ACROBATICA

RENOVATE, REBUILD, RETHINK

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2023

Directors' Report of the Consolidated Financial statements at 31 December 2023

Dear Shareholders, these consolidated financial statements as of 31 December 2023 close with a net profit for the period of €6,091 thousand, net of taxes of €4,802 thousand.

The Explanatory Notes provide information about the presentation of the consolidated financial statements at 31 December 2023.

This document presents information concerning the Group's situation and the operational performance, as well as the business outlook, the net financial position, and the main risks and uncertainties to which the Group is exposed.

This report, drawn up with values expressed in euro, is presented alongside the consolidated financial statements to provide information about the Group's income, capital, financial and management situation, accompanied, where possible, by historical elements and prospective assessments.

As described in more detail in the Explanatory Notes, the Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") and approved by the European Union, and in force at the reporting date.

Shares held by EdiliziaAcrobatica at 31 December 2023

At 31 December 2023, equity investments were as follows:

DENOMINATION	Registered office	Share capital	Share held
EdiliziAcrobatica France S.a.s.	Bureau Direction Générale, 2 Avenue Lucien, 66600 Rivesaltes, France	550,509	100.00%
EdiliziAcrobatica Iberica S.L.	Calle de Girona 134, 08037 Barcelona, Spain	3,000	90.00%
Acrobatica Energy S.r.l.	Via Filippo Turati 29, 20121, Milan, Italy	100,000	100.00%
EdiliziAcrobatica Monaco S.A.M.	2 Rue de la Lüjerneta, Monaco 98000	150,000	60.00%
Enigma Capital Investments LLC	DIP 1, Dubai, UAE	1,300,000	51.00%
Spider Access Cladding Works & Building Cleaning LLC	DIP 1, Dubai, UAE	1,000,000 (AED)	51.00%
Vertico Xtreme LLC	DIP 1, Dubai, UAE	300,000 (AED)	51.00%

Changes in the scope of consolidation in 2023

On 21 March 2023, the Group acquired a controlling interest corresponding to 51% of the share capital of Enigma Capital Investments LLC at a temporary price of 5,102 thousand euros. The Emirati holding company, based in Dubai, spearheads 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. In 2023, the scope of consolidation also included the company Current S.r.l. (location in Milan, with Share Capital of €10,000, incorporated in 2023 and 67% owned) but this interest was disposed of and sold to the parent company before the end of the financial year.

Trends in the economy and construction sector

In 2023, the global economic scenario weakened, in Europe due to the negative impacts of high inflation and monetary tightening, in emerging countries due to the dynamics of the Chinese economy, which is stalling for longer than expected.

The expansion of geopolitical tensions linked to the conflict in Ukraine and the additional war in the Middle East, to higher international production fragmentation and possible repercussions for the price of commodities, partly compromised the performance of the global economy, which continued to grow but at lower levels than in 2022.

With reference to future prospects, another slowdown is expected in development due substantially to the continuation of not particularly favourable conditions, which may be felt more in the most developed countries.

The forecasts outlined in the Osservatorio Congiunturale tell of an uncertain macroeconomic scenario influenced by geopolitical tensions, inflation, and monetary policy. The international construction sector is very sensitive and could be affected by this situation.

With reference to the construction sector, the "Global Construction 2025" report envisages an explosion in the international sector, with a 70% growth in the next two years, mainly driven by China, the United States, and India. Urbanisation and population growth in developing countries are the main drivers of this expansion, with a forecast of two billion new citizens in large cities by 2025. In addition to the main players, emerging countries like Vietnam, Indonesia, and the Philippines are emerging as new drivers of growth in the construction sector. In the United States, a 40% increase is envisaged in the construction sector, especially in the residential sector. However, Europe faces significant challenges, with a forecast in the construction sector 5% lower than in 2007, due to economic problems and the decrease in household purchasing power. The exception is the United Kingdom, which sees nearly double the growth of the European average, driven by the lack of housing and the need to modernise infrastructure, supported by government measures.

The challenge foreseen in the upcoming years in the construction sector will be the development of new and innovative tools and technological methods using new strategies and smart solutions to improve a sector already aware of the ongoing changes.

In 2023, Italy lost its momentum of the previous two-year period, when it had stood out for particularly significant growth rates higher than those of its main European peers (+12.3%, against +9% in France and +5% in Germany).

In 2023, after the initial exploit, Italian GDP did not record any changes. As mentioned previously, geopolitical tensions, inflation, and the restrictive monetary policy are factors that slowed the continuation of post-Covid recovery, fuelling, especially in certain sectors, a climate of uncertainty that discouraged both consumption and investments. The year just ended is when the effects of the upswing in interest rates fully transferred across to the real economy, suffering from robust inflation, which only eased off in the second half of the year. At the same time, the international conflicts in different areas of the world had a negative impact on overseas demand, lowering exports.

In particular, the Italian construction sector recorded constant expansion for the third year in a row, with an annual 5% increase in production levels. In just three years, investments rose by nearly € 75 billion, a sum that largely recovered the gap in production still left over from the 2008 crisis. (Source: ANCE)

Growth was driven by investments in residential redevelopment, building bonuses, and by the segment of public works, which were positively impacted by the NRRP and the closure of the 2014-2020 structural funds.

Investments in residential recovery, which already accounted for 40% of the sector total, saw another +0.5% increase in real terms in 2023.

The influence of the bonuses was also clear in 2023. Incentives for energy and earthquake redevelopment of real estate played a leading role in the development of construction and the economy in general. According to analyses by the Italian National Agency for New Technologies (ENEA) and the Italian Ministry for Environment and Energy Security (MASE), by year end, the construction subsidies generated investments of over € 44 billion, more than in 2022 (approximately 35.4 billion).

A considerable contribution came from ordinary bonuses, such as restructuring, *Sismabonus* and the built environment.

In Europe, sustainability is a macro-trend strictly linked to the real estate sector, and will drive demand for new materials that are renewable, long lasting and insulating, especially on western markets, where the aim will be to recover existing structure and not to invest in new constructions

In France, the government has adopted a series of measures to tackle three main challenges: fight climate change, promote economic recovery, and reduce energy poverty. The residential sector in France, responsible for a significant portion of energy consumption and greenhouse gas emissions, was targeted by various initiatives.

In 2015, the law on the energy transition had been introduced with the objective of drastically reducing greenhouse gas emissions and the consumption of fossil fuels by 2030. This law aimed to redevelop many real estate units every year until 2050. Subsequently, in 2019, more ambitious objectives were established with the Energy-Climate law, which aimed to modernise high energy-intensive buildings.

One of the key initiatives was the adoption of a new energy classification, anticipating the European directive proposal, with classes A to G. Buildings classed as G must be modernised before certain deadlines.

The "France Relance" plan, funded partly by the European Union, envisages enormous investments in energy redevelopment measures for buildings. Programmes such as "Ma prime rénov" [My First Reno] provide financial contributions to incentivise energy requalification works.

Furthermore, the French government launched the "France Rénov" portal to simplify access to information and resources about energy redevelopment of homes, offering free and personalised advice.

For condominiums, specific programmes were set up to offer funding for energy renovation works in shared spaces.

As a whole, France is adopting a series of innovative and targeted measures to tackle energy and climate-related challenges in the construction sector, with a particular focus on the promotion of the energy modernisation of buildings and the fight against energy poverty.

With reference to the construction sector in Spain, a 2.8% increase was recorded in 2023, as reported in the new Euroconstruct report. This figure represents a slightly higher level of production compared to 2019. Nevertheless, the forecasts indicate a slowdown in growth for 2024 and 2025, with a predicted increase of 1.4% and 1.2% respectively.

As regards the renovation market, the forecasts were disappointing despite the positive expectations linked to the PREE programme, aimed at promoting energy efficiency in homes. Nevertheless, the results achieved to date have fallen short of expectations, with moderate growth in 2023 and just as moderate forecasts for 2024. There is a risk that the market will experience a contraction in 2025 and 2026 due to the depletion of subsidies, but this could be avoided with a greater commitment from government authorities.

The construction sector in the United Arab Emirates is a highly developed sector. The UAE are committed to enacting a diversification strategy of the economy away from the oil sector, in favour of development in the renewable energy, infrastructure, and construction sectors.

The construction sector is the third largest industry in the Emirates, after oil and commerce (accounting for 8.5% of the GDP).

Dubai is undoubtedly the city where the construction sector has always grown strongly; it remains the ideal position to become one of the investment capitals in the entire Middle East, Africa, and South Asia (MEASA) region.

In this context of change, the Acrobatica Group has carved out a leading role in Italy, Europe, and the world.

It should be noted that in February the invoice discount in Italy was definitively frozen, the “façade bonus”, which allowed for a **deduction of up to 50 per cent of expenses incurred during 2023 with consequent invoice discount and possibility to transfer the debt.** It should be noted, however, that the 110% bonus with which Energy Acrobatica S.r.l. operated remained in force for the entire 2023 financial year, allowing work in progress to be completed by the end of that year.

Despite the blocking of the “façade bonus”, the Group has continued the growth trend through the planning of ordinary and extraordinary maintenance interventions on buildings and is strongly pushing the roped construction work sector. With no installation costs scaffolding or aerial platforms, condominium administrators are increasingly turning to planned maintenance for buildings. In other words, the possibility to tackle the entire external renovation of buildings through small-to-medium interventions, planned in several stages, including with works completion over 3-5 years. 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 building maintenance planning with greater foresight, so it does not wait for an emergency nor address major works in a single solution, thereby generating discontent on the part of households who incur sudden high expense.

This trend to schedule maintenance is part of the evolution of the role of the condominium administrator from custodian of assets to Building Manager.

Competitive behaviour

The EdiliziAcrobatica Group continues to hold an absolute leadership role in the Italian and European markets.

The Group’s focus is on maintaining residential buildings in urban areas and in the historic centres of nearly every Italian city.

In recent years, there has been widespread use in the world of construction of access systems and positioning through ropes.

In Italy, the competitors are small in size, in terms of turnover and geographic area of activity, and they carry out operations on rope often as additional services to traditional construction, or, in some cases in niche segments (reclamation, environmental interventions, etc.).

In 2023, as for previous years, there were no new national competitors, and the trend of small competitors on a local scale remained unchanged, that is, within cities and without a proper expansion plan.

As for overseas, there are several medium-sized competitors in both France and Spain.

In 2023, the Group also continued the internationalisation project that led it to acquire 51% of the Emirati holding Enigma Capital Investments based in Dubai. The holding spearheads 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. This event marked the Group’s official presence not just in 5 different states, but an entirely new continent.

Performance and operating results in terms of costs, revenues, and investments.

The 2023 consolidated financial statements were strongly influenced by the sudden end of the invoice discount related to the Parent Company. Despite this, as mentioned above, the Group continued its normal operations albeit having calibrated its budgets on a different expectation of turnover, and therefore of production.

In relation to economic performance, the volume of operating revenues rose to € 158,757 thousand from € 134,462 thousand generated in 2022, with an overall increase of 18%; operating costs amounted to € 134,754 thousand against € 100,085 thousand in financial year 2022, up by 35%.

Among operating costs, personnel costs, which constitute the largest item, amounted to € 61,836 thousand, an increase on the € 46,987 thousand in financial year 2022, with a 32% increase compared to the previous financial year.

Amortisation and depreciation amounted to € 7,679 thousand, a 38% increase compared to financial year 2022.

The gross operating margin (or EBITDA) was € 24,002 thousand, compared to € 34,377 thousand in the previous period.

Financial management generated € 3,457 thousand, of which € 263 thousand in financial income and € 3,720 thousand in financial expenses.

Profit (loss) for the year 2023 was a net consolidated profit of € 6,091 thousand against a net profit of € 14,549 thousand in 2022.

Income tax amounted to € 4,802 thousand.

Group situation and business performance

In 2023, the EdiliziaAcrobatica Group once again continued it business growth strategy, which paved the way in recent months for new operations that were looked upon favourably by investors and the financial markets.

In addition to territorial expansion in both Italy and abroad, the focus was on maintaining the company’s profitability despite sudden regulatory changes that impacted its activities.

In March, EdiliziAcrobatica S.p.A. acquired 51% of the Emirati holding Enigma Capital Investment, the spearhead of a group operating in the Middle East in the construction sector, “rope access”, cleaning services for residential and commercial buildings, and some facility management services. Enigma Capital has effective ownership of the entire share capital of the following companies: Spider Access Cladding Works & Building Cleaning and Vertico Xtreme LLC, which control the related associate companies in KSA. The Group employs over 400 operators in the Middle East.

With this operation, the Group realised its goal of improving growth via the Group’s external lines with a view to expanding its commercial operations in the Middle East.

As regards the domestic market, in pursuit of the objective to acquire new market shares through the widespread penetration of the Italian territory, 102 operating areas were achieved in the financial year, with an increase of 19 units compared to the 83 achieved in 2022. The number of affiliations increased to 39.

Reinforcement and consolidation of the eight local French units from an organisational and managerial perspective continued.

The Group's organisational solidity and responsiveness allowed the ever-growing demands of the market to be met in a dynamic and efficient manner and helped to generate a positive consolidated result.

As mentioned, the internationalisation strategy continued with the acquisition of Enigma in the United Arab Emirates. Furthermore, the restructuring and reorganisation that generated additional costs in France was completed. In Spain, following strong expansion, we preferred to consolidate the 4 current largest offices of Barcelona, Madrid, Valencia, and Tarragona, focusing on them for future development.

Analysis of the Group situation

For a better overview of the equity, financial and management situation, the following tables set out the reclassified income statement and balance sheet, as well as some performance indicators.

The Income Statement

The summary data of the reclassified income statement for the financial year 2023 have been compared with those for the same period in the previous year:

RECLASSIFIED CONSOLIDATED INCOME STATEMENT	2023	2022
Operating Revenues	158,757	134,462
Operating Costs	(134,754)	(100,085)
EBITDA	**24,002**	**34,377**
Amortisation and Depreciation	(7,679)	(5,578)
Depreciations and Provisions	(1,973)	(350)
EBIT	**14,350**	**28,449**
Financial income and charges	(3,457)	(6,030)
Pre-tax income	**10,893**	**22,419**
Income tax	(4,802)	(7,870)
Net profit (loss)	**6,091**	**14,549**
Profit (loss) attributable to minority interests	*(193)*	*(16)*
Group profit (loss)	*6,284*	*14,565*
EBITDA %	15.12%	25.57%
EBIT %	9.04%	21.16%
Pre-tax income %	6.86%	16.67%
Net profit (loss) %	**3.84%**	**10.82%**

REVENUES	2023	Perc. %	2022	Perc. %
Revenue from sales and services	158,470	99.82%	133,662	99.41%
Other r income	287	0.18%	800	0.59%
TOTAL OPERATING REVENUES	**158,757**	**100.00%**	**134,462**	**100.00%**

OPERATING COSTS	2023	Perc. %	2022	Perc. %
Cost for consumption	16,483	12.23%	11,964	11.95%
Cost for services	51,479	38.20%	35,967	35.94%
Personnel costs	61,836	45.89%	46,987	46.95%
Other Operating Costs	4,956	3.68%	5,167	5.16%
TOTAL OPERATING COSTS	**134,754**	**100.00%**	**100,085**	**100.00%**

AMORTISATION AND DEPRECIATION	2023	Perc. %	2022	Perc. %
Amortisation of intangible fixed assets	362	3.75%	556	9.38%
Amortisation of rights of use	4,164	43.14%	2,835	47.82%
Amortisation of tangible fixed assets	3,153	32.67%	2,187	36.89%
TOTAL AMORTISATION AND DEPRECIATION	**7,679**	**79.56%**	**5,578**	**94.10%**
TOTAL Depreciation	1,973	20.44%	350	5.90%
GENERAL TOTAL	**9,652**	**100.00%**	**5,928**	**100.00%**

FINANCIAL INCOME AND CHARGES	2023	Perc. %	2022	Perc. %
Financial Income	263	(7.61%)	301	(4.99%)
Financial Charges	(3,720)	107.61%	(6,038)	100.13%
Forex income and charges	0	0.00%	-293	4.86%
TOTAL FINANCIAL INCOME AND CHARGES	**(3,457)**	**100.00%**	**(6,030)**	**100.00%**

The year 2023 was nevertheless characterised by a surprising result, which recorded an increase in turnover, with an 18% growth in revenues compared to the same period in the previous year. This result is exceptional considering that in February, transfers of tax credits relating to the invoice discount had been suspended and that 2022 was an exceptional year.

