Ediliziacrobatica S.p.A.
Half-Yearly Consolidated Financial Statements as at 30 June 2021

Consolidated Balance Sheet

ASSETS	30.06.2021	31.12.2020
A. SUBSCRIBED CAPITAL, UNPAID	-	-
B. FIXED ASSETS		
I. Intangible fixed assets		
1) Start-up and expansion costs	2,241,709	2,767,701
2) Development costs	-	20,000
3) Industrial patent and intellectual property usage rights	532,713	326,638
4) Concessions, licences, trademarks and similar rights	1,200	1,751
5) Goodwill	236,684	236,684
6) Assets under construction and payments on account	218,592	304,901
7) Other intangible fixed assets	806,266	771,123
8) Consolidation difference	-	-
Total Intangible fixed assets	**4,037,164**	**4,428,798**
II. Tangible fixed assets		
1) Land and buildings	-	-
2) Plant and machinery	141,874	155,849
3) Industrial and commercial equipment	451,720	465,061
4) Other assets	663,333	682,871
5) Assets under construction and payments on account	-	-
6) Fixed assets leased out	-	-
Total tangible fixed assets	**1,256,927**	**1,303,781**
III. Financial assets		
1) Equity investments		
a) in subsidiaries	-	-
b) in associate companies	-	-
c) in parent companies	-	-
d) companies subject to the control of parent companies	-	-
d-bis) other companies	-	-
2) Receivables		
a) from subsidiaries	-	-
b) from associate companies	-	-
c) from parent companies	-	-
d) companies subject to the control of parent companies	-	-

d-bis) other companies	-	-
Due within the year	-	-
Due beyond the next year	-	-
3) Other securities	-	-
4) financial derivative assets	26,659	33,224
Total Financial fixed assets	26,659	33,224
TOTAL FIXED ASSETS (B)	**5,320,749**	**5,765,803**
C. CURRENT ASSETS		
I. Inventories		
1) Raw, ancillary and consumable materials	2,770,593	2,707,058
2) Work in progress and semi-finished products	-	-
3) Contract work-in-progress	-	-
4) Finished products and goods	-	-
5) Advances	-	-
Total inventories	**2,770,593**	**2,707,058**
II. Receivables		
1) From customers	19,194,026	20,724,296
Due within the year	*19,194,026*	*20,724,296*
Due beyond the next year		
2) From subsidiaries	-	-
3) From associate companies	-	-
4) From parent companies	-	-
5) From companies subject to the control of parent companies	-	-
5-bis) Tax receivables	10,569,460	3,326,725
Due within the year	*10,569,460*	*3,326,725*
Due beyond the next year		
5-ter) Prepaid taxes	391,656	324,868
5-quater) Others	2,517,293	2,479,932
Due within the year	*2,517,293*	*2,479,932*
Due beyond the next year		
Total receivables	**32,672,435**	**26,855,821**
III. Financial assets that do not constitute long-term investments		
1) Equity investments in subsidiaries	-	-
2) Equity investments in associate companies	-	-
3) Equity investments in parent companies	-	-
3-bis) Equity investments in companies subject to the control of parent companies	-	-
4) Equity investments in other companies	-	-
5) financial derivative assets	-	-
6) Other securities	11,402,727	9,244,404
Total Financial assets that do not constitute long-term investments	**11,402,727**	**9,244,404**
IV. Cash and cash equivalents		
1) Bank and postal deposits	4,925,954	8,223,425
2) Cheques	-	-
3) Cash and similar items of value on hand	17,929	18,542
Total Cash and cash equivalents	**4,943,883**	**8,241,967**
TOTAL CURRENT ASSETS (C)	**51,789,638**	**47,049,250**

D. ACCRUED INCOME AND PREPAID EXPENSES	**763,424**	**682,175**
TOTAL ASSETS	**57,873,811**	**53,497,228**
LIABILITIES	**30.06.2021**	**31.12.2020**
A. SHAREHOLDERS’ EQUITY		
I - Share capital	803,250	803,250
II - Share premium reserve	6,680,369	6,680,369
III - Total revaluation reserves	-	-
IV - Legal reserve	160,650	158,485
V - Statutory reserves	-	-
VI - Other reserves, otherwise indicated	883,057	4,389
VII - Reserve for hedging transactions expected	- 11,477	- 22,839
VIII - Profit (loss) carried forward	2,614,762	3,481,007
IX - Profit (loss) for the year	1,600,721	1,757,640
X - Negative reserve for treasury shares in portfolio	-	-
CONSOLIDATED GROUP SHAREHOLDERS' EQUITY	**12,731,332**	**12,862,301**
Minority interests in capital and reserves	20,000	-
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO MINORITY INTERESTS	-	-
CONSOLIDATED GROUP AND MINORITY SHAREHOLDERS' EQUITY	**12,751,332**	**12,862,301**
B. PROVISIONS FOR RISKS AND CHARGES		
1) Provisions for pensions and similar obligations	-	-
2) Provisions for taxes, including deferred	52,000	58,708
2 bis) Consolidated provision for future risks and charges	-	-
3) Financial derivative liabilities	38,137	56,062
4) Others	5,352	5,352
TOTAL PROVISIONS FOR RISKS AND CHARGES	**95,489**	**120,122**
C. EMPLOYEE SEVERANCE INDEMNITIES SUB.	**2,058,407**	**1,663,193**
D. PAYABLES		
1) Bonds	9,751,079	9,740,976
Due within the year	-	-
Due beyond the next year	*9,751,079*	*9,740,976*
2) Convertible bonds	-	-
3) Payables to shareholders for loans	-	-
4) Payables to banks	13,518,852	14,926,067
Due within the year	*4,926,720*	*3,868,618*
Due beyond the next year	*8,592,130*	*11,057,449*
5) Payables to other lenders	809,786	507,496
Due within the year	*25,506*	*23,062*
Due beyond the next year	*784,280*	*484,434*
6) Advances	1,289,421	1,396,781
7) Trade payables	6,455,242	5,269,421
Due within the year	*6,455,242*	*5,269,421*
Due beyond the next year	-	-
8) Payables represented by credit instruments	-	-
9) Payables to subsidiaries	-	-

