.658
Theoretical production value	121.892.565
Theoretical tax burden (%)	3,9%
Theoretical IRAP	4.753.810
Permanent differences	(12.166.629)
Temporary differences	(160.067)
Value of production	46.677.626
Actual IRAP	1.921.107
Actual tax burden (%)	1,95%

Introduction, additional note other information

Average number of employees by category (prospectus)

Introduction, employment data

The average number of employees for the financial year 2022 broken down by category was as follows.

Table 1.33

	Managers	Other directors	Employees	Workers	Other employees	Total employees
Average number	-	9	174	869		1055

Introduction, compensation to directors and supervisory board

Euro 1.508.459 broken down as follows:

In the financial year 2022, compensation to the Directors and supervisory board members of the Parent Company was recognized for the purposes of competence

- Euro 1.487.503 to the Directors;
- Euro 20.956 to the supervisory board.

Introduction, Legal Auditor fees, or Auditing Company

audit of the annual accounts, plus additional supplementary services, for a total of Euro 33.289.

The total consideration for the statutory audit of the 2022 financial statements is Euro 24.000, corresponding to the total amount of the fees payable to the statutory auditor for the statutory

Table 1.34

Statutory audit of annual accounts	Total cost of supplementary services
24.000	33.289

Introduction, securities issued by the company

On 19 November 2018, the company listed on the aim segment of the Italian Stock Exchange. In the quotation process, the company issued Common Stock 7.449.850, Greenshoe Options 149.850 and placed 431.325 warrants (1 for 4 shares).

The admission to listing took place following a placement of n. 1.725.300 Common Stock, all of which are newly issued, for a value of 5.720.301 Euro, of which:

- no. common stock 1.499.850 coming from the capital increase reserved for the market;
- no. 75.600 common stock from the capital increase reserved for employees and directors;
- no. common stock 149.850, corresponding to approximately 8,7% of the offer, resulting from the Greenshoe capital increase.

On 30 September 2021, on the basis of the “warrant EDAC 2018-2021” regulation, warrants number 151.647 were exercised at the end of the period, and 108.261 shares were issued for a total amount of Euro 538.896.

The new share capital of EDAC, following the capital increase foreseen under the Stock Grant Plan, is equal to Euro 823.568, divided into n. 8.235.685 common stock all without indication of nominal value. The plan, for the first tranche of 2022, provided for a capital increase of Euro 8.154 thousand, corresponding to 81.540 shares distributed to directors, executives and employees. The Stock Grant Plan, approved by the Board of Directors on 18 July 2022, provides for two further tranches with the same amounts of shares as those planned in the first year.

Following the warrants exercise, the floating capital was 22,43% and the share capital of the Company was represented by n. 8.235.685 shares held as follows:

Shareholders	Number of shares	Share capital percentage
Arim Holding S.a.r.l	6.041.386	73,36%
Employees and administrators and market	2.145.622	26,05%
Ediliziacrobativa S.P.A.	48.677	0,59%
Total shares	8.235.685	100%

Information on derivative instruments ex art. 2427-bis of the Civil Code

The detailed information required by art. 2427-bis co.1 no. 1 Civil Code.

Please note that the Company has two derivative

contracts in place to cover interest rate risk. Below are the details. The movements of fair value reserves during the period are set out in the table in the section on equity.

	Current year fair value	Changes in the Income Statement	Changes in the Balance Sheet	Financed	Notional value
				amount	
Interest Rate Swap Bpm - year 2022	95.025		82.698	2.000.000	2.000.000
Interest Rate Swap Deutsche Bank - year 2022	(56.177)		(36.677)	4.000.000	4.000.000

INFORMATION ON RELATIONS WITH RELATED PARTIES

According to art. 2427, first paragraph, n. 22-bis, C.c., it was considered to highlight the information relating to the transactions carried out with Related parties, even though they were concluded at market conditions, in the information contained in the management report.

The following table shows the balance sheet and economic relations with Related parties for the financial year ended 31 December 2022:

Table 1.36

	Loans	Credits	Accounts receivable	Accounts payable	Sales	Acquisitions
Ediliziacrobatika France S.a.s.		2.915.424	661.306	90.680	373.845	561.730
Energy Acrobatica 110 S.r.l.						
Ediliziacrobatika Iberica s.l.		400.000	106.417	26.944	106.417	
Ediliziacrobatika Monaco SAM		40.000	276		276	
Total	-	3.355.424	767.999	117.624	480.538	561.730

COMMITMENTS, WARRANTS AND CONTINGENT LIABILITIES NOT ARISING FROM THE BALANCE SHEET

Following the changes made to the financial statements by Legislative Decree no. 139/2015 since 2016, the order accounts at the bottom of the balance sheet must no longer be indicated. Any commitments, guarantees and Contingent liabilities not resulting from the balance sheet are therefore

described in this specific point of the report.