Furthermore, there was strong growth in the subsidiary Acrobatica Energy S.r.l., which recorded an increase in its turnover thanks to the opening of 26 new construction sites compared to the previous period, thus generating revenues for € 32 million. The Parent Company achieved a quota of revenues equal to € 114,536 thousand, scarcely registering a 6% decrease, which was exclusively related to the suspension of the tax benefits in February 2023. Despite the organic drop in turnover, the number of contracts signed during the year recorded an increase of 48% as mentioned above, from 17,925 contracts in 2022 to 26,550 in 2023. This growth is tangible proof of the Group's excellent capacity for market penetration. It should also be noted that April and May saw heavy rainfall across Europe and in Italy especially, which negatively influenced the revenues generated by the Parent Company in the first half of the year.

The French company contributed revenues for approximately € 3.9 million, while the Spanish company added € 1.2 million in revenues during the year. The newly acquired group of companies in Dubai contributed revenues for € 7.9 million the period between April and December.

Lastly, the revenues of EdiliziAcrobatica S.p.A. and Acrobatica Energy S.r.l. were recorded at fair value, i.e. net of the tax bonus transfer charges, which was inferred from the transfer agreements entered into by the Italian companies with Banca Intesa Sanpaolo in 2023 and Deutsche Bank. Therefore, the gross revenues produced by the Parent Company for € 117.8 million were recorded net of the charges for the transfer of the tax bonus for approximately € 4 million, thus bringing the total value of revenues of the Parent Company to € 113.8 million. The gross revenues produced by the Acrobatica Energy S.r.l. were € 38.2 million and they were recorded net of the charges for the transfer of the tax bonus for approximately € 6 million, bringing the total value of revenues for Acrobatica Energy S.r.l. to € 32 million.

Consolidated operating costs, on the other hand, increased by 35% from € 100,085 thousand to € 134,754 thousand due to the increase in sales volumes, especially in relation to Energy Acrobatica S.r.l. This increase is also linked to the general increase in the cost of the workforce, the prices of consumables and fuel, as well as a general inflationary effect that affected every state where the Group operates.

EBITDA amounted to € 24,002 thousand against € 34,377 thousand in the previous period. As previously mentioned, this decrease is related to the discontinuation of the tax incentive mechanism in the parent company. Nevertheless, it should be noted that the company Acrobatica Energy S.r.l. made a positive contribution to the formation of the consolidated EBITDA, for approximately € 6,443 thousand. The growth of Acrobatica Energy S.r.l. led to an increase in operating costs from €6,720 thousand to €25,571 thousand.

The French company made a negative contribution for € 1.9 million to EBITDA. The growth of the French company should therefore be considered as ongoing and under consolidation, with the organisational process yet to be completed and the Group's philosophy and principles yet to be adopted. The Spanish company, in operation since the start of 2022, and still in a strong start-up phase, recorded negative EBITDA of approximately € 743 thousand. There was a similar occurrence for the Monegasque company, which recorded negative EBITDA of € 199 thousand, since it had only become operational in September 2023. Also note the positive contribution of the operating companies in the United Arab Emirates for € 723 thousand. Expectations for said group are very high and it is believed that in the coming years they will contribute quite considerably to the Group EBITDA.

The item "Amortisation and depreciation" amounted to € 7,679 thousand, of which € 362 thousand related to the amortisation of intangible fixed assets, € 4,164 thousand related to the depreciation of leased assets, and € 3,153 thousand related to the amortisation of tangible fixed assets.

Note also how the Group has carried out several significant depreciation, which mainly refer to trade receivables/job orders. For details, please see the Explanatory Notes.

This value brought the EBIT to € 14,350 thousand against € 28,449 thousand in the previous year.

Balance Sheet

The Reclassified Balance Sheet has been compared with the data from the previous financial year:

RECLASSIFIED BALANCE SHEET	31/12/2023	31/12/2022
Inventories	1,567	970
Trade receivables	41,691	24,968
Trade payables	(33,937)	(40,799)
Operating NWC	**9,321**	**(14,861)**
Tax assets	51,637	46,110
Other current receivables	4,582	4,191
Tax liabilities	(8,465)	(9,401)
Other current payables	(9,162)	(8,205)
Net Working Capital	**47,913**	**17,834**
Tangible fixed assets (including rights of use)	24,926	20,821
Intangible fixed assets (including goodwill)	12,866	1,798
Financial fixed assets	46	1,595
Fixed assets	**37,838**	**24,214**
Other non-current assets	6,488	660
Other non-current liabilities	(5,494)	(3,900)
TOTAL Net Invested Capital	**86,745**	**38,808**
Equity	**(29,666)**	**(33,810)**
Cash and cash equivalents	11,831	26,865
Current financial receivables	2,882	12,249
Current financial liabilities	(33,098)	(16,740)
Non-current financial liabilities	(38,694)	(27,372)
Net Financial Position	**(57,079)**	**(4,998)**
TOTAL Equity and Net Financial Indebtedness	**(86,745)**	**(38,808)**
Short-term Net Financial Position	**(18,385)**	**22,373**

The Net Financial Position ("NFP"), following the above changes, shows a deterioration from the previous year, from €5 million to €57 million.

The worsening was strictly associated with:

i) an increase in the net working capital, mainly related to the return to a normal operating process, without tax subsidies, which ended in February 2023, and in recent years contributed to accelerating the average collection times of receivables;
ii) the dividends payment in the first half of the year for approximately € 11 million;
iii) to the investments made in the period, including the purchase of Enigma Capital Investments LLC at a price of €5,102 thousand plus ancillary charges of €514 thousand;
iv) the increase in the debt position of Acrobatica Energy S.r.l. linked to the increase in volumes and consequent financing of working capital.

Lastly, it should be noted that, following the adoption of IAS/IFRS accounting standards, the Net Financial Position includes the payable for leased assets amounting to € 20,810 thousand (€ 16,981 thousand in financial year 2022) and the option to purchase 49% of Enigma Capital Investment LLC for € 5,863 thousand.

With reference to the increase in Working Capital, attention is drawn to the fact that the receivables increased by approximately € 22.6 million and current payables decreased by approximately € 6.8 million. In particular, it should be noted that the value of the advances, reclassified to the item "trade payables", fell from approximately € 31.5 million at 31 December 2022 to approximately € 10.1 million at 31 December 2023. It should be noted that this combined effect is a consequence of the February 2023 tax bonus freeze attributable to the Parent Company.

DESCRIPTION	31/12/2023	31/12/2022
CURRENT (non-financial) ASSETS		
Inventories	1,567	970
Trade receivables	41,691	24,968
Other current receivables	4,582	4,191
CURRENT (non-financial) LIABILITIES		
Trade payables	(33,937)	(40,799)
Tax payables	(8,465)	(9,401)
Other current payables	(9,162)	(8,205)
Net Working Capital	**(3,724)**	**(28,276)**

Main indicators

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.

DESCRIPTION	31/12/2023	31/12/2022
a) Weight of non-current assets = Non-current assets / Total assets	27.96%	17.74%
b) Weight of current assets = Current assets / Total assets	72.04%	82.26%
c) Weight of equity = Equity / Total liabilities	18.71%	24.11%
d) Weight of third-party equity = Liabilities / Total liabilities	81.29%	75.89%

Profitability (or financial situation) indicators

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

The ROI represents the indicator of the profitability of the operating results by measuring the company's ability to generate revenue while transforming input to output.

DESCRIPTION	31/12/2023	31/12/2022
ROE (return on equity)	20.53%	43.39%
ROE Before taxes	(11.65%)	(17.83%)
ROI (return on investment)	9.05%	20.29%
ROS (return on sales)	15.15%	25.72%

Financial situation indicators

The main indicators of the financial situation are set out below, aimed at identifying possible imbalances due to inappropriate relations between certain items of the assets and liabilities, with a comparison between the years 2022 and 2023.

DESCRIPTION	31/12/2023	31/12/2022
a) Current Ratio = Current assets / Current Liabilities	134.88%	153.51%
a) Liquidity Ratio = Current Fin. Assets / Current Liabilities	44.45%	233.66%
c) Equity to Fixed Assets Ratio = Equity / Non-current assets	66.93%	135.93%

Risks related to the sector of activity and level of competition

As mentioned, the Group operates in the sector of building renovation in Italy, France, Spain, the Principality of Monaco, and the United Arab Emirates within the macro-segment of the construction market of external refurbishment.

The primary need is to acquire new customers to ensure continuity of production considering the large margins of economic return with respect to the volume of investments. The Group's policy has always been to open new direct offices, with widespread penetration of the market, also developing a targeted retail policy to customise the offer to each customer. Through careful analysis and experimentation of working procedures, the Group is able to reduce the related costs and assume lower overall risk with respect to other traditional operating solutions, allowing us to be even more competitive.

To this end, it is specified that, considering:

- the limited presence of workers
- the absence of subcontractors
- the absence of risk of interference between undertakings
- the historical statistics of accidents

the overall risk can therefore be defined as lower 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

Since the beginning of its activity, the Group, for the purchase of raw materials and for the provision of services, has used a sufficiently large number of suppliers to allow complete independence from them. The business is not particularly affected by the ability of suppliers to guarantee quality standards, but rather to adhere to the specifications required by the Parent Company and to meet delivery deadlines, as it is not difficult to find replacement suppliers.

Risks related to financial indebtedness

The Group, and the parent company in particular, has always had the support of its banking counterparties for any financing. Recourse to credit was made during the year to address the need for new international investments and to set up new direct offices.

Furthermore, as mentioned previously, the Group has had to address the sudden freeze on the transfer of debt through other sources of procurement for working capital. Nonetheless, 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 the collection of financial resources or an adequate investment of cash and cash equivalents in a timely manner. Information on the future maturity of payables to banks is given in the Explanatory Notes.

The overall financial situation has high standards.

Exchange rate risk

Exchange rate identifies the unexpected future change in exchange rates that could impact the Consolidated Financial Statements due to the conversion of assets and liabilities of companies reporting in other currencies (translation risk). This risk is monitored in view of the Group's low exposure to foreign currencies other than the euro.

Credit risk

The Group is exposed to the risks associated with the sale of its products. Even for potential new customers, the risk is monitored, thanks to a careful evaluation of the names of potential customers and their risk of insolvency thanks to collaboration with the investigation and services company, Cerved Group SpA.

Risk of Climate Change

In 2020, EdiliziAcrobatica began to implement a series of initiatives aimed at reducing the environmental impact of its products and processes. Within this framework, the Environmental Policy was published and adopted, which provides the tools for managing the Group's environmental impacts in a responsible manner.

Through this policy, in order to minimise the impact of the production activities in its supply chain on the environment, EdiliziAcrobatica undertakes to:

- Design, purchase, and use products and processes that take environmental impacts into consideration;
- Optimise the use of natural resources in order to reduce harmful emissions into the environment and emissions of the gases responsible for the "greenhouse effect";
- Manage, in compliance with current regulations, the treatment and disposal of waste;adopt logistics procedures in order to minimise the impact on the environment;
- Encourage and support suppliers to improve their performance, while supporting the economy;
- Encourage and support suppliers to improve their performance, while supporting the circular economy and promoting sustainability principles in goods, products, and services acquisition decisions;
- Avoid the use of prohibited substances and manage potentially hazardous substances in an adequate manner in accordance with the applicable regulations;
- Ensure that the buildings and premises where the working activity is performed are suitable for production activities.

Furthermore, it should be noted that the Group's energy consumption only involves electricity purchased from the grid, which is used in the offices and warehouses to carry out working activities and for the air conditioning of the premises. No gas consumption or consumption from other energy sources is recorded. The data have been calculated on the basis of the real consumption reported by the French legal entity EdiliziAcrobatica France Sas, and an estimate of the total consumption related to the offices in Italy for EdiliziAcrobatica S.p.A. and Acrobatica Energy S.r.l.

For more details about the ESG Policy, please see the dedicated section in this document, as well as the company's website where the sustainability reports are published.

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 received definitive sanctions or penalties for environmental offences or damage.

Information on Staff Relations

During the financial year, the Group companies fulfilled their legal obligations in terms of safety, continuing all initiatives taken for some 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 work-related risks.

Activities related to safety involved:

- employee and collaborator training;
- periodic medical examinations;
- corporate monitoring by the RSPP (health and safety officer);
- preparation and distribution of documents referred to in Italian Legislative Decree 81/2008.

In 2019, it updated its quality and health and safety management systems pursuant to new standard ISO 9001:2015, and in May 2021 by "migrating" from OHSAS 18001 to ISO 45001:2018.

Relations with employees are excellent, and there were no disputes during the financial year. The Company will pay out the last tranche of stock options for 81,540 shares during the financial year 2024.

Application of the Privacy Law

The Group companies have complied with the provisions on Privacy (pursuant to Regulation (EU) 2016/679 ("GDPR") and Italian Legislative Decree 196/2003, as amended by Italian Legislative Decree 101/2018).

Tax situation

The Group's tax situation is monitored, and the residual taxes, net of advances paid, due to Inland Revenue are allocated to the appropriate item relating to tax payables.

Relations between Group companies

During the year, relations were maintained between the Parent Company and its Subsidiaries; these commercial and financial transactions took place under normal market conditions.

Please refer to the explanatory notes.

Number and nominal value of treasury shares, shares or interests of parent companies held by the Company

At 31 December 2023, the Parent Company directly held 27,190 treasury shares, equal to 0.3% of the share capital.

Stock value

The EdiliziAcrobatica stock (ISIN IT0005351504) has been listed:

- on the Euronext Growth Market (ticker EDAC) since 19 November 2018; the price of the share at 31 December was € 13.90 market capitalisation of over approximately € 100 million, compared to the initial capitalisation of the Company for approximately € 25.7 million.
- on the Euronext Growth Market in Paris (ticker ALEAC) since 22 February 2019, the price of the share at 31 December 23 was € 13.40.

Shareholding structure as at 31 December 2023:

- Arim Holding Sarl 73.3%
- Treasury shares 0.3%
- Market 26.4%

Training

Human resources training has always been at the core of the Group's activities. Training classes were organised and training webinars were introduced across Italy.

Thanks to the technology available, relations with the network of customers were also maintained. Targeted video calls were organised by the Sales network with all of our B2B customers, ensuring presence and the opportunity to plan future actions. Moreover, periodic training webinars were created for long-standing customers.

Internationalisation

The Group strives for growth and cannot overlook the obligation of growth beyond 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 markets. It is clear, therefore, that the path of internationalisation is entirely essential to the Group’s vision.

Creation of the new IT system

In early 2023, implementation began of the new ERP Oracle and the new software developed in-house, which required significant effort in terms of human and economic resources, and continued throughout 2023. The project, also with a view to new acquisitions, has the aim of providing all Group companies with a state-of-the-art information technology environment;

Façade Bonus

The “façade bonus” tax benefit, introduced by the 2020 Budget Law, subsequently extended by the 2021 and 2022 Budget Law, but with a 60% reduction, before being reduced to 50% for 2023, was definitively suspended in early 2023. Combined with the invoice discount, this bonus undoubtedly accelerated the Group’s growth, allowing it to increase and develop a large number of new customers and to strengthen its commercial strength in the territory. The benefit also ensured that the Group could further consolidate its market leader position in external refurbishment.

Following the suspension, the Group entered into important commercial agreements with leading credit institutions in order to facilitate and ensure advantageous conditions for its customers, that would offset at least part of the lost tax benefit.

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 targets the well-being and satisfaction of its internal and external stakeholders. In 2021, it obtained an ESG rating that placed it among the lowest-risk companies in its cluster of reference.

Following its initial success, over the course of 2022 it adopted the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 and created a Supervisory Body;

Over the coming years, it will continue to implement actions with a strong focus on strengthening the internal framework and developing resources, in addition to attention to the environment. At the same time, in 2022 the Group voluntarily prepared its first sustainability report at 31 December 2021 and is on the verge of approving the second sustainability report at 31 December 2022.

In the context of sponsorship activities, EdiliziAcrobatica S.p.A. embarked on a new adventure to become Main Partner for Torino Women, confirming full synergy with the men's Torino FC, for which EdiliziAcrobatica S.p.A. has already been Back Partner for several seasons. In 2023, the Acrobatica Sailing Team was formed, the project that gave rise to the Class 40 "Acrobatica". 100% Made in Italy and equipped with next-generation navigation systems, the sail boat, inaugurated in September 2023, will accompany young sailor Alberto Riva in all upcoming regattas. .

Lastly, in 2024, EdiliziAcrobatica S.p.A. will officially launch its new brand, Acrobatica. A new Concept Point was created for this purpose, applied for the first time in September 2023 with the inauguration of the first point with Acrobatica branding and interiors, following by all new opening points.

Significant events in the year

The main and most important events of the financial year 2023 are highlighted in this section.