10) Payables to associate companies	-	-
11) Payables to parent companies	276,393	70,028
11-bis) Payables to companies subject to the control of parent companies	-	-
12) Tax payables	3,272,895	2,297,784
Due within the year	-	-
Due beyond the next year	-	-
13) Payables to social security institutions	2,499,928	1,581,826
14) Other payables	4,804,160	2,719,767
TOTAL PAYABLES	**42,677,756**	**38,510,146**
E. ACCRUED EXPENSES AND DEFERRED INCOME	**290,827**	**341,466**
TOTAL LIABILITIES	**57,873,811**	**53,497,228**

Consolidated Income Statement

INCOME STATEMENT	30.06.2021	30.06.2020
A. VALUE OF PRODUCTION		
1) Revenue from sales and services	36,500,330	17,593,998
2) Changes in work in progress, semi-finished and finished products	0	0
3) Change in contract work-in-progress	0	0
4) Increases in fixed assets for internal works	121,000	625,352
5) Other revenue and proceeds		
a) operating grants	81,735	115,886
b) others	77,944	350,318
Total Other revenue and proceeds	159,680	466,204
TOTAL VALUE OF PRODUCTION (A)	**36,781,010**	**18,685,554**
B. COSTS OF PRODUCTION		
6) For raw and ancillary materials, consumable goods and merchandise	3,978,707	2,144,910
7) For services	8,118,624	4,618,052
8) For use of leased assets	2,039,902	1,318,282
9) For personnel:		
a) salaries and wages	9,136,310	4,872,540
b) social security costs	4,715,778	3,093,948
c) employee severance indemnity	654,362	482,801
d) pensions and similar obligations	0	0
e) other costs	346,520	626,455
Total Personnel costs	14,852,970	9,075,744
10) Amortisation/depreciation and write-downs		
a) amortisation of intangible fixed assets	908,400	766,169
b) depreciation of tangible fixed assets	173,251	156,429
c) write-downs of intangible and tangible fixed assets	0	0
d) write-down of receivables included in the current assets	350,000	0

11) Change in inventories of raw and ancillary materials, consumables and goods	(63,536)	(23,911)
12) Provision for risks and charges	0	0
13) Other provisions	0	0
14) Other operating expenses	893,930	185,902
TOTAL COSTS OF PRODUCTION (B)	**31,252,249**	**18,241,577**
DIFFERENCE BETWEEN VALUE OF PRODUCTION AND COSTS OF PRODUCTION (A-B)	**5,528,761**	**443,977**
C. FINANCIAL INCOME AND CHARGES		
15) Income from equity investments	0	0
16) Other financial income:		
a) from receivables classified as fixed assets	0	0
b) from securities classified under fixed assets not representing equity investments	0	0
c) from securities included under current assets not constituting equity investments	0	0
d) income other than the above		
- interest and commissions from subsidiaries	0	0
- interest and commissions from associate companies	0	0
- interest and commissions from parent companies	0	0
- interest and commissions from others and miscellaneous income	15,098	17,105
17) Interest and other financial charges		
a) due to subsidiaries	0	0
b) due to associate companies	0	0
c) due to parent companies	0	0
d) others	(2,767,250)	(179,386)
17-bis) Exchange gains and losses	0	0
TOTAL FINANCIAL INCOME AND CHARGES (C)	**-2,752,152**	**-162,281**
D. ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS		
18) Write-ups		
a) of equity investments	0	0
b) of financial fixed assets that do not constitute equity investments	0	0
c) of securities included under current assets not constituting equity investments	178,324	43,616
d) of derivative financial instruments	0	0
19) Write-downs		
a) of equity investments	0	0
b) of financial fixed assets that do not constitute equity investments	0	0
c) of securities included under current assets not constituting equity investments	0	0
d) of derivative financial instruments	0	0
TOTAL ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS (D)	**178,324**	**43,616**
PROFIT/LOSS BEFORE TAXES (A-B+-C+-D)	**2,954,934**	**325,312**
20) Income taxes for the year, current, deferred and prepaid		
- current	1,427,010	424,947
- deferred (prepaid)	(72,798)	(8,358)
- relating to previous years	0	(96,713)
21) PROFIT/LOSS FOR THE YEAR INCLUDING MINORITY INTERESTS	**1,600,721**	**5,436**
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO MINORITY INTERESTS	0	-16,194