No commitments, guarantees and Contingent liabilities to be recognized for the Group at the end of the financial statements.

INFORMATION ON ASSETS AND FUNDING FOR A SPECIFIC BUSINESS

Assets for a specific business

It is hereby established that, at the date of closure of the balance sheet, no assets are destined for a specific business as referred to in point 1 20 of art. 2427 of the civil code.

Financing for a specific business

It is hereby established that, at the date of the closure of the budget, there is no funding for a specific business referred to in No 1 21 of art. 2427 of the civil code.

INFORMATION ON AGREEMENTS NOT RESULTING FROM THE BALANCE SHEET

No agreement not resulting from the balance sheet was put in place during the period.

OTHER INFORMATION

Allocation of the operating result of the Parent Company (art. 2427, paragraph 1, issue 22-septies, of the civil code)

The Board of Directors proposes to allocate the operating result of Euro 16.195.360 as follows:

- Charge an amount of Euro 1.617,8 to increase the "Legal reserve", which will thus reach the legal limit;
- Set aside for carried over profits Euro 12.075.899,7
- Distribute dividends of Euro 4.117.842,5 by allocating a dividend of Euro 0,5 per share, before withholding taxes, and excluding Treasury Stock held in portfolio at the coupon detachment date. It should be noted that, taking into account the maturation of the second tranche of n. 81.540 rights under the Stock Grant 2021-2023 plan for certain beneficiaries, as described below, which are free of charge to the same number of ordinary shares of the newly issued Company on the second tranche of the plan (financial year ended 31 December 2022), Unless one or more beneficiaries renounce, the number of shares entitled to the ordinary dividend could increase to a maximum total amount of Euro 4.158.612,50, subject in any case to the amount of the ordinary dividend set in Euro 0,50 per share. As a result, any incremental amount of the distribution would be deducted from the amount proposed to accrue new profits.

However, the Board of Directors reserves the right to propose to the Shareholders' Meeting during the

year or at the beginning of the following year a further distribution of dividends on the 2022 profit on the basis of the performance and results of 2023.

Information ex art. 1, paragraph 125, of the law of the 4th of August 2017 n. 124

Law n. 124/2017 provides the obligation to provide information on grants, contributions, paid assignments and economic benefits of any kind received from Italian public administrations. In this regard, it should be noted that during 2022 Ediliziacrobatica S.p.A. received no form of subsidy, contribution, paid assignment or other economic advantage from Italian public administrations. It should be noted that revenues:

- generated by services provided to entities belonging to public administrations within the framework of the company's characteristic activity and governed by contracts with corresponding benefits, and
- the tax concessions available to all undertakings fulfilling certain conditions on the basis of predetermined general criteria, which are also the subject of specific declarations (see document CNDCEC March 2019)

are not considered to be relevant for the purposes of the information obligations provided for by law no. 124/2017.

According to art. 2427 of the Civil Code it is also noted that:

- no financial charges have been charged to the values entered in the assets of the balance sheet;

Genoa, March 29, 2023

For the Board of Directors

Riccardo Iovino (Administrator)



INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Ediliziacrobatica S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Ediliziacrobatica S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at December 31, 2022, the consolidated statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Ediliziacrobatica S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance the Italian law governing financial statements and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

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

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

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10

The Directors of Ediliziacrobatica S.p.A. are responsible for the preparation of the report on operations of Ediliziacrobatica Group as at December 31, 2022, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of Ediliziacrobatica Group as at December 31, 2022 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the consolidated financial statements of Ediliziacrobatica Group as at December 31, 2022 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Eugenio Puddu
Partner

Genoa, Italy
April 11, 2023

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



REPORT ON THE **MANAGEMENT**
OF CONSOLIDATED FINANCIAL STATEMENTS
AT **DECEMBER 31, 2022**

EDILIZIACROBATICA S.P.A.

Registered office in Milan

Via Turati, 29

Share capital € 823.569

Tax code and VAT number 01438360990 – R.E.A. MI 1785877