- The number of new contracts signed by EdiliziAcrobatica customers grew by 48% in 2023. In terms of absolute value, over 17,925 were contracts signed at Group level last year, rising to 26,550 in 2023 with a significant increase in the number of active customers, proving the company's excellent ability for market penetration;
- at the start of 2023, implementation began in Italy of the new ERP Oracle software, which required significant effort in terms of human and economic resources and will continue throughout 2023 with the aim of providing all Group companies with a state-of-the-art information technology environment;
- Investments in marketing continued through advertising campaigns on national television broadcasters aimed at further strengthening the value of the Brand for end consumers, in addition to the continuation of the Back Partner sponsorship contract on the Torino FC jerseys for the current season of Serie A. Moreover, in 2023 EdiliziAcrobatica sponsored Martina Trevisan, a high-ranking professional tennis player in Italy and internationally, and Alberto Riva, a young champion sailor.
- EdiliziAcrobatica pursued its own growth strategy, opening new offices in Italy and continuing its expansion abroad, as more fully described in the previous paragraphs. Between 31 December 2022 and 31 December 2023, the number of direct

offices in Italy increased by 20 units from 83 to 103.

- Lastly, the performance for 2022 far exceeded the best expectations and the results for 2023 are more in line with the second half of 2022;
- The subsidies that it benefited from between 2020 and 2022 ended in early 2023;

Business outlook

This section highlights the key aspects of the business outlook for the next 12 months of the financial year.

The Parent Company will continue on its internationalisation path by focusing on the countries where it is already present today and will continue its development in the country. In fact, interesting opportunities are being evaluated in maintenance of real estate assets and energy efficiency, in relation to which the Council of the European Union in July 2023 adopted a new directive aimed at reducing final energy consumption at European level of 11.7% by 2030, in the context of which indicative national contributions and trajectories for achieving the objective will be established in the respective integrated national energy and climate plans (PNEC), to be defined by 2024. This is an important driver of development for the Parent Company and Energy Acrobatica S.r.l.

Again with a view to the growth of the Group, that on 9 February 2024, the Parent Company signed binding agreements for the establishment of a corporate and commercial joint venture (the “Joint Venture”) with the Italsoft group – Italian leader in enabling technology for digital and energy innovation in the construction and real estate sectors dedicated to environmental sustainability and decarbonisation through energy requalification, the management of energy communities and the transformation of buildings into smart buildings – and at the same time proceeded with the establishment of the company "Acrobatica Smart Living" S.r.l. (the NewCo Acrobatica Smart Living), in which the Parent Company holds 51% of the share capital.

With this operation, the Group took the next step in its process of growth in order to increase services of value aimed directly at households. The NewCo represents the mutual exchange of the recognised competitive edge of EdiliziAcrobatica with the innovative technology and “human tech for living” vision of Italsoft. In this way, EdiliziAcrobatica and Italsoft have combined their expertise in their respective business sectors to ensure that the NewCo can operate in the energy modernisation of buildings, the creation of energy communities, and the smart transformation of buildings – while generating business opportunities for the “core” activities” of both parties – and, at a later stage, the provision of services associated with administration and condominium management of a considerable number of properties in Italy using digital platforms.

Finally, it should be noted that the Italian companies of the Group will continue with the sale of tax credits to banks, allowing them to improve their financial position and Net Working Capital, as well as support the Investments Plan.

On that regard, it should be noted that the subsidiary Acrobatica Energy S.r.l. concluded at the end of 2023 the cycle of activities related to renovations with building bonuses ex 110% and, on the other hand, started a new cycle of activities related to energy efficiency at the beginning of 2024.

As far as the French and Spanish companies are concerned, it should be noted that key figures in the group are working on strengthening and consolidating the sales structure in their respective territories.

Finally, the plan to strengthen the centralised functions continued, intended to provide support to Italian direct operating offices, franchisees, and subsidiaries, in order to build a robust, flexible company structure adapted to the requirements of a listed company, while respecting the principles of efficiency and cost containment;

On the basis of the above, thanks to its organisational flexibility and the solidity of its financial situation, the Group therefore undertakes to continue its growth strategy, on the one hand by opening new offices in Italy and on the other, by continuing its expansion abroad.

Genoa, 27 March 2024

The Board of Directors

Simonetta Simoni (Chairman)

Anna Marras (Chief Executive Officer)

Simone Muzio (Director)

Fortunato Seminara (Director)

Marco Caneva (Independent Director)

INCOME STATEMENT	Year 2023	Year 2022
(amounts in thousands of Euros)		*(re-exposed)*
Revenue from sales and services	158,470	133,662
Other income	287	800
Cost for consumption	(16,483)	(11,964)
Cost for services	(51,479)	(35,967)
Personnel expense	(61,836)	(46,987)
Other Operating Costs	(4,957)	(5,167)
Gross Operating Margin	**24,002**	**34,377**
Amortisation	(7,679)	(5,578)
Depreciation and Provisions	(1,973)	(350)
Net Operating Margin	**14,350**	**28,449**
Financial Income	263	301
Financial Charges	(3,720)	(6,038)
Forex income and expenses	0	(293)
Net financial income (expense)	**(3,457)**	**(6,030)**
Net profit (loss) before taxes	**10,893**	**22,419**
Income taxes	(4,802)	(7,870)
Net Profit (loss) for the year including non-controlling interests)	**6,091**	**14,549**
of which: results of non-controlling interests	*(193)*	*(104)*
of which: profit attributable to the owner of the Parent	*6,284*	*14,653*

STATEMENT OF CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	12/31/2023	12/31/2022
Result for the Period (Group) P*rofit attributable to the owners of the Parent*	6,284,000	14,653,000
Average weighted shares	8,296,002	8,161,517
Earnings per Share, Basic *(amounts in Euros)*	**0.76**	**1.80**
) P*rofit attributable to the owners of the Parent*	6,284,000	14,653,000
Average weighted shares	8,317,225	8,235,685
Earnings per Share, Diluted *(amounts in Euros)*	**0.76**	**1.78**

STATEMENT OF OTHER COMPREHENSIVE INCOME	Year 2023	Year 2022
(amounts in thousands of Euros)		*(re-exposed)*
Net profit(loss) for the year	**6,091**	**14,549**
Actuarial gain/ (losses)	82	87
Change in Fair Value of CFH Reserve	(4)	46
Related tax	1	(13)
Comprehensive income for the year	**6,170**	**14,669**

STATEMENT OF FINANCIAL POSITION	12/31/2023	12/31/2022	01/01/2022
(amounts in thousands of Euros)		*(re-exposed)*	*(re-exposed)*
Intangible assets	1,300	1,195	1,084
Goodwill	11,566	603	603
Rights of use assets	20,275	16,600	12,576
Tangible fixed assets	4,651	4,221	3,983
Financial fixed assets	46	1,595	12
Other non-current assets	6,488	660	625
Non-current assets	**44,326**	**24,874**	**18,883**
Inventories	1,567	970	1,179
Trade receivables	41,691	24,968	13,892
Tax assets	51,637	46,110	49,476
Other Current assets	4,582	4,191	3,062
Cash and cash equivalents	11,831	26,865	18,208
Other current financial assets measured at fair value	2,882	12,249	11,821
Current assets	**114,190**	**115,353**	**97,638**
TOTAL ASSETS	**158,516**	**140,227**	**116,521**
Non-current financial liabilities	21,780	13,340	19,746
Non-current lease liabilities	16,914	14,032	10,618
Employee benefits	4,946	3,843	2,888
Other non-current liabilities	548	57	42
Non-current liabilities	**44,188**	**31,272**	**33,294**
Current financial liabilities	29,203	13,792	6,691
Current lease liabilities	3,895	2,948	2,212
Trade payables	23,881	9,336	6,889
Advances from customers	10,056	31,463	22,718
Tax liabilities	8,465	9,401	15,529
Other Current liabilities	9,162	8,205	9,009
Current Liabilities	**84,662**	**75,145**	**63,048**
Share capital	832	824	815
Statutory reserves	11,075	10,698	9,255
FTA Reserve	(4,500)	(4,500)	(4,500)
OCI Reserve	192	113	(7)
Retained earnings	15,866	12,063	3,493
Profit for the year	6,284	14,653	11,086
Equity attributable to the owners of the Parent	***29,749***	***33,851***	***20,142***
Non-controlling interests Share Capital and Reserves	110	63	20
Profit (loss) for the year (non-controlling interests)	(193)	(104)	17
Non-controlling interests	***(83)***	***(41)***	***37***
Total Equity	**29,666**	**33,810**	**20,179**
TOTAL EQUITY AND LIABILITIES	**158,516**	**140,227**	**116,521**

STATEMENT OF CASH FLOWS	Year 2023	Year 2022
(amounts in thousands of Euros)		*(re-exposed)*
Profit for the year	6,091	14,549
Amortisation	7,679	5,578
Changes post- employment benefits	1,318	970
Change in advances from customers	(21,407)	8,745
Income taxes	4,802	7,870
Other changes in non-monetary items	698	1,321
Cash flows before changes in Net Working Capital	***(819)***	***39,033***
Changes in inventories	(377)	209
Changes in trade receivables	(14,728)	(11,076)
Change in trade payables	13,244	2,447
Changes in other credits/debts or other assets/liabilities	(12,734)	(10,090)
Tax payment	(2,718)	(2,472)
Cash flows from changes in Net Working Capital	***(17,313)***	***(20,982)***
Cash flows from operating activities	**(18,132)**	**18,051**
Acquisition of intangible assets	(504)	(1,754)
Acquisition of property, plant and equipment	(2,764)	(1,338)
Acquisition of investments and other assets	(117)	(1,618)
Change in the Consolidation scope due to business combination	(4,681)	0
Cash flows from investing activities	**(8,066)**	**(4,710)**
New financing	23,100	6,000
Decrease of financial assets	9,367	(429)
Repayments of loans	(6,505)	(5,305)
Repayments of lease liabilities	(4,009)	(2,709)
Dividends paid	(10,689)	(2,446)
Sale/(Purchase) of treasury shares	0	205
Cash flows from financing activities	**11,164**	**(4,684)**
NET CASH FLOW FOR THE YEAR	**(15,034)**	**8,657**
Cash and cash equivalents at beginning of the year	**26,865**	**18,208**
Net cash flow for the year	(15,034)	8,657
Cash and cash equivalents at end of the year	**11,831**	**26,865**

STATEMENT OF CHANGES IN EQUITY	Share Capital	Statutory Reserves	FTA Reserve	OCI Reserve	Retained earnings	Result for the year	*Equity attributable to the owners of the Parent*y	Non-controlling interestsy Capital &Reserve	Non controlling interests result	Non-controlling interests	Total Equity
(amounts in thousands of Euros)											
Beginning balance at 01/01/2022	**815**	**9,255**	**(4,500)**	**(7)**	**3,493**	**11,086**	**20,142**	**20**	**17**	**37**	**20,179**
Allocation of prior year profit		7			11,079	(11,086)		17	(17)		
Dividends					(2,446)		**(2,446)**				**(2,446)**
Treasury shares		205					**205**				**205**
Share-based payments	8	1,155			(8)		**1,155**				**1,155**
Changes in scope of consolidation								60		**60**	**60**
Change/Translation											
Profit (loss) for the year						14,653	**14,653**		(104)	**(104)**	**14,549**
Other comprehensive income (expense)				120			**120**				**120**
Other movements	1	76			(55)		**22**	(34)		**(34)**	**(12)**
Final balance at 12/31/2022	**824**	**10,698**	**(4,500)**	**113**	**12,063**	**14,653**	**33,851**	**63**	**(104)**	**(41)**	**33,810**

STATEMENT OF CHANGES IN EQUITY	Share Capital	Statutory Reserves	FTA Reserve	OCI Reserve	Retained earnings	Result for the year	*Equity attributable to the owners of the Parent*	Third-party C&R	result Non-controlling interests result	Non-controlling interests	Total Equity
(amounts in thousands of Euros)											
Beginning balance at 01/01/2023	**824**	**10,698**	**(4,500)**	**113**	**12,063**	**14,653**	**33,851**	**63**	**(104)**	**(41)**	**33,810**
Allocation of prior year profit		2			14,651	(14,653)		(104)	104		
Dividends					(10,689)		**(10,689)**				**(10,689)**
Treasury shares											
Share-based payments	8	462			(8)		**462**				**462**
Changes in scope of consolidation											
Change/Translation		(87)					**(87)**				**(87)**
Profit (loss) for the year						6,284	**6,284**		(193)	**(193)**	**6,091**
Other comprehensive income				79			**79**				**79**
Other movements					(151)		**(151)**	151		**151**	
Final balance at 12/31/2023	**832**	**11,075**	**(4,500)**	**192**	**15,866**	**6,284**	**29,749**	**110**	**(193)**	**(83)**	**29,666**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation

The Consolidated Financial Statements of EdiliziAcrobatica S.p.A and subsidiaries ("EdiliziAcrobatica Group" or "EDAC") is made up of the Income Statement (with indication of the items by nature), the Statement of the Other Comprehensive Income , the Statement of Changes in Equity and Financial Position (which shows the assets and liabilities according to their maturity, with indication of current and non-current items), the Statement of Cash Flows (is based on the indirect method, with indication of cash flow from operating activities, investing activities and financing activities) and the Statement of Changes in Equity, as well as these Notes to the Consolidated Financial Statement.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union and in force at the balance sheet date. The Notes to the Consolidated Financial Statements have been supplemented, on a voluntary basis, with the additional information required by Consob and the measures it has issued in implementation of Article 9 of Legislative Decree No. 9. 38/2005 (Resolutions 15519 and 15520) of 27th July 2006 and communication DEM/6064293 of 28th July 2006, pursuant to Article 78 of the Regulation on Issuers, the EC document of November 2003 and, where applicable, the Civil Code. In addition, all additional information deemed necessary to give a true and fair view has been provided in these notes, even if not required by specific legal provisions.

The term "IFRS" also includes the International Accounting Standards ("IAS") still in force, as well as all interpretative documents issued by the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and before that the Standing Interpretations Committee ("SIC").

Considering the first-time application of the International Accounting Standards, please refer to the annex "Illustration of Effects Arising from Adoption of International Accounting Standards" for the relative explanations and a balancing of the initial figures with the financial statements from previous years, presented according to National Accounting Standards.

The financial statements of subsidiaries, which are useful for consolidation purposes, have been reclassified to bring them into line with Group accounting principles. The financial statements are expressed in thousands of Euros, unless otherwise indicated.

For information on the Group's economic and financial performance and on relations and transactions with related parties, as well as a description of subsequent events, please refer to the Directors' Report.

Entry into Force of the Capital Decree and Auditing Engagement

The 2023 financial year, based on the results of the shareholders' register, saw the occurrence of the conditions set forth in Article 2-bis of Regulation No. 11971 of 14th May 1999, as amended and supplemented (the " Regolamento Emittenti"), necessary to qualify EdiliziAcrobatica S.p.A. as an "issuer of securities widely distributed among the public" ("Emittenti di Titoli Diffusi"). In particular, the total number of Shareholders, other than the Parent Company's Controlling Shareholders, holding a total of at least 5% of the Share Capital exceeded 500.

On 12th March 2024, Law No. 21 of 5th March 2024 was published "Capital Decree") entered into force on 27th March 2024. This Law provided for the reorganisation of the regulation of "Issuers of Popular Securities" with the repeal of the rules of the TUF that governed them (replaced by new rules of the Civil Code).

Even though these draft financial statements are approved on 27th March 2024, the special provisions for Issuers of Popular Securities set forth in the repealed Article 116 of the Consolidated Law on Finance still apply.

The Capital Decree also provided for significant regulatory changes for the purposes of the statutory audit assignment, as it led to the repeal of letter a) relating to issuers of widespread securities of the art. 19-bis of Legislative Decree 39/10 relating to entities subject to intermediate regime ("ESRI"), with the consequence that with effect from the approval of the financial statements as at 31.12.2023, Ediliziacrobatica is no longer included among the ESRIs .

Capital DecreeAs a result of the changed regulatory framework, at the next shareholders' meeting of the Company scheduled for 29th April 2024, the auditi engagement conferred on Deloitte & Touche S.p.A. for the financial years 2023 - 2031 by the Shareholders' Meeting of 26th April 2023 will be terminated early, with the simultaneous conferment of a new assignment pursuant to Art. 13 of Legislative Decree. 39/10 for the three-year period 2024 - 2026, the first financial year of which will be completed by the date of the meeting.

Going Concern Considerations

Article 2423 bis paragraph 1 n.1 establishes the principle of Going Concern, which is also one of the principles to be considered 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 because of this prospective assessment, the information on risk factors, assumptions made and identified uncertainties must be clearly provided in the Notes and future business plans must address these risks and uncertainties.