GROUP PROFIT (LOSS)	**1,600,721**	**21,630**

Consolidated Cash Flow Statement

	30.06.2021	31.12.2020
Cash flow statement, indirect method		
A) Cash flow from operating activities (indirect method)		
Profit (loss) for the year	1,600,721	1,757,640
Income taxes	1,354,212	1,087,201
Interest expense/(income)	2,752,152	391,334
(Dividends)		
Capital (gains)/losses from disposal of assets		
1) Profit (loss) for the year before income tax, interest, dividends and gains/losses from disposal	5,707,085	3,236,175
Adjustments for non-monetary items not offset in net working capital		
Allocations to provisions	1,004,362	1,744,738
Amortisation/depreciation of fixed assets	1,081,652	1,121,913
Write-downs for permanent losses in value		
Value adjustments of financial assets and liabilities of derivatives not involving monetary transactions	11,362	(22,839)
Other increases/(decreases) due to non-monetary items	(178,323)	(90,654)
Total adjustments for non-monetary items not offset in net working capital	1,919,053	2,753,158
2) Cash flow before changes in net working capital	7,626,138	5,989,333
Changes in net working capital		
Decrease/(Increase) in inventories	(63,535)	(64,204)
Decrease/(Increase) in trade receivables	1,180,270	(7,785,381)
Increase/(Decrease) in trade payables	1,185,821	(106,128)
Decrease/(Increase) in accrued income and prepaid expenses	(81,249)	(559,115)
Increase/(Decrease) in accrued expenses and deferred income	(50,639)	45,191
Other decreases/(Increases) in net working capital	(6,104,867)	45,535
Total changes in net working capital	(3,934,198)	(8,424,102)
3) Cash flow after changes in net working capital	3,691,940	(2,434,768)
Other adjustments		
Interest collected/(paid)	(2,752,152)	(391,334)
(Income taxes paid)	(211,075)	(220,786)
Dividends received		
(Use of provisions)		

Other collections/(payments)		
Total other adjustments	(2,963,227)	(612,120)
Cash flow from operating activities (A)	**728,713**	**(3,046,888)**
B) Cash flow from investment activities		
Tangible fixed assets		
(Investments)	(126,397)	(272,748)
Disinvestments		
Intangible fixed assets		
(Investments)	(516,766)	(1,437,412)
Disinvestments		
Financial assets		
(Investments)	6,565	(33,224)
Disinvestments		
Total non-current financial assets		
(Investments)	(1,980,000)	(5,048,000)
Disinvestments		
Acquisition of subsidiaries, net of cash and cash equivalents		
Sale of subsidiaries, net of cash and cash equivalents		
Cash flow from investment activities (B)	**(2,616,598)**	**(6,791,384)**
C) Cash flow from financing activities		
Loan capital		
Increase/(Decrease) in short-term payables to banks	(280,114)	(9,287,274)
Loans taken out	320,000	23,164,168
(Loans repaid)	(1,134,708)	(1,187,002)
Shareholders' equity		
Paid in capital increase		435,309
(Capital reduction)		
Sale/(Purchase) of own shares		
(Dividends and interim dividends paid)	(315,378)	(760,727)
Financial flow from financing activities (C)	**(1,410,200)**	**12,364,474**
Changes in the scope of consolidation (D)		
Increase (decrease) in cash and cash equivalents (A ± B ± C ± D)	**(3,298,084)**	**2,526,202**
Effects of foreign currency translation on cash and cash equivalents		
Cash and cash equivalents at year start		
Bank and postal deposits	8,223,425	5,696,160
Cheques		
Cash and similar items of value on hand	18,542	19,606

Total cash and cash equivalents at year start	8,241,967	5,715,766
Of which not freely usable		
Cash and cash equivalents at year end		
Bank and postal deposits	4,925,954	8,223,425
Cheques		
Cash and similar items of value on hand	17,929	18,542
Total cash and cash equivalents at year end	4,943,883	8,241,967
Of which not freely usable		

Explanatory Note to the Half-Yearly Consolidated Financial Statements as at 30/06/2021

The Half-Yearly Consolidated Financial Statements of Ediliziacrobatica S.p.A. and its subsidiaries at 30 June 2021 consist of the balance sheet (prepared in accordance with the format set out in articles 2424 and 2424-bis, supplemented by article 2423-ter of the Italian Civil Code), the income statement (prepared in accordance with the format set out in articles 2425 and 2425-bis, supplemented by article 2423-ter of the Italian Civil Code), the cash flow statement (prepared in accordance with the format set out in article 2425-ter) and these explanatory notes.

These explanatory notes drawn up in accordance with the criteria envisaged by the Italian Civil Code and the national accounting standards as published by the Italian Accounting Body (OIC) offers a descriptive representation of the main amounts of the equity and economic situation as at 30 June 2021 and is therefore an integral part thereof.

As these are interim financial statements for the period 01/01/2021 – 30/06/2021, these explanatory notes have been prepared in accordance with the provisions provided by Accounting Standard OIC 30 (containing indications regarding the structure and content of the interim financial statements), with limited information and a more concise presentation.

In consideration of the fact that the interim financial statements must be drawn up using the same rules on the preparation of the financial statements, in this note the term "Financial Statements" identifies the financial and economic situation as at 30 June 2021, which, while not actual financial statements, as clarified were drawn up following the same preparation criteria and drafting principles.

Furthermore, note that all the additional information deemed necessary to give a true and fair view has been provided in this explanatory note even if not required by specific provisions of law.

The Half-Yearly Consolidated Financial Statements, as well as the previous annual financial statements, were prepared in compliance with the provisions of the Italian Civil Code, following the indications of Italian Legislative Decree 139/2015 that implemented in Italy the new Community provisions on the matter, supplemented by the accounting standards issued by the Italian Accounting Body (OIC).

Note that the IAS17 standard was adopted solely for the representation of leases.

The financial statements of Ediliziacrobatica France S.a.S. used for consolidation have been modified or reclassified where necessary to bring them into line with Group accounting standards, which are consistent with current legal provisions.

In compliance with art. 2423, paragraph 5, the consolidated half-yearly financial statements were prepared in euros. The Half-Yearly Consolidated Financial Statements have been drawn up assuming that the company is a going concern.

Please refer to the Management Report for information about the company's performance and financial trends, relationships and transactions with related parties.

SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of Ediliziacrobatica S.p.A. (the "Company" or "Parent Company") and the financial statements of the following companies controlled by the Parent Company:

- EDAC France S.a.s., with registered office in Riveslatese, with share capital of €550,509, 100% owned.
- Energy Acrobatica 110 S.r.l., with registered office in Milan, with share capital of €100,000, 80% owned.

CONSOLIDATION PRINCIPLES

The accounting principles set out below have been updated with the amendments, additions and new developments introduced to the provisions of the Civil Code by Italian Legislative Decree no. 139/2015, which transposed Accounting Directive 34/2013/EU in Italy. Specifically, the national accounting standards were applied in the version reformulated by the OIC on 22 December 2016.
The application of these principles, where required, was agreed to with the Board of Statutory Auditors.
The consolidation principles used are detailed below:

- The book values of the equity investments in EdiliziAcrobatica France SaS and Energy Acrobatica 110 S.r.l. were eliminated against the relative shareholders' equity in light of the assumption of the assets and liabilities of the subsidiaries, according to the global integration method. The differences between the cost of equity investments and the corresponding shares of shareholders' equity of the investees were fully recorded in the shareholders' equity item called "Retained earnings (losses)".
- Transactions that give rise to credit and debit items and costs and revenues between companies consolidated using the global integration method have been eliminated.
- Unrealised gains arising from intra-group transactions between companies included in the valuation of tangible and intangible assets or in the item Inventories were eliminated.
- The portions of shareholders' equity and the result attributable to minority shareholders have been shown separately in a specific item of the financial statements.

MEASUREMENT CRITERIA

The criteria adopted for the valuation and value adjustments of the various categories of assets are those set out in art. 2426 of the Italian Civil Code, interpreted and supplemented by the accounting standards prepared by the Italian Accounting Body (OIC), and, where missing and not in contrast with Italian accounting standards and principles, by those issued by the International Accounting Standard Board (IASB), with the prospects of a going concern, with the further clarifications set out below.
These were applied prudently, taking into account the economic function of the asset and liability item concerned.
In compliance with art. 2426 of the Italian Civil Code and the aforementioned accounting standards, the most significant criteria adopted in the measurement of the items of the consolidated financial statements are the following:

Intangible fixed assets – These are recorded at purchase or production cost, including accessory charges and costs directly attributable to the product, and systematically amortised on a straight-line basis in relation to the residual possibility of use of the assets.
Start-up and expansion costs and costs for applied research and development with a useful life spanning several years are amortised on a straight-line basis based on their future usefulness in five years. Note that start-up costs are amortised over three years, and for the half-yearly financial statements amortisation was halved.
Until the amortisation of the start-up, expansion and development costs is completed, dividends can only be distributed if sufficient reserves are available to cover the amount of unamortised costs.
Development costs are amortised according to their useful life. In exceptional cases where it is not possible to reliably estimate their useful life, they are amortised over a period not exceeding five years. Until the amortisation is completed, dividends can only be distributed if sufficient reserves are available to cover the amount of unamortised costs.
Advertising and research costs are fully allocated at cost in the year they are incurred.

Improvements on leased assets are capitalised and recorded under “other intangible fixed assets” if they are not separable from the assets themselves (otherwise they are recorded under “tangible fixed assets” in the specific item they belong to). They are amortised systematically at the lesser of the period of expected future utility and the residual period of the lease, taking into account any renewal period, if dependent on the Company.

Note that as at 31 December 2020 the Parent Company made use of the exception envisaged by art. 60 of Italian Law no. 126 of 13 October 2020 converting with amendments Decree-Law no. 104 of 14 August 2020, suspending depreciation for the year for a period of six months. Therefore, the portion of depreciation not made pursuant to this article is allocated to the income statement for the following year and with the same criterion the subsequent portions will be deferred, thus extending the original depreciation for this portion by six months. For more information, refer to the notes in the section “Intangible assets”.

If there is a permanent loss in value regardless of the depreciation already recorded, the fixed asset is written down accordingly. If the reasons for the write-down no longer apply in subsequent years, the original value is restored, within the limits of the value the asset would have had if the value adjustment had never taken place, except for the item goodwill and “Multi-year charges” referred to in number 5 of art. 2426 of the Civil Code.

Tangible fixed assets – These are recorded at purchase or internal construction cost, net of depreciation during the year. The cost includes ancillary charges and direct and indirect costs for the portion reasonably attributable to the asset, relating to the period of manufacture and while the asset can be used. Tangible fixed assets may be revalued only in cases where special laws require or permit it.
Fixed assets recorded at cost in foreign currency are recorded at the exchange rate at the time of their purchase or at the lower year-end rate if the reduction is deemed to be lasting.
The fixed assets are systematically depreciated each year on a straight-line basis, which are considered representative of the residual useful life of the assets. The rates applied are shown in the notes

to the assets. For fixed assets that came into operation during the year the rates are reduced by 50%, assuming that purchases are uniformly distributed throughout the year. Depreciation is also calculated on assets that are temporarily not in use. Land whose usefulness is not exhausted is excluded from depreciation. Buildings that represent a form of investment of financial means are not depreciated if the residual value is equal to or greater than the net book value.

Note that as at 31 December 2020 the Parent Company made use of the exception envisaged by art. 60 of Italian Law no. 126 of 13 October 2020 converting with amendments Decree-Law no. 104 of 14 August 2020, suspending depreciation for the year for a period of six months.

If there is a permanent loss in value regardless of the depreciation already recorded, the fixed asset is written down accordingly. If the reasons for the write-down no longer apply in subsequent years, the original value is restored, within the limits of the value the asset would have had if the value adjustment had never taken place.