The Notes must therefore report on the Going Concern 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 Going Concern and there is no need to resort to the above derogation.

Subsequent events

On 9th February 2024, the Parent Company signed binding agreements for the establishment of a corporate and commercial joint *venture* (the "Joint Venture") with the Italsoft Group - an Italian leader in enabling technology for digital and energy innovation in the construction and real estate sectors dedicated to environmental sustainability and decarbonisation through energy redevelopment, energy community management and the transformation of buildings into smart buildings - and simultaneously proceeded to establish the company "**Acrobatica Smart Living**" **S.r.l.** (the *NewCo* ***Acrobatica Smart Living***) in which the Parent Company holds 51% of the Share Capital.

With this operation, the Group took the next step in its process of growth to increase services of value aimed directly at households. The NewCo represents the pooling of EdiliziAcrobatica's recognised competitive advantages with Italsoft's innovative technology and *human tech for living* vision. In this way, EdiliziAcrobatica and Italsoft have combined their expertise in their respective business sectors to ensure that the NewCo can operate in the energy modernisation of buildings, the creation of energy communities, and the smart transformation of buildings – while generating business opportunities for the "core" activities" of both parties – and, at a later stage, the provision of services associated with administration and condominium management of a considerable number of properties in Italy using digital platforms.

It should be noted that the subsidiary Acrobatica Energy S.r.l. concluded at the end of 2023 the cycle of activities related to renovations with building bonuses ex 110% and, on the other hand, started a new cycle of activities related to energy efficiency at the beginning of 2024.

ESG

As of 2020, the Group has started to implement a series of initiatives aimed at reducing the environmental impact of products and processes. Within this framework, the Environmental Policy was published and adopted, which provides the tools for managing the Group's environmental impacts in a responsible manner.

Through this policy, to minimise the impact of the production activities of its supply chain on the environment, the Group undertakes to:

- Design, purchase, and use products and processes that take environmental impacts into consideration;
- Optimise the use of natural resources in order to reduce harmful emissions into the environment and emissions of the gases responsible for the "greenhouse effect";
- manage, in accordance with current regulations, the treatment and disposal of waste;
- adopt logistics procedures in order to minimise the impact on the environment;
- Encourage and support suppliers to improve their performance, while supporting the circular economy and promoting sustainability principles in goods, products, and services acquisition decisions;
- Avoid the use of prohibited substances and manage potentially hazardous substances in an adequate manner in accordance with the applicable regulations;
- Ensure that the buildings and premises where the working activity is performed are suitable for production activities.

Furthermore, it should be noted that the Group's energy consumption only involves electricity purchased from the grid, which is used in the offices and warehouses to carry out working activities and for the air conditioning of the premises. No gas consumption or consumption from other energy sources is recorded. The data was calculated based on an estimate of Total consumption for EdiliziAcrobatica S.p.A. and Acrobatica Energy S.r.l. locations in Italy.

The Group's commitment to sustainability was honoured by IRTOP Consulting in the 2nd edition of the **"ESG Awards"** assigned by the ECM ESG Observatory, where the Parent Company came out on top. The ESG Award was presented as part of the event presenting the main findings of the ECM ESG Observatory, the first Italian observatory dedicated to investigating the non-financial reporting practices of companies listed on the Euronext Growth Milan market of Borsa Italiana.

Consolidation Area

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., Location: Riveslatese, with Share Capital of €550,509, 100% owned
- Acrobatica Energy S.r.l., Location: Milan, with Share Capital of €100,000, 100% owned
- EdiliziAcrobatica Ibérica SL, Location in Barcelona, with Share Capital of €3,000, 90% owned
- EdiliziAcrobatica Monaco S.A.M., Location in Monaco, with Share Capital of €150,000, 60% owned
- Enigma Capital Investments LLC, based in Dubai, with Share Capital in €325,505 as translated on the date of acquisition (from 1,300,000 Dirham, the original currency ì), acquired in 2023 and 51% owned but considered wholly owned by the group following the cross transaction for the transfer of the remaining 49% (in this regard, see the following section on Business Combinations)

In 2023, the scope of consolidation also included the company Correnti S.r.l. (location in Milan, with Share Capital of €10,000, incorporated in 2023 and 67% owned) but that this interest was disposed of and sold to the Parent Company before the end of the financial year.

Business Combinations – IFRS 3

Business combinations are recognised by applying the *acquisition method*.

In application of this method, the consideration transferred or transferred in a business combination (acquisition of a majority interest with obtainment of control) is measured at fair value, calculated as the sum of the fair values of the assets transferred and liabilities assumed by the Group at the acquisition date. Incidental transaction costs are recognised in the income statement when they are incurred.

Goodwill is determined as the excess of the sum of the consideration transferred or transferred in the business combination, the value of non-controlling interests and the fair value of any investment previously held in the acquiree over the fair value of the assets acquired and liabilities assumed at the acquisition date. If the value of the assets acquired and liabilities assumed at the date of acquisition exceeds this comparative period (the reverse of the previous case), this excess is recognised immediately in the income statement as income arising from the transaction concluded.

Minority interests at the date of acquisition may be measured either at fair value or at the pro-rata value of the net assets recognised for the acquired company (so-called book value). The choice of valuation method is made on a transaction-by-transaction basis.

In particular, where all the requirements for such treatment are met, in the presence of cross-options for the acquisition of the residual minority interest such that this future event is considered almost certain, the minority interests are presented at fair value against goodwill and their simultaneous forfeiture to group equity is made against the recognition of a financial liability for the exercise of the option (i.e.: the fair value of these options also contributes to the purchase price of the newly acquired subsidiary, which is presented as 100% owned).

If the initial values of a business combination are incomplete at the balance sheet date on which the business combination occurred, the Group reports in its Consolidated Financial Statements the provisional values of items for which recognition cannot be completed. These provisional values are adjusted during the measurement period (up to one year) to consider new information obtained about facts and circumstances existing at the acquisition date which, if known, would have affected the value of the assets and liabilities recognised at that date. By the end of the measurement period, Goodwill (or part of it) is allocated.

On 21st March 2023, the Group acquired a controlling interest corresponding to 51% of the Share Capital of Enigma Capital Investments LLC at a provisional price of €5,102 thousand (based on the 2023 result, this provisional price was not subsequently changed). It is a holding company under UAE law, based in Dubai, at the head of 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. This acquisition is treated as a business combination (and therefore as a change in the scope of consolidation) under IFRS 3 in these financial statements.

In addition to this acquisition of 51%, there are cross-options for the transfer of the remaining 49% at a price to be calculated based on the subsidiary's future performance. Based on the forecast of the subsidiary's future results and in application of the relevant contractual clauses, the net present value of this price is estimated at €5,799 thousand at the date of acquisition (at the balance sheet date, the same net present value is estimated at €5,863 thousand, with the difference allocated to the translation reserve for the component arising from the trend in currency exchange rates and to financial expenses for the portion arising from the passage of time).

This acquisition, which is therefore considered as the acquisition of 100% of the Share Capital for a total price of €10,901 thousand, resulted in the recognition of Goodwill totalling €11,139 thousand, of which: €5,341 thousand arising from the difference between the purchase price of 51% and the subsidiary's book equity at the acquisitions date, and a further €5,799 thousand arising from the recognition of the debt for the exercise of options on the remaining 49%, as measured at the acquisitions date (at the balance sheet date, these components totalled €10,963 thousand, with the difference allocated to the translation reserve). Goodwill is permanently allocated at the end of the measurement period.

As part of the acquisitions transaction, ancillary expenses were incurred, mainly consisting of legal fees, totalling €682 thousand (of which €514 thousand in the current period). These are added to the value of the investment in the Parent Company's separate financial statements and are expensed in the income statement in the Group's consolidated financial statements.

The following table summarises the assets and liabilities acquired (as measured at the acquisition date and balance sheet date).

ENIGMA CAPITAL	03/21/2023	12/31/2023
Non-current assets	837	981
Current assets	3,650	6,441
TOTAL ASSETS	**4,487**	**7,422**
Non-current liabilities	2,114	2,977
Current Liabilities	2,610	4,358
Equity	(239)	86
TOTAL LIABILITIES	**4,485**	**7,421**

Non-current assets consist of tangible fixed assets (mainly construction equipment). Current assets consist of Inventories, trade receivables and sundry receivables, as well as cash and cash equivalents amounting to €422 thousand at the date of acquisition (€336 thousand at the balance sheet date). Current liabilities are represented by bank loans and financing, trade payables, tax liabilities and other payables, as well as debts to Parent Company EdiliziAcrobatica S.p.A. eliminated in consolidation in the amount of €2,977 thousand (€1,526 thousand at the date of acquisition).

As far as the economic result is concerned, Enigma Capital Investments LLC contributed a profit of €327 thousand to the aggregate result, for the months of April to December 2023; if the results of Enigma Capital Investments LLC had been taken for the entire year (therefore also for the months of January, February and March), this contribution would have been lower by €52 thousand.

Consolidation Principles

Companies are defined as subsidiaries when the Parent Company has the power, directly or indirectly, to exercise management to obtain benefits from the exercise of that activity. Voting rights are also considered in the definition of control. The financial statements of subsidiaries are consolidated from the date on which the Group acquires control and deconsolidated from the date on which control ceases.

For the consolidation of subsidiaries, the global integration method is applied, i.e. assuming the full amount of assets and liabilities and all costs and revenues regardless of the percentage of investments. The book value of consolidated Investments is therefore eliminated against the relevant equity. The portions of shareholders' equity and results accruing to minority shareholders are shown in a separate line under shareholders' equity and in a separate line in the consolidated income statement, respectively. Intra-group balances and profits and losses arising from intra-group transactions are eliminated in the Consolidated Financial Statements; similarly, intra-group dividends distributed by subsidiaries (where foreign, using the *proportionate approach* provided for in IAS 21 since, even in the case of distribution of retained earnings generated in previous years, the *investor's percentage equity ownership* is not considered impacted).

Evaluation criteria

The most significant criteria adopted in the valuation of balance sheet items are as follows.

Revenues

Revenues are recognised to the extent that it is probable that economic benefits will flow to the Group and the amount can be reliably determined, regardless of the date of receipt. Revenues are measured at the fair value of the consideration received or receivable, considering contractually defined payment terms and excluding taxes and duties.

Revenues from the sales of goods are recognised when the Group has transferred to the buyer all significant risks and rewards of ownership of the goods, measured at the fair value of the consideration received or receivable and net of returns, allowances, trade discounts and volume reductions. 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.

Below is a summary of the Group's main types of revenue:

- Revenues from rope work: revenues are recognised according to the progress of the work determined on the basis of the achievement of the various processing stages, verified directly with the end customer;
- Royalties (Parent Company only): Royalties are recognised based on the accrued revenues of franchisees for the period, according to contractually agreed percentages.

Operating Costs

Costs are recognised when they relate to goods and services purchased and/or received during the period or for the systematic allocation of an expense from which future benefits are spread over time. These are accounted for based on the competence principle, regardless of the date of collection and payment, net of returns, discounts, rebates, and premiums.

Share-based payments

The Parent Company, EdiliziAcrobatica S.p.A., adopted a plan for the free assignment of its ordinary shares to certain categories of employees. This plan, which provides for the allotment of a total of 244,620 shares in three equal tranches, runs from the financial years 2021-2023 (with actual allotment in the financial years 2022-2024). To calculating the fair value of these allocations, the market value of the stock on the date of adoption of the plan, equal to €17.00 per share, was taken as a reference, thus arriving at a total plan value of €4,159 thousand. This value is recognised in the income statement on an accrual basis, considering the life of the plan, under personnel costs.

Financial income and expenses

Financial income and charges are recognised on an accrual basis based on the interest accrued on the net value of the related financial assets and liabilities using the effective interest rate. Financial expenses and charges include foreign exchange gains and losses and profits and losses on derivative financial instruments that must be charged to the profit and loss account if they do not meet the requirements to be considered as hedges.

Income taxes

Income taxes shown in the income statement include current and deferred taxes. Income taxes are generally charged to the income statement, except when they relate to matters recognised directly in equity. In this case, income taxes are also charged directly to equity, as a change to the amount booked.

Current taxes are calculated by applying the tax rate in force at the balance sheet date to taxable income, plus adjustments to taxes from previous years.

Deferred taxes are calculated using the so-called *liability method* on temporary differences between the amount of assets and liabilities in the financial statements and the corresponding values recognised for tax purposes. Deferred taxes are calculated based on the expected reversal of timing differences, using realistic forecasts of tax charges resulting from the application of the tax legislation in force at the balance sheet date.

Advance taxes are recognised only if it is probable that sufficient taxable income will be generated in future years to realise them.

Earnings per Share

Earnings per Share is calculated by dividing the group's earnings per share for the period by the weighted average number of outstanding shares during the period. Shares issued during the period, following implementation of the allocation plan, are weighed against the number of days of their circulation.

Diluted Earnings per Share is calculated by adjusting the weighted average number of shares outstanding assuming the conversion of potentially dilutive instruments (the issuance of residual shares in the allocation plan) at the beginning of the period.

Intangible assets

Intangible assets, consisting primarily of computer software, are recognised at cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be reliably measured.

After initial recognition, they are amortised on a straight-line basis over their economic-technical useful life, generally estimated at five years.

Goodwill

Goodwill existing at the date of transition to IFRS is presented at the value reported in the OIC financial statements unless amortisation is suspended from that date to the current balance sheet date.

Goodwill formed after the date of transition to IFRS is presented as described in the Business Combinations section above.

Right of use Assets and Lease Liabilities

Right of uses, resulting from movable and immovable lease agreements, are recognised at the net present value of the contractual flows planned (including any expected renewal), discounted at the rate of 2% for movable contracts and for immovable contracts due by 2030, and at the rate of 3% for immovable contracts due by 2030 (with reference to the Group's average borrowing rate).

After initial recognition, they are amortised on a straight-line basis over the term of the contract (including any expected renewal).

Lease liabilities, which also arise from conclusion of real estate contracts , are initially recognised at the same initial value as the rights of use, as described above.

After initial recognition, they are reduced by the principal portion of the payments made, while the interest rate (calculated using the same rate used to discount the contractual cash flows) is charged to the income statement as financial expenses.

Tangible fixed assets

Tangible fixed assets, consisting mainly of leasehold improvements (relating to numerous leased properties), are recognised at cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be reliably determined.

After initial recognition, they are depreciated on a straight-line basis according to their economic-technical useful life, represented by rates of 12% (furniture and fixtures), 15% (plant and machinery), 20% (equipment) or 25% (other) as appropriate.

Expected credit loss

The carrying values of assets, except for inventories, financial assets covered by IFRS 9 and advance taxes, are subject to measurement at the balance sheet date to identify the existence of any indicators of impairment. If the assessment reveals the existence of such indicators, the presumed recoverable amount of the asset is calculated, in the manner indicated below.

A tangible and intangible asset is impaired if it is unable to recover the carrying amount at which it is recorded in the balance sheet through use or disposal. The objective of the impairment test provided for in IAS 36 is to ensure that non-current assets are not carried at a value higher than their recoverable value, represented by the higher of net realisable price and value in use.

Value in use is the present value of future cash flows expected to arise from the asset or cash-generating unit to which the asset belongs. Expected cash flows are discounted using a pre-tax discount rate that reflects the current market estimate of the time value of money and asset-specific risks. If the book value exceeds the recovery value, the assets, or cash-generating units to which they belong are written down to reflect their recovery value. These impairment losses are recognised in the income statement.

If the conditions that led to the impairment no longer exist, the same is restored proportionally on the assets previously impaired. Reversals of impairment losses are recognised in the income statement.

Goodwill previously written-down is never restored.

Derivative financial instruments

Derivative financial instruments are accounted for under hedge accounting rules when:

- at the beginning of the hedge there is the formal designation and documentation of the hedging report;
- coverage is assumed to be highly effective;
- effectiveness can be reliably measured and the coverage itself is highly effective during designation periods.

The derivative financial instruments existing at the balance sheet date are two *interest-rate swaps*, both classified as cash flow hedges as described.

The positive fair value of hedging derivatives is presented under financial fixed assets. The negative fair value of hedging derivatives is presented under non-current financial liabilities. The change in the fair value of these financial instruments is recognised directly in equity, in the OCI reserve (net of tax effects), for the effective portion, and in the income statement for any ineffective portion.

Inventories

Inventories are recorded, by homogeneous categories, at the lower of cost including ancillary and production expenses and the corresponding net realisable value or market value at the balance sheet date. Purchase cost is the actual purchase price plus ancillary costs, excluding financial charges.

The risks for any loss in value of inventories are covered by the inventory write-downs, which are deducted from the corresponding asset item. The values thus obtained not differ appreciably from the current costs at year-end.

Current Financial Assets, Credits and Other Assets

Financial assets, as required by IFRS 9 - "Financial Instruments: recognition and measurement" (as revised in July 2014), which replaces IAS 39 - "Financial Instruments: Recognition and Measurement", are classified, based on the way they are managed by the Group and the related contractual cash flow characteristics, into the following categories:

- <u>Amortised Cost</u>: Financial assets held exclusively for the purpose of collecting contractual cash flows are classified in the Amortised Cost category. They are measured using the amortised cost method, with income recognised in the income statement using the effective interest rate method;
- <u>Fair value through other comprehensive income ("FVOCI")</u>: financial assets whose contractual cash flows consist solely of principal and interest payments and which are held for the purpose of collecting contractual cash flows as well as flows from the sale of the same are classified as FVOCI. They are measured at fair value. Active interest income, exchange rate gains/losses, and impairment losses (and related write-backs) of financial assets classified in the FVOCI category are recognised in the income statement; Other changes in the fair value of assets are recognised in other OCI components. When such financial assets are sold or reclassified into other categories due to a change in the business model, the cumulative gains or losses recognised in OCI are reclassified to the income statement;
- <u>Fair value through profit or loss ("FVTPL")</u>: the FVTPL category is residual in nature, collecting Financial assets that do not fall under the Amortised Cost and FVOCI categories, such as financial assets acquired for trading purposes or derivatives, or assets designated at FVTPL by management at the date of initial recognition. They are measured at fair value. Gains or losses resulting from this valuation are recognised in the income statement;
- <u>FVOCI for equity instruments</u>: financial assets represented by equity instruments of other entities (i.e. investments in companies other than subsidiaries, associates and joint ventures), not held for trading purposes, may be classified as FVOCI. This choice can be made on an instrument-by-instrument basis and provides that changes in the fair value of these instruments are recognised in OCI and are not reversed to the

profit and loss account when they are sold or impaired. Only dividends from these instruments will be recognised in the income statement. The fair value of financial assets is determined based on quoted bid prices or using financial models. The fair value of unlisted financial assets is estimated using valuation techniques adapted to the specific situation. Evaluations are regularly conducted to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If there is objective evidence, the impairment loss is recognised as a cost in the income statement for the period.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank and deposits and securities with an original maturity of less than three months.

Financial Liabilities

Loans, for interest-bearing liabilities (not including lease liabilities, separately regulated), are measured at amortised cost. The difference between this value and the redemption value is charged to the income statement over the duration of the loan.

Employee benefits

Employee Benefits, the main element of Other non-current liabilities, paid out upon or after termination of employment in the Group, which mainly include severance pay, are calculated separately for each plan by estimating, using actuarial techniques, the amount of future benefit that employees have accrued in the year and in previous years. The benefit so determined is discounted and is exposed net of the fair value of any related assets. The interest rate used to determine the present value of the bond was determined consistently with par. 78 of IAS 19, from the Iboxx Corporate A index with duration 7-10 recognised at the valuation date. For this purpose, the yield with a duration comparable to the duration of the group of workers being assessed was chosen.

In the case of increases in plan benefits, the portion of the increase relating to the previous employment period is charged to the income statement on a straight-line basis over the period in which the related rights become vested. If the rights are acquired immediately, the increases are immediately recorded in the income statement. The expected present value of the benefits payable in the future relating to the work performed in the current period, which is conceptually like the accrued portion of the statutory employee severance indemnity, is classified in the income statement under personnel costs, while the implicit financial expenses are classified in the financial section.

Provision for risk and charges

Costs and expenses relate to costs and charges of a definite nature and of certain or probable existence, the amount or date of occurrence of which could not be determined at the end of the period. Provisions are recognised when:

- it is probable that there is a current obligation arising from a past event;
- fulfilment of the obligation is likely to be onerous;
- the amount of the bond can be reliably estimated.

Provisions are recorded at the value representing the best estimate of the amount the Group would rationally pay to settle the obligation or to transfer it to a non-controlling interests at the balance sheet date.

Provision are periodically updated to reflect changes in cost and time estimates. Revisions of provision estimates are charged to the same income statement item that previously held the provision.

The notes describe any contingent liabilities, represented by:

- possible, but not probable, obligations arising from past events, the existence of which will be confirmed only upon the occurrence or non-occurrence of one or more uncertain future events not wholly within the company's control;
- current obligations arising from past events, the amount of which cannot be reliably estimated or the fulfilment of which is likely to be onerous

Current financial liabilities, debts and other liabilities

Trade payables and other debts, the maturity of which falls within normal commercial terms, are not discounted, and are recorded at cost (identified by their nominal value), which is representative of their settlement value.

Current financial liabilities include the short-term portion of financial liabilities, including liabilities for cash advances, as well as other financial liabilities. Financial liabilities are measured at amortised cost, with charges recognised in the income statement using the effective interest rate method, except for financial liabilities acquired for trading purposes or derivatives, or those designated at FVTPL by management at the date of initial recognition, which are measured at fair value through profit or loss.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset is derecognised when:

- the rights to receive cash flows from the asset are extinguished;
- the Group retains the right to receive cash flows from the business, but has assumed a contractual obligation to pay them in full and without delay to athird party;
- the Group has transferred the right to receive cash flows from the asset and has transferred substantially all risks and rewards of ownership of the financial asset or has neither transferred nor retained all risks and rewards of the asset, but has transferred control of it.

In cases where the Group has transferred rights to receive cash flows from an asset and has neither transferred nor retained all risks and rewards or has not lost control over the asset, the asset is recognised in the balance sheet to the extent of the Group's continuing involvement in the asset. The residual involvement, which takes the form of a guarantee on the transferred asset, is valued at the lower of the initial book value of the asset and the maximum value of the consideration that the Group could be required to pay.

In cases where the residual involvement takes the form of an issued and/or purchased option on the transferred asset (including cash-settled or similar options), the extent of the Group's involvement corresponds to the amount of the transferred asset that the Group may repurchase; however, in the case of a written put option on an asset measured at fair value (including cash-settled or similar options), the extent of the Group's residual involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial Liabilities

A financial liability is derecognised when the obligation underlying the liability is discharged, cancelled, or fulfilled.

In cases where an existing financial liability is replaced by another from the same lender, under substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with any differences between the carrying amounts recognised in the income statement.

In the case of changes to financial liabilities that are defined as insubstantial, the financial liability is not derecognised and the value of the debt is recalculated while maintaining the original effective interest rate and discounting the changed cash flows, thus generating a positive or negative effect on the income statement.

Translation of Foreign Currency Transactions

The functional and presentation currency adopted by the Group is the Euro. Transactions in foreign currencies are, in the first instance, converted into euros based on the exchange rate on the date of the transaction. Monetary assets and liabilities are translated at the exchange rate of the balance sheet date. Exchange differences arising from the translation are charged to the income statement. Non-monetary assets and liabilities measured at cost are translated into Euro at the exchange rate in force on the date of the transaction. Monetary assets and liabilities measured at fair value are translated into euros at the exchange rate of the date from which the fair value was determined. Assets (Goodwill) and liabilities (cross-option price) formed because of business combinations, as described in the respective, previous paragraph, are translated into Euro at the exchange rate of the balance sheet date. Exchange differences arising from the translation are charged to the translation reserve.

Translation of financial statements in foreign currency

The functional and presentation currency adopted by the Group is the Euro. For consolidation purposes, the financial statements of subsidiaries prepared in foreign currencies are converted into euros using:

- the exchange rate at the balance sheet date for the balance sheet and financial situation
- the average exchange rate for the period for the income statement
- the exchange rate at the date of acquisition of the subsidiary for the equity reserves

For the purposes of these financial statements, the following exchange rates were used in the translation from Emirati Dirhams to Euros:

- exchange rate at 03/31/2023 (for determining opening asset balances) = 3.9938;
- exchange rate at 12/31/2023 (for determining closing asset balances and the translation reserve) = 4.0581;
- average exchange rate for the period April-December 2023 (for determining the net profit (loss) for the year to be consolidated and the translation reserve) = 3.9826.

In applying this method, two orders of difference are generated: spot versus average exchange rate and spot versus historical exchange rate. These differences are cumulatively reflected in the translation reserve (presented within the item Statutory reserves).

Use of estimates

The preparation of the consolidated financial statements and the related Notes requires the making of estimates and assumptions that influence 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 provision, 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 based on 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.

IFRS Accounting Standards, Amendments and Interpretations Effective from 1st January 2023

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group as of 1st January 2023:

- On 18th May 2017, the IASB published <u>IFRS 17 - *Insurance Contracts*</u>, which is intended to replace <u>IFRS 4 - *Insurance Contracts*</u>. The principle was applied as of 1st January 2023. The objective of the new standard is to ensure that an entity provides relevant information that accurately represents the rights and obligations arising from insurance contracts issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies, providing a single *principle-based* framework to account for all types of insurance contracts, including reinsurance contracts that an insurer holds.
  The new standard also includes presentation and disclosure requirements to improve comparability between entities belonging to this sector.
  The new principle measures an insurance contract based on a *General Model* or a simplified version of it, called the *Premium Allocation Approach* ("PAA").
  The main features of the *General Model* are:
  - the estimates and assumptions of future cash flows are always the current ones;
  - measurement reflects the time value of money;
  - estimates involve extensive use of observable market information;
  - there is a current and explicit measurement of risk;
  - the expected profit is deferred and aggregated into groups of insurance contracts at initial recognition; and,
  - the expected profit is recognised over the contractual hedging period, considering adjustments resulting from changes in the cash flow assumptions for each group of contracts.

  The PAA approach provides for the measurement of the liability for residual coverage of a group of insurance contracts provided that, at the time of initial recognition, the entity reasonably expects that the liability approximates the General Model. Contracts with a coverage period of one year or

less are automatically eligible for the PAA approach. The simplifications resulting from the application of the PAA method do not apply to the valuation of liabilities for outstanding claims, which are measured with the General Model. However, it is not necessary to discount those cash flows if it is expected that the balance to be paid or collected will occur within one year from the date the claim occurred.
An entity must apply the new standard to insurance contracts issued, including reinsurance contracts issued, reinsurance contracts held, and investments contracts with a discretional participation feature (DPF).
Furthermore, on 9 December 2021, the IASB published an amendment entitled *"Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information"*. The amendment is a transition option relating to comparative information on Financial assets presented at the date of initial application of IFRS 17. The amendment was applied from 1st January 2023, together with the application of IFRS 17, to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and to improve the usefulness of comparative information for financial statement readers.
The adoption of this standard and the related amendment had no impact on the Group's consolidated financial statements.

- On 7th May 2021, the IASB published an amendment entitled *"Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"*. The document clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leasing and decommissioning obligations. The changes were applied as of 1st January 2023. The adoption of this amendment had no impact on the Group's consolidated financial statements.

- On 12th February 2021, the IASB published two amendments entitled *"Disclosure of Accounting Policies-Amendments to IAS 1 and IFRS Practice Statement 2"* and *"Definition of Accounting Estimates-Amendments to IAS 8"*. The changes are intended to improve the disclosure of accounting policies to provide more useful information to investors and other primary users of financial statements as well as to help companies distinguish changes in accounting estimates from changes in *accounting policies*. The changes were applied as of 1st January 2023. The adoption of these amendments had no impact on the Group's consolidated financial statements.
- On 23rd May 2023, the IASB published an amendment entitled *"Amendments to IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules"*. The document introduces a temporary exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two *Model Rules* and provides for specific disclosure requirements for entities affected by the relevant *International Tax Reform*.
  The document provides for the immediate application of the temporary exception, while the disclosure requirements will only be applicable to annual financial statements commencing on or after 1st January 2023, but not to interim financial statements with a closing date prior to 31st December 2023. The directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this amendment.

IFRS Accounting Standards, Amendments and Interpretations not yet endorsed by the European Union

As of the date of this document, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and principles described below.

- On 23rd January 2020, the IASB published an amendment entitled "*Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*" and on 31st October 2022 published an amendment entitled "*Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants"*. The purpose of the documents is to clarify how to classify debts and other short- or long-term liabilities. The amendments enter into force on 1st January 2024; earlier application is, however, permitted. The directors do not expect a significant effect on the

Group's consolidated financial statements from the adoption of this amendment.

- On 22nd September 2022, the IASB published an amendment entitled *"Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback".* The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained right of use. The changes will apply from 1st January 2024, but earlier application is permitted. The directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this amendment.

- On 25th May 2023, the IASB published an amendment entitled *"Amendments to IAS 7 Statement of Cash flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements"*. It requires an entity to provide additional disclosures about *reverse factoring* arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The changes will apply from 1st January 2024, but earlier application is permitted. The directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this amendment.

- On 30th January 2014, the IASB published IFRS 14 - *Regulatory Deferral Accounts*, which allows only first-time adopters of IFRSs to continue to recognise amounts related to *rate-regulated* activities under their previous accounting standards. The directors do not expect a significant effect on the Group's consolidated financial statements from the adoption of this standard.

Changes in Consolidation Scope In the following Notes, where the calculation of differences in values with respect to the previous year (or with respect to the same period of the previous year) is presented, these are presented gross and net of a component identified as "Scope", which refers to the effect of the entry of the newly-incorporated subsidiary Enigma Capital Investments LLC within the consolidation scope. These are the balances at the date of acquisition for the comparison of the balance sheet and financial position and the result of the following nine months for the comparison of the income statement.

Reporting by operating segment

Operating results are presented and commented on with reference to the different geographical areas in which the group operates, consistent with the group's internal measurement methodologies.

The operating segments therefore coincide with the geographical areas in which the group operates:

- Italy;
- France;
- Spain;
- Monaco;
- United Arab Emirates.

Euro million	**Italy**	**France**	**Spain**	**Monaco**	**United Arab Emirates**	**Total**
Revenues	145	4	1	0	8	158
Costs	119	6	2	0	7	135
Ebitda	26	- 2	- 1	- 0	1	24

Operating Revenues

The breakdown of sales revenue by type of revenue is as follows:

Revenue from sales and services	2023	2022	Gross difference	Scope	Net difference
Revenue from contracts	151,468	127,335	24,133	(7,899)	16,234
Revenue from products and services	3,417	2,466	951		951
Revenue from royalties	3,585	3,861	(276)		(276)
Total revenue from sales and services	**158,470**	**133,662**	**24,808**	**(7,899)**	**16,909**

The breakdown of Sales revenues by geographical area is as follows:

Revenue from sales and services	2023	2022	Gross difference	Scope	Net difference
Italy	145,384	127,936	17,448	(7,899)	9,548
Europe	5,187	5,726	(538)		(538)
World	7,899		7,899		7,899
Total revenue from sales and services	**158,470**	**133,662**	**24,808**	**(7,899)**	**16,909**

As at 31st December 2023, "Revenue from sales and services" mainly includes revenue from productions carried out at construction sites. They are presented net of credit transfer costs for the tax bonus that was deducted from the transfer agreements signed with Banca Intesa San Paolo and Deutsche Bank in 2023, for a total of approximately €10 million.

Increases were mainly attributable to the subsidiary Acrobatica Energy S.r.l., which became fully operational at the beginning of the 2023 financial year.

Operating Costs

The breakdown of operating costs by type of cost is as follows:

OPERATING COSTS	2023	2022	Dif. Gross	Scope	Dif. Net
Cost for consumption	16,483	11,964	4,519	(1,896)	2,623
Cost for services	51,479	35,967	15,512	(1,287)	14,225
Personnel expenses	61,836	46,987	14,849	(3,878)	10,971
Other Operating Costs	4,957	5,167	(210)	(141)	(351)
Total Operating Costs	**134,755**	**100,085**	**34,670**	**(7,203)**	**27,467**

Costs for consumption amounted to €16,483,000 (€11,964 thousand as at 31st December 2022). This item is mainly composed of Costs for Acquisitions of consumables used in the production process. Increases are attributable for €3,998 thousand to the subsidiary Acrobatica Energy S.r.l. for the Acquisitions of building materials related to certain sites for which only labour was subcontracted.