Ordinary maintenance and repair costs are charged in full to the income statement. Maintenance costs that increase the value of the asset are attributed to the fixed assets they refer to and are depreciated with respect to their residual possibility of use.

Costs incurred to expand, modernise or improve the structural elements of a tangible fixed asset can be capitalised if they produce a significant and measurable increase in production capacity, safety or useful life. If these costs do not produce these effects, they are treated as ordinary maintenance and charged to the income statement.

At the time when tangible assets are destined for sale, they are reclassified in a specific item in current assets and therefore valued at the lower of the net book value and the estimated realisable value based on the current market. Assets held for sale are no longer subject to depreciation.

The fixed assets are depreciated on a straight-line basis based on the economic-technical rates determined in relation to the residual useful life of the assets.

Assets with a unit value of less than €516 and of rapid use are fully expensed in the year they are acquired.
Write-downs for permanent losses in value of tangible and intangible fixed assets – At each balance sheet date, the Group assesses the existence of indicators of potential permanent losses in value of tangible and intangible fixed assets, including goodwill. If such indicators exist, the value of said assets is reduced to the relative recoverable value, understood as the higher between the value in use and the fair value.

A loss of value is recognised if the recoverable amount is less than the net book value of the asset. Any write-down for impairment is reinstated if the reasons for it are no longer valid, within the limits of the original value net of amortisation/depreciation.

Financial fixed assets – These are represented by equity investments in subsidiaries, associated and other companies, not consolidated using the global integration method, by debt securities and receivables recorded among fixed assets if they are intended to remain among the Group's assets.

Equity investments in other companies, where the percentage held is less than 30% or in subsidiary and associate companies that are not operational, in liquidation or of little significance within the Group, or in the event that the information for the application of the full consolidation method is not obtainable in a timely manner or without proportionate expenses, are valued using the cost method. The book value is determined on the basis of the purchase price. In cases where the pro-quota of shareholders' equity in the possession of the Company is lower than the carrying value of the investment recorded in the financial statements, the cost is reduced if this condition represents a permanent loss in value. The original value is reinstated in subsequent years if the reasons for the write-down made cease to exist. Losses in excess of the book value of the investments are set aside in a specific liability provision.

Receivables recorded under financial fixed assets are shown at their estimated realisable value, determined where appropriate by adjusting the nominal value of the receivables so as to take into account all risks of non-collection.

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

- In the income statement in items D18 or D19 in the event of fair value coverage of an asset or liability recorded in the balance sheet as well as changes in the fair value of the hedged items (if the change in fair value of the hedged item is greater than the absolute value of the change in the fair value of the hedging instrument, the difference is recorded in the income statement item affected by the hedged item).
- In a specific equity reserve (in the item AVII "Reserve for expected cash flow hedging transactions") in the case of hedging financial flows in such a way as to offset the effects of the flows subject to hedging (the ineffective component, as well as the change in the time value of options and forwards, is classified in items D18 and D19).

Inventories – Inventories are stated at the lower of purchase or production cost and their estimated realisable value based on market trends (art. 2426, number 9 of the Italian Civil Code). By purchase cost is meant the actual purchase price plus ancillary charges, excluding financial charges.
In the case of goods, finished products, semi-finished products and products in progress, the net realisable value of these goods is taken as a reference for the determination of the realisable value based directly on market trends.
Inventories are written down in the financial statements when the realisable value based on market trends is lower than the relative book value. Obsolete and slow-moving inventories are written down in relation to their possible use or realisation.

Receivables – The amortised cost approach is not applied when the effects are insignificant, i.e. when the transaction costs, the commissions paid between the parties and any other difference between the initial value and the value at maturity are of scant importance or if the receivables are short-term (i.e. with a maturity of less than 12 months).

The value of receivables, as determined above, is adjusted where necessary by a specific allowance for doubtful accounts shown as a direct reduction of the value of the receivables in order to adjust them to their estimated realisable value.
The amount of the write-down is recognised in the income statement.
Receivables generated by centralised treasury management (i.e. cash pooling) are recognised if the terms of collectability allow it, in a specific item of Current Assets. If the short-term collectability terms are not met, these receivables are recognised under financial fixed assets.

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

Accruals and deferrals – Accruals and deferrals include the portion of costs and revenues pertaining to the year but due in subsequent years, and the portion of costs and revenues incurred by the end of the year but pertaining to subsequent years, on an accruals basis.

Provisions for risks and charges – Provisions for risks and charges are provided to cover losses or debts of a determined, certain or probable nature, the timing and amount of which cannot be determined at year end. The provisions reflect the best estimate possible based on the elements available. Risks for which the occurrence of a liability is only possible are indicated in the provisions' notes, without allocating a provision for risks and charges. Provisions for risks and charges are recorded primarily in the income statement items of the relevant classes (B, C or D). Whenever this correlation between the nature of the provision and one of the items in the aforementioned classes is not applicable, provisions for risks and charges are recorded under items B12 and B13 of the income statement.

Provision for employee severance indemnities – The provision for employee severance indemnities includes the amount that employees would be entitled to receive in the event of termination of employment on the balance sheet date. The accrued indemnities constituting the above item, i.e. the portion of the provision pertaining to the year and the annual revaluation of the pre-existing provision, are determined in accordance with the regulations in force. The employee severance indemnity is recorded under liability item C and the related provision under item B9 of the income statement.
The provision for employee severance indemnities represents the actual debt matured for the employees in compliance with the law and the current labour contract, pursuant to art. 2120 of the Italian Civil Code, and has been recorded in each year on an accruals basis. Pursuant to Italian Law no. 296 of 27 December 2006 (2007 Finance Act), the TFR (employee severance indemnity) contributions accrued up to 31 December 2006 remained set aside in the company; the subsequent indemnities, at the discretion of the employee, could be allocated to supplementary pension schemes or paid to the Treasury Fund managed by INPS or be kept in the company.