Costs for services amounted to €51,479 thousand (€35,967 thousand as at 31st December 2023). Costs consist mainly of costs:

- for external processing mainly incurred for €3,701 thousand by the Parent Company and for €14,256 thousand by the subsidiary Acrobatica Energy S.r.l.
- for utilities, fuel and vehicle maintenance mainly incurred for €2,048 thousand by EdiliziAcrobatica S.p.A. and €215 thousand by Edac France
- for technical-commercial, marketing, and professional consulting services attributable for €9,660 thousand to the Parent Company, for €5,832 thousand to Acrobatica Energy S.r.l. and for €542 thousand to Edac France
- for advertising in the amount of €3,555 thousand incurred by the Parent Company
- for training, board and lodging of the Parent Company's personnel in the amount of €2,018 thousand, of the French subsidiary in the amount of €141 thousand and of the Spanish subsidiary in the amount of €81 thousand

Lastly, we note that the significant increase in the item "Costs for services" is attributable for €20,365 thousand to the subsidiary Acrobatica Energy S.r.l. for expenses related to subcontracts contracted for the advancement of construction sites during the year 2023.

Personnel expenses amounted to €61,836 thousand (€46,987 thousand as at 31st December 2022). Costs for staff mainly arose from the increase in personnel of the Parent Company EdiliziAcrobatica S.p.A. (+310 employees compared to the same period of the previous year) and the subsidiary Acrobatica Energy S.r.l. (+6 employees compared to 31st December 2022).

Amortisation, Write- downs and Provisions

The breakdown of amortisation, depreciation and provisions is as follows:

DEPRECIATION	2023	2022	Gross difference	Scope	Net difference
Amortisation of intangible fixed assets	362	556	(194)		(194)
Amortisation of rights of use	4,164	2,835	1,329	(280)	1,049
Amortisation of tangible fixed assets	3,153	2,187	966		966
Total Amortisation	**7,679**	**5,578**	**2,101**	**(280)**	**1,821**
Write-downs	1,453	350	1,103		1,103
Provisions	520	0	520		520
Total Write-downs and Provisions	**1,973**	**350**	**1,623**	**0**	**1,623**

Depreciation for the period is calculated according to what is indicated in the comments on the evaluation criteria.

Up sharply from the previous year, when they included only trade receivables, write-downs related to trade receivables in the amount of €1,346 thousand and securities in the amount of €107 thousand. These amounts are deducted from the corresponding assets items. Provisions, amounting to €520 thousand, relate to the establishment of a provision for risks by the ubsidiary Acrobatica Energy S.r.l., which is presented under Other non-current liabilities.

Financial Expenses

Financial expenses are broken down as follows:

FINANCIAL EXPENSES	2023	2022	Dif. Gross	Scope	Dif. Net
Interest liabilities on financing	906	161	745	(86)	659
Interest payable on bond loans	357	370	(13)		(13)
Interest on lease liabilities	520	395	126		126
Interest on employee benefit	140	60	80		80
Miscellaneous liabilities	1,144	105	1,038		1,038
Credit transfer costs	497	4,699	(4,202)		(4,202)
Charges on Option for the Acquisition of 49% of Enigma	156	0	156		156
Write-downs of Financial assets	0	249	(249)		(249)
Total financial expenses	**3,720**	**6,038**	**(2,318)**	**(86)**	**(2,405)**

There was a significant reduction in credit transfer costs and a smaller increase in the various forms of financial expenses.

With regard to credit transfer costs, it should be noted that the large amount in the previous year derived from the difference between the adjustment to Fair Value of the "Building Bonus" Credits relating to the still previous years and the Financial expenses actually incurred in the year 2022 (attributable to the fact that the adjustment to Fair Value made in the still previous years did not reflect the new contractual conditions applied by the credit institutions in the year 2022). In the current year, this phenomenon does not occur and therefore the transfer costs are lower.

About the various forms of financing expenses, it should be noted that the general (albeit smaller) increase stems from the fact that, as the tax benefits ended in February 2023, the Group had to look for forms of financing other than assignment.

Income taxes

Income taxes are broken down as follows:

INCOME TAXES	2023	2022
Current taxes – IRES	3,924	5,596
Current taxes – IRAP	1,530	1,978
Deferred Taxes	(755)	295
Taxes from previous years	103	0
Total Income taxes	**4,802**	**7,870**

Current taxes relate to the Parent Company and its subsidiary Acrobatica Energy. The taxes include the best estimate of income taxes due based on the legislation currently in force. Deferred taxes include the fiscal effects arising from all differences between the book values of asset items and their corresponding values for tax purposes.

Earnings per Share

Basic and diluted earnings per share, as presented at the bottom of the income statement, are calculated as follows:

STATEMENT OF CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	12/31/2023	12/31/2022
Profit (loss) for the year	6,284,000	14,653,000
Average weighted shares	8,296,002	8,161,517
Earnings per Share, Basic (amounts in Euros)	**0.76**	**1.80**
Profit (loss) for the year	6,284,000	14,653,000
Average weighted shares	8,317,225	8,235,685
Earnings per Share, Diluted (amounts in Euros)	**0.76**	**1.78**

The effect of dilution is calculated in accordance with the comments on the valuation criteria.

COMMENTS ON THE MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

Non-current assets

The breakdown of non-current assets is as follows:

NON-CURRENT ASSETS	12/31/2023	12/31/2022	01/01/2022
Intangible assets	1,300	1,195	1,084
Goodwill	11,566	603	603
Rights of Use Assets	20,275	16,600	12,576
Tangible fixed assets	4,651	4,221	3,983
Financial fixed assets	46	1,595	12
Other non-current assets	6,488	660	625
Total non-current assets	**44,326**	**24,874**	**18,883**

Changes in non-current assets are as follows:

NON-CURRENT ASSETS	Initial	Scope	Increases	Dismiss.	Depreciation	Other	Final
Intangible assets	1,195	0	504		(362)	(37)	1,300
Goodwill	603	10,963	0		0		11,566
Rights of Use Assets	16,600	0	7,799		(4,164)	40	20,275
Tangible fixed assets	4,221	837	2,764		(3,153)	(18)	4,651
Financial fixed assets	1,595	(1,500)	0	(49)	0		46
Other non-current assets	660	0	141		0	5,687	6,488
Total non-current assets	**24,874**	**10,300**	**11,208**	**(49)**	**(7,679)**	**5,672**	**44,326**

Below are the comments on the individual items.

Intangible assets

Changes in Intangible assets are as follows:

INTANGIBLE ASSETS	Software	Points	Brands	In Progress	Other	Total
Historical Cost	355	3,370	8	601	92	4,426
Amortisation Provision	(178)	(3,038)	(3)	0	(12)	(3,231)
Net Book Value as at 12/31/2022	**177**	**332**	**5**	**601**	**80**	**1,195**
Increases for the year	203	142	1	156	2	504
Reclassification for the year	601			(601)		0
Depreciation for the year	(154)	(202)	(2)		(4)	(362)
Changes in Scope of Consolidation						0
Other changes during the year	(2)	1	0	0	(36)	(37)
Total Changes in the Year	**648**	**(59)**	**(1)**	**(445)**	**(38)**	**105**
Historical Cost	1,157	3,513	9	156	58	4,893
Amortization Provision	(332)	(3,240)	(5)	0	(16)	(3,593)
Net Book Value as at 12/31/2023	**825**	**273**	**4**	**156**	**42**	**1,300**

Intangible assets consisted mainly of computer programmes, including the Oracle management software (which came into operation in 2023), reclassified from Asset under Construction for €601 thousand, with the consequent start of the depreciation process.

Acquisitions for the period mainly represent additional expenses related to the implementation and integration of the Oracle management system. Depreciation for the period is calculated according to what is indicated in the comments on the evaluation criteria.

Goodwill

Goodwill mainly consists of the acquisition in 2023 (and therefore presented as a change in scope) of the investment in Enigma Capital Investments LLC. Its quantification is detailed in the commentary on Business Combinations.

Goodwill is not amortised, as indicated in the comments on the valuation criteria.

In relation to this item, the recoverable value was checked and identified in the value in use, which was based on an estimate of expected cash flows based on prospective plans.

As mentioned above, the Goodwill recognised in the financial statements is almost entirely attributable to the Dubai CGU.

The recoverable amount of the assets subject to the Impairment Test was identified as the value in use, determined through the Unlevered Discounted Cash Flow ("UDCF") method based on the 2024-2028 financial business plan of the Enigma Investments LLC Group developed by Management.

For discounting cash flows, a discount rate equal to the WACC (post-tax) of 11.24% in Arab countries was used.

The Group has adopted a net tax discount rate that reflects current market assessments of Cost of Money and specific risk. In determining the discount rate (or also discount rate), financial parameters Beta and Debt/Equity ratios taken from panels of comparable companies were considered to consider both the market riskiness inherent in companies operating in the same sector and a market financial structure.

With reference to the CGU, at the consolidated financial statements level, the value in use was estimated on the basis: (i) the current value of the cash flows from the Plan, (ii) the terminal value. This value was compared with the reference CGU.

In view of the results obtained with reference to the application of the UDCF method, the Impairment Test performed by Management shows that the value of Goodwill recognised in the financial statements as at 31st December 2023 is still valid.

It should be noted that the impairment test was derived from estimates made by Group Management based on information available to date.

The Directors will systematically monitor the development of exogenous and non-controllable variables for any adjustments to the estimates of the recoverability of Goodwill in the Consolidated financial statements.

Rights of Use Assets

Changes in Rights of Use Assets are as follows:

RIGHTS OF USE ASSETS	Property	Mobile	Total
Historical Cost	17,156	6,997	24,153
Amortisation Provision	(3,957)	(3,596)	(7,553)
Net Book Value as at 12/31/2022	**13,199**	**3,401**	**16,600**
Increases for the year	2,975	4,824	7,799
Amortisation for the year	(1,760)	(2,404)	(4,164)
Other changes during the year	40	0	40
Total Changes in the Year	**1,255**	**2,420**	**3,675**
Historical Cost	20,171	11,821	31,992
Amortisation Provision	(5,717)	(6,000)	(11,717)
Net Book Value as at 12/31/2023	**14,454**	**5,821**	**20,275**

Rights of use assets, divided into the real estate part (mainly points) and the movable part (mainly vehicles) consist mainly of the value of real estate contracts held by the Parent Company EdiliziAcrobatica S.p.A..

Acquisitions for the period represent the net present value of the contractually agreed cash flows for contracts entered in 2023. Depreciation for the period is calculated according to what is indicated in the comments on the evaluation criteria.

Tangible fixed assets

Tangible fixed assets changed as follows:

TANGIBLE FIXED ASSETS	Installations	Equipment	Furniture	Machinery	Improvements on third party assets	Kit	Other	Total
Historical Cost	389	67	877	496	1,790	3,666	320	7,605
Amortisation Provision	(224)	(9)	(543)	(194)	(745)	(1,499)	(170)	(3,384)
Net Book Value as at 12/31/2022	**165**	**58**	**334**	**302**	**1,045**	**2,167**	**150**	**4,221**
Increases for the year	5	418	112	192	901	871	265	2,764
Reclassifications for the year								0
Depreciation for the year	(69)	(253)	(108)	(113)	(450)	(2,059)	(101)	(3,153)
Scope Changes		658	43	18			118	837
Other changes during the year							(18)	(18)
Total Changes in the Year	**(64)**	**823**	**47**	**97**	**451**	**(1,188)**	**264**	**430**
Historical Cost	394	1,143	1,032	706	2,691	4,537	685	11,188
Amortisation Provision	(293)	(262)	(651)	(307)	(1,195)	(3,558)	(271)	(6,537)
Net Book Value as at 12/31/2023	**101**	**881**	**381**	**399**	**1,496**	**979**	**414**	**4,651**

Tangible fixed assets mainly consist of improvements of third-party assets (relating to the numerous leased properties).

Amount resulting from the change in the scope of consolidation refers to Tangible fixed assets held by the newly-incorporated company Enigma Capital Investments LLC (€837 thousand, mainly related to construction site equipment).

Acquisitions for the period mainly consisted of: improvements of third-party assets (€901 thousand), operator work kits (€871 thousand) and equipment (€418 thousand). Depreciation for the period is calculated according to what is indicated in the comments on the evaluation criteria.

Financial fixed assets

Financial fixed assets consist exclusively of the positive fair value of two interest-rate swap contracts held by the Parent Company as cash flow hedges.

In the previous year, these also included financing of € 1,500 thousand to Enigma Capital Investments LLC, which was not controlled at the time (having been acquired in 2023). Financing is eliminated in the current period (and therefore presented as a change in scope).

Other non-current assets

Other Non-Current Assets, in continuity with previous exercises, mainly consist of: security deposits in the amount of €414 thousand, relating to rental contracts for points used by the Parent Company to carry out its activities in Italy; a receivable from CINE 1 in the amount of €385 thousand. Unlike from previous exercises, a portion of tax credits relating to work performed with invoice discounts is classified as Other Non-Current Assets, as they can be offset (in 2025 and 2026) and not sold. This amount of €5,687 thousand, presented under Other changes, is substantially discounted at a market rate derived from the Group's average borrowing rate.

Current assets

The breakdown of Current assets is as follows:

CURRENT ASSETS	12/31/2023	12/31/2022	01/01/2022
Inventories	1,567	970	1,179
Trade receivables	41,691	24,968	13,892
Tax assets	51,637	46,110	49,476
Other Current assets	4,582	4,191	3,062
Cash and cash equivalents	11,831	26,865	18,208
Other current financial assets measured at fair value	2,882	12,249	11,821
Total Current assets	**114,190**	**115,353**	**97,638**

The changes in Current assets are as follows:

CURRENT ASSETS	Initial	Final	Dif. Gross	Scope	Dif. Net
Inventories	970	1,567	597	(219)	378
Trade receivables	24,968	41,691	16,723	(1,994)	14,729
Tax assets	46,110	51,637	5,527	0	5,527
Other Current assets	4,191	4,582	391	(1,014)	(623)
Cash and cash equivalents	26,865	11,831	(15,034)	(422)	(15,456)
Other current financial assets measured at fair value	12,249	2,882	(9,367)	0	(9,367)
Total Current assets	**115,353**	**114,190**	**(1,163)**	**(3,649)**	**(4,812)**

Below are the comments on the individual items.

Inventories

Inventories consist mainly of building materials, which contribute to the production of services provided by the Group.

Considering the change in the scope of consolidation, their value is substantially in line with the previous year.

Trade receivables

Trade receivables mainly consist of receivables from customers for invoices issued, invoices to be issued and work in progress, for commercial transactions conducted at market conditions. They are presented net of a provision for bad debts for a total of €2,016, the adjustment of which resulted in Depreciation being recorded in the Income Statement for €1,278 thousand.

The significant increase compared to the previous year (for €14,729 thousand) was mainly due to the return to a normal operating process, unrelated to the tax benefits that ended in February 2023.

Tax assets

Tax Assets mainly consist of credits for work performed with discounts on invoices, according to the rules on assignment to non-controlling interests (so-called tax bonuses).

Pursuant to these rules, the Group recognises revenue as a contra entry to credits recognised at fair value. The market value of these credits (relating to construction bonuses and accrued until the relevant legislative decree was in force) was deduced from the contracts for the transfer of credits relating to tax bonuses stipulated during the half-year with the banks Intesa San Paolo and Deutsche.

The significant increase compared to the previous year (which amounts to €5,527 thousand in absolute value, but which conceptually increases to €11,214 thousand taking into account that a part of the same has been reclassified among Other Non-Current Assets, as described previously) represents mainly the net effect of a significant reduction in credits for tax bonuses for the Parent Company (which went from €38,908 thousand to €25,171 thousand) and of a significant increase in those for Acrobatica Energy (which went from €2,702 thousand to €28,669 thousand) following the completion of the activities as well as the closure of all the contracts on the balance sheet date, in line with the provisions of the legislation on the 110% bonus.

Other Current assets

Other Current assets consist mainly of receivables from social security institutions for CIG events accrued on rainy days or in other adverse conditions when the operators cannot work. For the sake of completeness, it should be noted that, to a lesser extent, they include €378 thousand from related parties, represented by sister companies.

Considering the change in the scope of consolidation, their value is substantially in line with the previous year.

Cash and cash equivalents

For details on the trend in Cash and Cash Equivalents, please see the Statement of Cash flows, which shows that these decreased by €15,031 thousand, of which

- cash flows from operating activities negative in the amount of €18,132 thousand, mainly as a result of collections facilitated in the previous period followed by work in progress in the current period;
- financial flows of negative €8,066 thousand from investment activity, mainly due to the effect of what is described in the comments on fixed assets, in addition to the acquisition of Enigma Capital Investments LLC, already net of a contribution of €422 thousand from business combinations (the cash acquired with Enigma Capital Investments LLC);
- positive cash flows from Financing activities of €11,164 thousand, mainly due to new Financing and disposals of securities and policies, net of related Dividends.

Other current financial assets measured at fair value

Other Current financial assets measured at Fair Value consist mainly of investments in capitalisation products:

- securities purchased in January 2021 for an original amount of €1,980 thousand, which had a fair value of €1,878 thousand at the balance sheet date;
- marketable securities in the amount of €469 thousand; and
- other minor Investments amounting to €535 thousand.

During the period, the adjustment of these positions to their respective fair values, as detailed above, resulted in the recognition of financial expenses totalling €107 thousand.

The significant decrease compared to the previous year was mainly due to the disinvestment of three policies then existing for use in current operations (see the Statement of Cash flows in this regard), which resulted in the total proceeds of €9,491 thousand and the corresponding recording of capital gains for €71 thousand.

Non-current liabilities

Non-Current Liabilities are broken down as follows:

NON-CURRENT LIABILITIES	12/31/2023	12/31/2022	01/01/2022
Non current financial liabilities	21,780	13,340	19,746
Non current lease liabilities	16,914	14,032	10,618
Employee benefits	4,946	3,843	2,888
Other non-current liabilities	548	57	42
Total Non-Current Liabilities	**44,188**	**31,272**	**33,294**

Changes in Non-Current Liabilities are as follows:

NON-CURRENT LIABILITIES	Initial	Scope	Increases	Payments	Reclass.	Other	Final
Non-current financial liabilities	13,340	5,863	8,568	(4,866)	(952)	(173)	21,780
Non-current lease liabilities	14,032	0	5,297	(2,415)			16,914
Employee benefits	3,843		2,214	(1,028)		(83)	4,946
Other non-current liabilities	57	0	520			(29)	548
Total Non-Current Liabilities	**31,272**	**5,863**	**16,079**	**(8,309)**	**(952)**	**(285)**	**44,188**

Below are the comments on the individual items.

Non current financial liabilities

Changes in Non current financial liabilities are as follows:

NON-CURRENT FINANCIAL LIABILITIES	Initial	Scope	Increases	Payments	Reclass.	Other	Final
Bond loan – Parent Company	7,018			(1,000)	(952)		5,066
Debts to banks – Parent Company – Financing	5,501		8,468	(3,640)			10,329
Debts to Banks – Subsidiaries	765			(226)		(117)	422
Debts to Minority Shareholders - Subsidiaries			100				100
Fair Value (negative) of Hedging Derivatives	56					(56)	0
Option to purchase 49% of Enigma		5,863					5,863
Total Non Current Financial Liabilities	**13,340**	**5,863**	**8,568**	**(4,866)**	**(952)**	**(173)**	**21,780**

The entire amount of Non-Current Financial Liabilities will be repaid after the first year has passed and within five years.

The bond loan, issued in 2020 for a total of €10,000 thousand, with a fixed rate of 3.30%, repayable by July 2027, sees the reclassifications of the instalment due (capital share) as short-term. The transaction costs originally deducted from the bond, in application of the amortised cost method, amounted to €271 thousand, resulting in the quantification of an effective interest rate of 3.68%; the residual difference at the balance sheet date amounted to €151 thousand. At the balance sheet date, the Parent Company verified that it had complied with the covenants under the terms of the bond.

Debts to banks held by the Parent Company (as well as those held by the subsidiaries) relate to financing agreements with leading banks. It should be noted that during the year, new Financing was taken out (by the Parent Company) for a total of €15,000 thousand, of Fwhich the Amount due beyond the financial year is shown in the table. These are:

- a loan of €1,000 thousand taken out in January 2023 (first Repayment of capital in February 2023), bearing an interest rate equal to one-month EURIBOR plus 1.70%, repayable by January 2024, of which a balance of €85 thousand remains, entirely classified as current;
- a loan of €5,000 thousand taken out in March 2023 (first repayment of capital in March 2024), with a rate equal to three-month EURIBOR plus 1.20%, repayable by June 2028, of which a balance of €5,000 thousand remains, classified as non-current for €3,968 thousand and as current for the remaining €1,032 thousand;
- a loan of €3.000 thousand taken out in June 2023 (first Repayment of capital in July 2023), with an interest rate equal to 3-month EURIBOR plus 1.00%, repayable by June 2024, of which a

balance of €1,516 thousand remains, entirely classified as current;

- A loan of €6,000 thousand taken out in August 2023 (first repayment of capital in November 2023), with a rate equal to three-month EURIBOR, repayable by August 2025, of which a balance of €5,700 thousand remains, classified as non-current for €4,500 thousand and as current for the remaining €1,200 thousand.

Debts to banks held by subsidiaries also increased mainly due to a loan of €5,000 thousand taken out in July 2023 by Acrobatica Energy S.r.l. (first capital repayment in January 2024), with a rate equal to three-month EURIBOR plus 1.05%, repayable by June 2024, of which a residual balance of €5,000 thousand is entirely classified as current.

The option to purchase 49% of Enigma, presented as a change in the scope of consolidation, is valued as described under Business Combinations above.

Non current lease liabilities

Non Current lease liabilities consist mainly of the value of real estate contracts held by the Parent Company EdiliziAcrobatica S.p.A.. They can be further detailed as follows:

Non-current lease liabilities	Initial	Final	Difference
Property	12,163	13,357	1,194
Mobile	1,869	3,557	1,688
Total	**14,032**	**16,914**	**2,882**

In terms of changes, the net increase of €2,882 thousand was attributable to the non-current portion of the net present value of contractually foreseen cash flows related to the contracts entered into in 2023 in the amount of €5,297 thousand, net of the capital portions reimbursed during the year (calculated in accordance with the comments on the valuation criteria) in the amount of €2,415 thousand.

Employee benefits

Employee Benefits, whose changes (provided above) mainly show increases for Provisions in the amount of €2,214 thousand and decreases for payments in the amount of €1,028 thousand, mainly consist of the liability for severance indemnities at the Parent Company (€4,925 thousand), considered a defined benefit plan for IFRS purposes. The increases represent the cost for the period, calculated using actuarial techniques and detailed mainly in *Service Cost* for € 2,043 thousand (presented under personnel costs) and in *Interest Costs* of €140 thousand (presented under financial expenses). Payments represent disbursements made during the year.

In this regard, the main actuarial assumptions used in the calculation of employee benefits, with explicit reference to the direct experience of the group leader or to reference *best practices*, were as follows:

ACTUARIAL ASSUMPTIONS	Initial	Final
Annual discount rate	3.63%	3.17%
Annual inflation rate	2.30%	2.00%
Annual rate of TFR Increases	3.23%	3.00%
Annual rate of salary increase	1.00%	1.00%
Frequency of advances	3.50%	3.50%
Turnover frequency	10.00%	10.00%

Still about employee benefits, the sensitivity analysis with respect to actuarial assumptions is as follows:

SENSITIVITY ANALYSIS	TFR	Effect
Turnover + 1.00%	4,930	(5)
Turnover – 1.00%	4,920	5
Inflation + 0.25	4,964	(39)
Inflation – 0.25	4,887	38
Discount + 0.25%	4,882	43
Discount – 0.25%	4,970	(45)

Other non-current liabilities

Other Non-Current Liabilities are mainly represented by a risk provision of €520,000 set up during the 2023 financial year by the subsidiary Acrobatica Energy S.r.l. against uncertainties in the collection of some tax assets (for works with bonus 110) and for some warranty work to be carried out in the future.

Current Liabilities

Current liabilities are broken down as follows:

CURRENT LIABILITIES	12/31/2023	12/31/2022	01/01/2022
Current financial liabilities	29,203	13,792	6,691
Current lease liabilities	3,895	2,948	2,212
Trade payables	23,881	9,336	6,889
Advances from customers	10,056	31,463	22,718
Tax liabilities	8,465	9,401	15,529
Other Current liabilities	9,162	8,205	9,009
Total CURRENT LIABILITIES	**84,662**	**75,145**	**63,048**

Changes in Current liabilities are as follows:

CURRENT LIABILITIES	Initial	Final	Dif. Gross	Scope	Dif. Net
Current financial liabilities	13,792	29,203	15,411	(905)	14,506
Current lease liabilities	2,948	3,895	947	0	947
Trade payables	9,336	23,881	14,545	(1,301)	13,244
Advances from customers	31,463	10,056	(21,407)	0	(21,407)
Tax liabilities	9,401	8,465	(936)	(75)	(1,011)
Other Current liabilities	8,205	9,162	957	(328)	629
Total CURRENT LIABILITIES	**75,145**	**84,662**	**9,517**	**(2,609)**	**6,908**

Below are the comments on the individual items.

Current financial liabilities

Changes in Current financial liabilities are as follows:

CURRENT FINANCIAL LIABILITIES	Initial	Scope	Increases	Payments	Reclass.	Other	Final
Bond loan – Parent Company	1,948				952	52	2,952
Debts to banks – Parent Company – Financing	3,905		5,039	(1,484)			7,460
Debts to banks – Parent Company – Advances	998		1,493				2,491
Debts to Banks – Subsidiaries	6,874	905	8,100			11	15,890
Payables to Majority Shareholder – ARIM Holding	0		368				368
Other Minor Items	67					(25)	42
Total Current Financial Liabilities	**13,792**	**905**	**15,000**	**(1,484)**	**952**	**38**	**29,203**

The bond loan, issued in 2020 for a total of 10,000 thousand, sees the reclassification of the instalment due (capital share) as short-term. It does not see a reduction representing the payment of the period as the instalment due in December slipped to the beginning of January (as the funds in the account at the end of the month were not withdrawn by the bank).

Debts to banks held by the Parent Company (as well as those held by the subsidiaries) relate to financing agreements with leading banks. In particular, during the first half of the year, new Financing was taken out (by the Parent Company) for a total of €15,000 thousand, of which the portion due within the year is presented in the table (these are described in the comments on Non-Current Financial Liabilities).

Regarding the subsidiaries, it should be noted that the increase for the period is almost entirely attributable to Acrobatica Energy S.r.l., which, with the start-up of subsidised processing under the existing regulation until February 2023, has substantially started its operations. This resulted (also) in a new loan of €5,000 thousand , which is commented and described under non-current liabilities.

Advances increased during the period due to a liquidity management policy and working capital Financing needs.

Current lease liabilities

Current lease liabilities consist mainly of the value of real estate contracts held by the Parent Company EdiliziAcrobatica S.p.A.. They can be further detailed as follows:

Current Lease liabilities	Initial	Final	Difference
Property	1,431	1,611	180
Mobile	1,518	2,285	767
Total	**2,948**	**3,896**	**948**

In terms of changes, the net increase of €948 thousand is attributable to the current portion of the net present value of contractually agreed cash flows related to the contracts entered into in 2023 in the amount of €2,240 thousand, net of the capital portions reimbursed during the year (calculated in accordance with the comments on the valuation criteria) in the amount of €1,293 thousand.

Trade payables

Trade payables mainly consist of Accounts payable for invoices received and invoices to be received, for commercial transactions conducted at market conditions.

Increases compared to the previous year mainly came from the subsidiary Acrobatica Energy S.r.l., which became fully operational at the beginning of the 2023 financial year, resulting in an increase of €9,290 thousand in trade payables. The remainder of the increase, amounting to about €5 million , is attributable to the Parent Company.

Advances from customers

Advances from customers consist mainly of advances received from customers relating to work not yet performed.

The significant decreases compared to the previous year were mainly because significant Advances were received in 2022 in view of the expiry of the tax benefits, which were started (and partly completed) in 2023.

Tax Liabilities

Tax liabilities consist mainly of VAT and Other taxes, in addition to the provision for income tax.

The decrease compared to the previous year corresponds to lower income taxes accrued in the income statement because of the lower result for the year.

Other Current liabilities

Other Current liabilities consist mainly of social security and/or employee payables. For the sake of completeness, it should be noted that, to a lesser extent, they include €1,423 thousand from related parties, represented by the holding company for €1,128 and by the directors of the Parent Company for €294.

Considering the change in the scope of consolidation, they are substantially in line with the previous year.

Equity

Details of the items making up equity are as follows :

EQUITY	12/31/2023	12/31/2022	01/01/2022
Share Capital	832	824	815
Statutory reserves	11,075	10,698	9,255
FTA Reserve	(4,500)	(4,500)	(4,500)
OCI Reserve	192	113	(7)
Retained earnings	15,866	12,063	3,493
Profit (loss) for the year	6,284	14,653	11,086
Equity attributable to the owners of the Parent	***29,749***	***33,851***	***20,142***
Non-controlling interests share capital and reserves	110	63	20
Profit (loss) for the year (Non-controlling interests)	(193)	(104)	17
Non-controlling interests	***(83)***	***(41)***	***37***
Total Equity	**29,666**	**33,810**	**20,179**

Changes in Equity are shown in the financial statements.

Dividends of €10,689 thousand were distributed during the year. The increase for allocated shares includes the period's portion of the fair value of the shares allocated under the existing allocation plan, calculated as indicated in the commentary on the valuation criteria (section "Share-based Payments"), where the characteristics of the allocation plan are also described. The decrease for Exchange/Translation comes from the

consolidation of the subsidiary Enigma Capital Investments LLC. The increases for the result for the year and for Other Comprehensive Income Statement come directly from the Income Statement and the Statement of Other Comprehensive Income, respectively.

Share Capital is equal to the Parent Company's Share Capital and amounts to €831,722, represented by 8,317,225 ordinary shares with a nominal value of Euro 10 cents. Compared to the previous year, it increased by €8,154 for shares allocated (see below).

Statutory reserves are detailed as follows:

STATUTORY RESERVES	Initial	Final	Difference
Share premium reserve	7,207	7,207	0
Legal reserve	163	165	2
Extraordinary reserve	86	86	0
Merger Surplus Reserve	4	4	0
Translation Reserve	0	(87)	(87)
Treasury shares	(450)	(450)	0
Shares Allocated	3,688	4,150	462
Total tutory Reserves	**10,698**	**11,075**	**377**

The FTA reserve includes the Total of all cumulative differences between the values according to National Accounting Standards (financial statements prior to FTA) and those according to International Accounting Standards (financial statements after FTA), as fully illustrated in the "Illustration of the Effects Resulting from the Adoption of International Accounting Standards" attached to the Consolidated Financial Statements as at 06/30/2023.

The OCI reserve includes the accumulated balance of the Other e Comprehensive Income.

Non-controlling interests share capital and reserves are calculated by allocating to minority interests the balance sheet and income statement values resulting from the financial statements (included in the consolidation) of subsidiaries whose percentage of ownership is less than 100%:

EQUTY OF NON-CONTROLLING INTERESTS	EQUITY	Profit (loss) for the year	Total
EdiliziAcrobatica Ibérica SL (90%)	61	(88)	(27)
EdiliziAcrobatica Monaco S.A.M. (60%)	49	(105)	(56)
Equity of non-controlling interests	**110**	**(193)**	**(83)**

The reconciliation between the values shown in the Parent Company's separate financial statements and the values shown in the consolidated financial statements is as follows:

Reconciliation of Separate and Consolidated Financial Statements	Equity	Result
Amounts Reported in the Separate Financial Statements	**30,584**	**4,025**
Contribution of Subsidiaries	931	(468)
Derecognition of Investments	(929)	0
InfraGroup Depreciation	0	3,255
Goodwill InfraGroup	(162)	(81)
Costs for M&A Transactions	(754)	(669)
Other Minors	(4)	29
Amounts reported in the Consolidated Financial Statements	**29,666**	**6,091**

More information

Guarantees and Other Commitments

As at 31st December 2023, the company had the following Guarantees in place:

Euro thousand	Year 2023
Guarantees given by banking institutions in favour of third parties	27
Guarantees given by the company to financial institutions in favour of third parties	4,727
Other minors	88

Related Party Transactions

The data relating to credits, debts, costs and revenues from and to related parties are presented in the Director's Report

Please also note that, as described in the respective sections of these Explanatory Notes:

- Other Current liabilities include €378 thousand from related parties, represented by sister companies;
- Other Current liabilities include €1,423 thousand to related parties, represented by the Parent Company for €1,128 and by the directors of the Parent Company for €294.

The remaining positions, towards subsidiaries included in the scope of consolidation, are removed.

Derivative financial instruments

The derivative contracts in place at the financial statement date, as described in the respective sections of these Notes, are as follows:

DERIVATIVE	FV 12.22	FV 12.23	to PN	DTA/DTL	Notional
Interest Rate Swap BPM - 2022	95	37	(67)	9	1,350
Interest Rate Swap Deutsche Bank - 2022	(56)	9	63	2	882
Total Derivative	**39**	**46**	**(4)**	**11**	**2,232**

In measuring the fair value of an asset or liability, the Group uses observable market data to the extent possible. Fair values are separated into various hierarchical levels based on the inputs used in the valuation techniques, as illustrated below.