Payables – Payables are recorded according to the amortised cost criterion, taking into account the time factor. The amortised cost criterion is not applied to payables if its effects are insignificant. The effects are considered irrelevant for short-term payables (i.e. with a maturity of less than 12 months). For the amortised cost approach, see what has been stated with regard to receivables.
Payables for holidays accrued by employees and for deferred remuneration, including the amounts due to social security institutions, are allocated on the basis of the amount that should be paid in the event of termination of employment at the balance sheet date.

Financial lease transactions (Leases) – In the statutory financial statements, in accordance with the consolidated practice followed in Italy, the assets subject to financial lease from third parties are accounted for among the assets only at the time of redemption, while the financial lease payments are recorded in the income statement, linearly distributed over the duration of the contract (equity method).
The financial method applied in the annexed consolidated financial statements to finance lease transactions provides as follows:

- The value of the assets received under financial lease is recorded under tangible fixed assets and amortised over the estimated useful life.

- The residual debt to the lease companies is recorded among the payables to other lenders.

- Interest accrued and included in the fees pertaining to the year are recorded under financial charges, while the remaining part of the fees pertaining to the year is eliminated from the income statement.

- Prepaid expenses for lease payments are eliminated from the balance sheet.

In the statement of reconciliation between the shareholders' equity and profit or loss of the parent company and the consolidated ones, the effects of accounting for assets received under lease from third parties according to the financial method are highlighted as part of the consolidation adjustments.

Revenues – Revenues from the sale of products and goods or the provision of services related to operations are recognised net of returns, discounts, rebates and premiums, as well as taxes directly related to the sale of the products and the provision of services.
Revenues for the provision of services are recognised upon their completion and/or accrual. Transactions with related parties were carried out under normal market conditions.

Costs – Costs are accounted for on an accrual basis, regardless of the date of receipt and payment, net of returns, discounts, allowances and premiums.

Dividends – Dividends are accounted for in the year in which they are resolved by the Shareholders' Meeting. Dividends are recognised as financial income regardless of the nature of the reserves being distributed.

Financial income and charges – Financial income and charges are recognised on an accruals basis. Costs related to the retirement of receivables for any reason (with recourse and without recourse) and of any nature (commercial, financial, other) are charged in the relevant year.

Income taxes – These are recorded on the basis of an estimate of taxable income in accordance with the provisions in force, taking into account applicable exemptions and tax credits due.

Deferred tax assets and liabilities are calculated on the temporary differences between the values of assets and liabilities determined according to civil law criteria and the corresponding values recognised for tax purposes. Their valuation is calculated taking into account the presumed tax rate that the Company is expected to sustain in the year in which these differences will contribute to the formation of the fiscal result, considering the rates in force or already issued at the balance sheet date and are respectively posted in the "deferred tax provision" recorded in the liabilities among the provisions for risks and charges and in the item "prepaid tax receivables" of current assets.

Prepaid tax assets are recognised for all deductible temporary differences, with respect to the principle of prudence, if there is a reasonable certainty of their existence in the years in which they will be offset by taxable income of no less than the amount of such differences, which will then be offset.

Conversely, deferred tax payables are recognised on all taxable temporary differences.

Deferred taxes relating to suspended tax reserves are not recognised if there is a low probability of distributing such reserves to shareholders.

TRANSLATION OF FOREIGN CURRENCY ITEMS

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

Assets and liabilities originally expressed in foreign currency of a monetary nature are converted into the financial statements at the spot exchange rate at the year-end date. The related exchange gains and losses are recorded in the income statement and any net profit is set aside in a specific reserve that cannot be distributed until realised.

At the date of the Half-Yearly Consolidated Financial Statements as at 30 June 2021, there were no monetary or non-monetary currency items that the conversion requirements of the OIC apply to.

USE OF ESTIMATES

The preparation of the consolidated financial statements and the related Explanatory Notes requires the making of estimates and assumptions that affect the value of the assets and liabilities recorded, the information on potential assets and liabilities at the financial statement date and the amount of revenues and costs for the period.

Estimates are used in various areas, such as the allowance for doubtful receivables, amortisation/depreciation, employee benefits, income taxes, other provisions for risks and the valuation of any impairment of tangible, intangible and financial fixed assets (including equity investments).

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

CASH FLOW STATEMENT

The cash flow statement includes all cash inflows and outflows of cash and cash equivalents during the period. In the cash flow statement, the following types of cash flows have been presented separately:

a. Operating activities

b. Investment activities

c. Financing activities

The categories of cash flows are presented in the sequence indicated above.

Cash flows from operating activities are determined by the indirect method, i.e. by adjusting the profit or loss for the year presented in the income statement.

The algebraic sum of the cash flows of each category above represents the net change (increase or decrease) in cash and cash equivalents during the year. The form of presentation of the cash flow statement is indirect.

Interest paid and received is presented separately among the cash flows of operating activities, except in particular cases where they refer directly to investments (investment activities) or to financing (financing activities).

The dividends collected and paid are presented separately, in the operating activities and in the financing activities, respectively. The cash flows related to income taxes are shown separately and classified in the income statement.

Exceptions

Note that in the adoption of the accounting standards for the preparation of the financial statements no exceptions were made pursuant to paragraph 4 of art. 2423 of the Italian Civil Code.