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities
- Level 2: inputs data other than quoted prices at Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices)
- Level 3: input data related to the asset or liability that are not based on observable market data

If the input data used to measure the fair value of an asset or liability falls within different levels of the fair value hierarchy, the entire valuation is placed in the same level of the hierarchy as the lowest level input that is significant to the entire valuation. The Group recognises transfers between the various levels of the fair value hierarchy from the date of the event or change in circumstances.

The classification of financial instruments is shown below:

Financial Instruments	Fair Value Hedging Instruments	Financial Assets measured at Fair Value	Other Financial Liabilities	Fair Value	Level 1	Level 2	Level 3	Total
Financial derivatives assets	46			46		46		46
Other current financial assets measured at fair value		2,882		2,882		2,882		2,882
Total Assets	**46**	**2,882**	**0**	**2,928**	**0**	**2,928**	**0**	**2,928**
Financial derivative instruments				0		0		0
Bond Loans			(8,018)	(8,018)	(8,018)			(8,018)
Total Liabilities	**0**	**0**	**(8,018)**	**(8,018)**	**(8,018)**	**0**	**0**	**(8,018)**

Information ex art. 1, paragraph 124, 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, during 2023 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.

EXPLANATION OF THE EFFECTS RESULTING FROM THE FIRST-TIME ADOPTION OF IFRSThe EdiliziAcrobatica Group has adopted International Financial Reporting Standards (or 'IFRS') as of the financial year ending 31st December 2023, with a transition date (or 'FTA') of 1st January 2022, as a consequence of the level of dissemination achieved by the stock. The last financial statements to be prepared in accordance with National Accounting Standards (or "OIC") are for the year ended 31st December 2022.

The procedures for first-time adoption are regulated by IFRS 1, which requires that in the Balance Sheet as at the FTA date, the entity:

- recognises all assets and liabilities whose recognition is required by IFRS;
- does not recognise as assets or liabilities items whose recognition is not permitted by IFRS;
- reclassificates the items recognised as one type of asset, liability or component of equity in accordance with the OIC but constituting a different type of asset, liability or component of equity in accordance with IFRS;
- applies IFRS in the valuation of all recognised assets and liabilities.

The effects of these adjustments, which take the form of a presentation "as if" the entity had always applied IFRS, were recognised directly in opening shareholders' equity at the FTA date (in the form of the FTA Reserve).

IFRS 1 requires an entity to disclose how the transition from previous accounting standards to IFRS has affected the statement of financial position, financial performance and cash flows presented. To this end, this annex has been prepared:

- reconciliation statements between the Statement of Financial Position prepared in accordance with the OIC and those prepared in accordance with the IFRS for the following dates:
- date of transition to IFRS or FTA (1st January 2022);
- closing date of the last financial statements prepared in accordance with the OIC (31st December 2022);
- reconciliation statements between the Comprehensive Income Statements prepared in accordance with the OIC and those prepared in accordance with the IFRS for the following dates:
    - closing date of the last financial statements prepared in accordance with the OIC (31st December 2022);
    - reconciliation statements between the Equity recognised in accordance with the OIC and those recognised in accordance with the IFRS for the following dates:
    - date of transition to IFRS or FTA (1st January 2022);
    - closing date of the last financial statements prepared in accordance with the OIC (31st December 2022);
- reconciliation statements between the Comprehensive Results recognised in accordance with OIC and those recognised in accordance with IFRS for the following dates:
    - closing date of the last financial statements prepared in accordance with the OIC (31st December 2022);

- a summary of the reconciliations provided
- a brief illustration of the differences in principle found

In the following tables, the column "OIC Financial Statements" includes the results of the financial statements presented according to Italian National Accounting Standards plus some minor Reclassifications.

Statement of Reconciliation of Financial Position at the date of transition to IFRS or FTA (1st January 2022)

OIC/IFRS RECONCILIATION 12.2021 FINANCIAL STATEMENTS	Financial Statements			Financial Statements
(amounts in Euro)	OIC	Reclassifications	Adjustments	IFRS
Intangible assets	3,906,180	(603,254)	(2,081,746)	1,221,180
Goodwill		603,254	0	603,254
Rights activities			12,575,933	12,575,933
Tangible fixed assets	1,189,703	2,332,138	323,966	3,845,807
Financial fixed assets	432,327	(420,000)	0	12,327
Other non-current assets		625,187	0	625,187
Non-current assets	**5,528,210**	**2,537,325**	**10,818,153**	**18,883,688**
Inventories	3,511,037	(2,332,138)	0	1,178,899
Trade receivables	14,066,786		(174,473)	13,892,313
Tax credits	48,865,976		609,931	49,475,907
Other Current assets	3,267,666	(205,187)	0	3,062,479
Cash and cash equivalents	18,208,024		0	18,208,024
Other current financial assets valued at fair value	11,820,673		0	11,820,673
Current assets	**99,740,162**	**(2,537,325)**	**435,458**	**97,638,296**
TOTAL ASSETS	**105,268,372**	**0**	**11,253,611**	**116,521,983**
Non current financial liabilities	19,726,757	19,501	0	19,746,258
Non current financial liabilities for leased assets			10,618,053	10,618,053
Other non-current liabilities	2,567,518	(19,501)	382,297	2,930,314
Non-current liabilities	**22,294,275**	**0**	**11,000,350**	**33,294,625**
Current financial liabilities	6,690,788		0	6,690,788
Current financial liabilities for leased assets			2,211,760	2,211,760
Trade payables	6,889,170		0	6,889,170

Advances on sales	22,718,476		0	22,718,476
Tax debts	15,528,668		0	15,528,668
Other Current Liabilities	9,009,040		0	9,009,040
Current Liabilities	**60,836,142**	**0**	**2,211,760**	**63,047,902**
Share capital	815,415		0	815,415
ITA Reserves	7,585,336	(871,494)	2,541,330	9,255,172
FTA Reserve			(4,499,829)	(4,499,829)
OCI Reserve (TFR & CFH)		(7,174)	0	(7,174)
Retained earnings	2,614,761	878,668	0	3,493,429
Result for the period (Group)	11,085,555		0	11,085,555
Group equity	***22,101,067***	***0***	***(1,958,499)***	***20,142,568***
Third-party share capital and reserves	20,300		0	20,300
Period result (third parties)	16,591		0	16,591
Equity of third parties	***36,891***	***0***	***0***	***36,891***
Equity	**22,137,958**	**0**	**(1,958,499)**	**20,179,459**
TOTAL LIABILITIES	**105,268,375**	**0**	**11,253,611**	**116,521,986**

Reconciliation of the Statement of Financial Position as at the Closing Date of the Last Financial Statements Prepared in Accordance with the OIC (31st December 2022)

OIC/IFRS RECONCILIATION 12.2022 FINANCIAL STATEMENTS *(amounts in Euro)*	Financial Statements OIC	Reclassifications	Adjustments	Financial Statements IFRS
Intangible assets	3,923,069	(562,524)	(1,982,003)	1,378,542
Goodwill		562,524	40,730	603,254
Rights activities			16,600,178	16,600,178
Tangible fixed assets	1,112,907	2,332,138	592,870	4,037,915
Financial fixed assets	1,988,342	(393,317)	0	1,595,025
Other non-current assets		660,467	0	660,467
Non-current assets	**7,024,318**	**2,599,288**	**15,251,775**	**24,875,381**
Inventories	3,135,776	(2,332,138)	166,717	970,355

Trade receivables	25,249,786		(281,483)	24,968,304
Tax credits	45,583,807		525,928	46,109,735
Other Current assets	4,457,655	(267,150)	0	4,190,505
Cash and cash equivalents	26,864,633		0	26,864,633
Other current financial assets valued at fair value	12,249,211		0	12,249,211
Current assets	**117,540,868**	**(2,599,288)**	**411,163**	**115,352,742**
TOTAL ASSETS	**124,565,186**	**0**	**15,662,938**	**140,228,124**
Non current financial liabilities	13,283,693	56,177	0	13,339,870
Non current financial lease liabilities			14,032,201	14,032,201
Other non-current liabilities	3,959,850	(56,177)	(3,255)	3,900,418
Non-current liabilities	**17,243,543**	**0**	**14,028,946**	**31,272,489**
Current financial liabilities	13,792,145		0	13,792,145
Current financial liabilities for leased assets			2,948,435	2,948,435
Trade payables	9,336,152		0	9,336,152
Advances on sales	31,463,398		0	31,463,398
Tax debts	9,400,878		193	9,401,071
Other Current liabilities	8,206,234		0	8,206,234
Current Liabilities	**72,198,807**	**0**	**2,948,628**	**75,147,435**
Share capital	823,569		0	823,569
ITA Reserves	7,912,483	(903,270)	3,688,326	10,697,539
FTA Reserve			(4,499,829)	(4,499,829)
OCI Reserve (TFR & CFH)		38,848	73,705	112,553
Retained earnings	11,190,030	864,422	8,154	12,062,606
Result for the period (Group)	15,237,868		(584,993)	14,652,875
Group equity	***35,163,950***	***0***	***(1,314,637)***	***33,849,313***
Equity of third parties	62,908		0	62,908
Period result (third parties)	(104,024)		0	(104,024)
Equity of third parties	***(41,116)***	***0***	***0***	***(41,116)***
Equity	**35,122,834**	**0**	**(1,314,637)**	**33,808,197**
TOTAL LIABILITIES	**124,565,184**	**0**	**15,662,937**	**140,228,121**

Reconciliation of the Statement of Comprehensive Income at the end of the last financial statements prepared in accordance with the OIC (31st December 2022)

OIC/IFRS RECONCILIATION 12.2022 FINANCIAL STATEMENTS	Financial Statements			Financial Statements
(amounts in Euro)	OIC	Reclassifications	Adjustments	IFRS
Revenue from sales and services	133,662,103		0	133,662,103
Other revenues and income	800,143		0	800,143
Cost for consumption	(13,394,279)		1,430,323	(11,963,956)
Cost for services	(35,857,554)		(109,710)	(35,967,264)
Rental Costs	(6,945,144)		3,103,247	(3,841,897)
Personnel costs	(46,190,905)		(796,236)	(46,987,141)
Depreciation	(243,294)		(107,010)	(350,304)
Other Operating Costs	(1,336,860)		11,308	(1,325,552)
Gross Operating Margin	**30,494,210**	**0**	**3,531,922**	**34,026,132**
Amortisation and Depreciation	(1,986,623)		(3,591,071)	(5,577,694)
Net Operating Margin	**28,507,587**	**0**	**(59,149)**	**28,448,438**
Financial Income	300,957		0	300,957
Financial Charges	(5,583,646)		(454,489)	(6,038,135)
Forex income and charges	(292,886)		0	(292,886)
Result from Financial Management	**(5,575,575)**	**0**	**(454,489)**	**(6,030,064)**
Pre-Tax Result	**22,932,012**	**0**	**(513,637)**	**22,418,375**
Income taxes	(7,798,168)		(71,355)	(7,869,523)
Period Result	**15,133,844**	**0**	**(584,993)**	**14,548,851**
Other Components of Overall C/E (OCI)	0		119,726	119,726
Overall Result for the Period	**15,133,844**	**0**	**(465,266)**	**14,668,578**

Reconciliation Statements of Net Assets and Comprehensive Results at the dates indicated

OIC Consolidated Equity	**01/01/2022**	**12/31/2022**
(amounts in Euro)	**22,137,958**	**35,122,835**
Assets	(1,757,780)	(1,223,107)
Expected Credit Loss	(174,473)	(281,483)
Kit	0	691
Stock Grant	0	0
Leases	(253,880)	(380,459)
Severance Pay	(382,297)	3,255
Other	0	40,730
Fiscal effect	609,931	525,736
Total Effect of Adjustments	***(1,958,499)***	***(1,314,637)***
IFRS Consolidated Equity	**20,179,459**	**33,808,198**

OIC result	**01/01/2022**	**12/31/2022**
(amounts in Euro)	**N/A**	**15,133,844**
Assets	0	534,673
Expected Credit Loss	0	(107,010)
Kit	0	691
Stock Grant	0	(1,155,150)
Leases	0	(126,579)
Severance Pay	0	385,552
Other	0	86,752
Fiscal effect	0	(84,195)
Total Effect of Adjustments	***0***	***(465,266)***
IFRS result	**N/A**	**14,668,578**

Summary of Reconciliations Provided

	Financial Statements 12.2022			Financial Statements 12.2021		
	OIC	Delta	IFRS	OIC	Delta	IFRS
	(amounts in Euro)			*(amounts in Euro)*		
Non-current assets	7,024,318	17,851,063	24,875,381	5,528,210	13,355,478	18,883,688
Current assets	117,540,868	(2,188,126)	115,352,742	99,740,162	(2,101,866)	97,638,296
TOTAL ASSETS	**124,565,186**	**15,662,938**	**140,228,124**	**105,268,372**	**11,253,611**	**116,521,983**
Non-current liabilities	17,243,543	14,028,946	31,272,489	22,294,275	11,000,350	33,294,625
Current Liabilities	72,198,807	2,948,629	75,147,436	60,836,142	2,211,757	63,047,899
Equity	35,122,834	(1,314,636)	33,808,198	22,137,958	(1,958,499)	20,179,459
TOTAL LIABILITIES	**124,565,184**	**15,662,939**	**140,228,123**	**105,268,375**	**11,253,608**	**116,521,983**
Net Financial Position	**11,981,829**	**(16,980,636)**	**(4,998,807)**	**3,591,651**	**(12,829,813)**	**(9,238,162)**
Revenues and Operating Costs	30,494,210	3,531,922	34,026,132			
Revenues and Non-Operating Costs	(7,562,198)	(4,045,560)	(11,607,758)			
Income taxes	(7,798,168)	(71,355)	(7,869,523)			
Period Result	**15,133,844**	**(584,993)**	**14,548,851**			
Other Components of Overall C/E (OCI)	0	119,726	119,726			
Overall Result for the Period	**15,133,844**	**(465,266)**	**14,668,578**			

Brief Illustration of the Differences in Principles Found ***Intangibles Assets (IAS 38)***

This difference arises from the summation of two effects: a different capitalisation criterion between OIC and IFRS (especially as regards intangible fixed assets), where IFRS is more stringent; and the reversal of amortisation which was suspended in 2020 in the OIC financial statements (in application of DL 104/20).

Financial Instruments (IFRS 9)

This difference arises from a different criterion for calculating the Allowance for Doubtful Accounts between OIC and IFRS, where IFRS requires that it also be calculated on receivables that are not past due on the basis of historical collection data.

Property, Plant and Equipment(IAS 16) This difference arises from a different classification of Kits (rope work equipment) between OIC and IFRS, where they change from inventories (considered consumables) to fixed assets (thus generating depreciation over two financial years), as they are items used in the supply of services ("held for use in the supply of services," as defined by IAS 16) in the expectation that they will be used for more than one period.

Share-based Payment ***(IFRS 2)***

This difference arises from a different treatment of share grants between OIC and IFRS, where the fair value of shares is considered a remuneration component (and therefore an employee cost) in IFRS financial statements.

Leases (IFRS 16)

This difference arises from a different treatment of leases between OIC and IFRS, where they are expensed in full in OIC financial statements and capitalised (resulting in Financial expenses and depreciation) in IFRS financial statements.

Employee Benefit (IAS 19)

This difference arises from a different treatment of severance pay between OIC and IFRS, where it is considered a defined contribution plan for OIC purposes and a defined benefit plan (therefore with an actuarial component recognised) in IFRS financial statements.

Other (IFRS 3 & IAS 39)

These differences mainly relate to the reversal of amortisation recorded in the OIC financial statements in respect of the difference from consolidation (considered similar to goodwill) generated in the elimination of an investee, as well as the classification to the Statement of Comprehensive Income (and not to equity) of the change in the Fair Value of hedging derivatives.

Income taxes (IAS 12)

This difference relates to the fiscal effects resulting from the differences illustrated above.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLES 14 AND 19 BIS 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 statement of financial position as at December 31, 2023 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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, 2023 and of its consolidated financial performance and its consolidated cash flows for the year ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Ediliziacrobatica S.p.A. in accordance with the ethical and independence 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.

Emphasis of Matter

The Ediliziacrobatica Group, from the condensed interim consolidated financial statements as of June 30, 2023, has adopted the *International Financial Reporting Standards* (*IFRS*) endorsed by the European Union; the Directors, in the explanatory notes to the financial statements, report the effects of the transition and the information on the reconciliation statements required by the international accounting standard *IFRS 1*. Our opinion is not modified in respect of this matter.

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 in accordance with International Financial Reporting Standards as adopted by the European Union, 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, 2023 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, 2023 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, 2023 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 Group and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Federico Tarallo
Partner

Genoa, Italy
April 12, 2024

This 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.