Going Concern

Article 2423 bis, paragraph 1, no. 1 establishes the principle of going concern as the basis for drafting the financial statements, which is also one of the principles to be taken into account in the continuous monitoring envisaged by the company crisis code.

Accounting standard OIC 11 establishes that in the preparation of the financial statements, the company management must perform a prospective assessment of the company's ability to continue to constitute a functioning economic complex for the production of income for a foreseeable future period, relating to a period of at least 12 months from the balance sheet date. In cases where, as a result of this forward-looking valuation, significant uncertainties regarding this capacity are identified, the explanatory notes must clearly provide information relating to the risk factors, the assumptions made and the uncertainties identified, as well as future business plans to address these risks and uncertainties.

The explanatory notes must therefore report on the prospect of continuing as a going concern.

In the preparation of these Half-Yearly Consolidated Financial Statements, the Directors considered the assumption of a going concern to be fully existing and adequate for the objective and concomitant reasons amply illustrated in the Management Report, to which reference is made. A careful analysis of the situation of the company and its prospects for future operations allows us to positively assess the Group's ability to continue to constitute a functioning economic complex for the production of income for a foreseeable future period, with a multi-year duration: therefore, there are no risks to business continuity.
With regard to the COVID-19 emergency, as is known, the first half of 2021 continued to be impacted by the international public health emergency. In this context the Group committed itself to maintaining all the measures necessary to guarantee the health of its employees and at the same time maintaining business continuity both from an operational and organisational point of view. The Group used rotating teleworking for administrative functions in addition to the prevention measures already adopted last year and maintained in this first half year.
As mentioned, the Group continues to manage the COVID emergency very attentively through the implementation of all preventive and distancing safety measures. Furthermore, with a view to supporting the national vaccination campaign, the Group carried out an internal information campaign in order to promote vaccinations. In this first half of 2021 no social safety nets were used, let alone reductions in hours. As discussed in the Management Report, the Group is not suffering any negative income or financial effects due to the pandemic and in any case continues to monitor the situation by preparing forecasts in order to identify potential critical issues and implement corrective actions where necessary.

Subsequent events

Continuation of the international expansion

The acquisition of the business unit of Accés Vertical, a Spanish company operating in the rope construction sector, was completed on 21 September 2021, becoming the new company EA Iberica. Accés Vertical is a small company with a distinctive competitive positioning: in addition to a young, qualified management with proven professional skills, Accés Vertical has a particularly valuable customer portfolio. By way of example, Accés Vertical is the company authorised to carry out work on ropes for the safety of the iconic Sagrada Familia.

Purchase of own shares

On 03 August 2021 the Parent Company purchased own shares for a value of €26,032.

COMMENTS ON THE MAIN ASSET ITEMS

FIXED ASSETS

With regard to the fixed assets (intangible and tangible), as set out in the following pages specific statements have been drawn up showing the historical costs, previous amortisation/depreciation, previous write-ups and write-downs, changes during the year, final balances, and the total of the write-ups at year end.

INTANGIBLE FIXED ASSETS

Below are the details of the changes in the items of intangible fixed assets (Table 1.1)

Table 1.1

Description	Start-up and expansion costs	Development costs	Industrial patent and intellectual property usage rights	Concessions, licences, trademarks and similar rights	Goodwill	Intangible fixed assets under construction and payments on account	Other intangible fixed assets	Total intangible fixed assets
Cost	4,677,800	278,978	806,863	5,562	236,684	304,901	1,375,571	7,686,360
Write-ups								
Depreciation/amortisation (Accumulated depreciation/amortisation)	1,910,100	258,978	480,225	3,812	- 0	- 0	604,448	3,257,561
Write-downs								
Book value	2,767,701	20,000	326,638	1,751	236,684	304,901	771,123	4,428,798
Changes during the year							-	-
Increases for purchases	143,866	-	281,102	-	-	-	178,107	603,074
Reclassifications (of the book value)						- 86,309	-	- 86,309
Decreases for sale and disposals (of the book value)	-	-	-	-	-	-	-	-
Write-ups made during the year			-	-	-	-	-	-
Depreciation/amortisation for the year	669,858	20,000	73,027	351	-	-	142,965	908,400
Write-downs made during the year	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Total changes	- 459,848	- 20,000	206,075	- 551	-	- 86,309	36,508	- 324,125
Value at year end	-	-	-	-	-	-	-	-
Cost	4,821,666	278,978	1,087,965	5,562	236,684	218,592	1,553,678	8,203,125
Write-ups	-	-	-	-	-	-	-	-
Depreciation/amortisation (Accumulated depreciation/amortisation)	2,579,957	278,978	555,253	4362	- 0	- 0	747,412	4,163,961
Write-downs	-	-	-	-	-	-	-	-
Book value	2,241,709	-	532,713	1,200	236,684	218,592	806,266	4,037,163

The item Intangible fixed assets has a balance of €4,037,164 as at 30 June 2021 (€4,428,798 as at 31 December 2020).

The item “Start-up and expansion costs” equal to €2,241,709 (€2,767,701 as at 31 December 2020) includes costs with multi-year utility related to incorporation costs and start up costs of new direct offices.

The item “Development costs” as at 30 June 2021 amounted to €0 (€20,000 at 31 December 2020).

Industrial patent and intellectual property usage rights amounting to €532,173 (€326,638 as at 31 December 2020) refer to software usage rights. The increase for the year is due to the Condominio App project, a project in partnership with Jakala for the geolocation and study of area profitability and the implementation of the management software in use.

The item “Assets under construction and payments on account” for €218,592 (€304,901 as at 31 December 2020) consists of costs incurred by the Parent Company for the creation and development of new software for the implementation of IT systems to improve corporate operations.

The item “Other intangible fixed assets” amounting to €806,266 (€771,123 as at 31 December 2020) includes at the end of the year the improvements on leased assets and the multi-year costs for the issuance of the bond loan.

At 30 June 2021 there were no commitments relating to the intangible fixed assets held.

TANGIBLE FIXED ASSETS

Below are the details of the changes in the items of tangible fixed assets (Table 1.2):

Table 1.2

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible fixed assets under construction and payments on account	Total tangible fixed assets
Cost	-	204,083	519,107	1,350,477	-	2,073,666
Write-ups	-	-	-	-	-	-
Depreciation/amortisation (Accumulated depreciation/amortisation)	-	48,234	54,046	667,605	-	769,885
Write-downs	-	-	- 0	0	-	-
Book value	-	155,849	465,061	682,871	-	1,303,781
Changes during the year	-	-	-	-	-	-
Increases for purchases	-	-	30,164	97,479	-	127,643
Reclassifications (of the book value)	-	-	12,967	12,967	- 0	- 0
Decreases for sale and disposals (of the book value)	-	-	1,395	-	-	1,395
Write-ups made during the year	-	-	-	-	-	-
Depreciation/amortisation for the year	-	13,974	55,077	104,200	-	173,252
Write-downs made during the year	-	-	-	150	-	150
Other changes	-	-	-	-	-	-
Total changes	-	13,974	26,854	11,195	-	29,634
Value at year end	-	-	-	-	-	-
Cost	-	204,083	547,876	1,448,106	- 0	2,200,064
Write-ups	-	-	-	-	-	-
Depreciation/amortisation (Accumulated depreciation/amortisation)	-	62,209	96,156	784,772	-	943,137
Write-downs	-	-	-	-	-	-
Book value	-	141,874	451,720	663,333	- 0	1,256,927

The item Tangible Fixed Assets, net of depreciation, amounts to €1,256,927 (€1,303,781 as at 31 December 2020).

Ordinary depreciation, shown in the relevant table, was calculated on the basis of rates deemed representative of the residual possibility of use of the related tangible fixed assets. The rates applied are as follows:

- Plant and machinery 15%
- Instrumental industrial and commercial equipment 20.00%
- Other assets:
- Electronic office machines 20.00%
- Office furniture and fixtures 12.00%
- Motor vehicles 25.00%

The item Plant and machinery amounted to €141,874 as at 30 June 2021 (€155,849 as at 31 December 2020).

The item Industrial and commercial equipment amounted to €451,720 as at 30 June 2021 (€465,061 as at 31 December 2020) and includes leased assets.

The item Other Assets is equal to €663,333 as at 30 June 2021 (€682,871 as at 31 December 2020). This item includes the furnishings and furniture of the points of sale located throughout the country and the improvements on leased assets.

In accordance with the provisions of IAS 17, outstanding financial lease contracts have been reclassified using the following scheme:

• The cost of leased assets was entered under tangible assets under the item "Industrial and commercial equipment" and systematically depreciated on the basis of the estimated useful life. A financial debt to the lessor was entered in a matching entry.

• Any maximum fee paid initially is considered as an immediate repayment of the principal amount.

• The lease fees are accounted for in such a way as to separate the interest expense from the capital portion, which reduces the residual debt.

At 30 June 2021 buildings were leased for €105,061 (€128,352 at 31 December 2020).

INVENTORIES

Inventories consist of goods that contribute to the production of the services provided by the company, and more specifically consist of the equipment that each team of rope operators must be equipped with, such as harnesses, ropes and safety equipment and inventories of building materials used for the execution of the works.

At 30/06/2021 the value of inventories consisted of €869,474 for building materials used for the execution of the works and €1,901,119 for equipment used by rope operators.

Any profits relating to the intercompany resale of harnesses and protective devices for rope operators were eliminated from the consolidated item.

RECEIVABLES

Trade receivables

Trade receivables at 30 June 2021 amounted to €19,194,026 (€20,724,296 at 31 December 2020) and relate to receivables deriving from normal sales transactions only with customers. They are recorded net of a write-down provision set aside to adjust their value to that of presumed realisation. The provision for doubtful accounts at 30 June 2021 was equal to €1,671,115.

The provision for doubtful accounts pursuant to article 106 of the Consolidated Law on Income Tax includes write-downs carried out on a flat-rate basis and in terms of total receivables recorded in the financial statements, within the limits envisaged by tax law.

The write-down of receivables is generally considered adequate, including with respect to the trend of the recovery of receivables through legal proceedings or through services provided by third-party companies specialising in the recovery of receivables. Note that there are no receivables with a residual duration of more than 5 years (article 2427, para. 1, no. 6 of the Italian Civil Code), and that a breakdown of receivables by Geographical Area is not provided for the half-yearly report as of 30 June 2021 because most business is still carried out in Italy.

Changes in the provision for doubtful accounts from 1 January 2021 to 30 June 2021 are shown below (Table 1.3).

Table 1.3

	31.12.2020	Provision	Uses	30.06.2021
Provision for doubtful accounts	1,321,115	350,000	-	1,671,115
Taxed provision for doubtful accounts	-		-	-
Total	**1,321,115**	**350,000**	**-**	**1,671,115**

Tax receivables for Prepaid taxes

The item tax receivables includes amounts that are certain, determined and in some cases allocated deriving from receivables for which a right of realisation has arisen by way of reimbursement or compensation.

The item “Tax credits”, equal to €10,569,460, mainly includes:

- Receivables of the Parent Company for withholding taxes incurred for €1,559,122
- The IRES credit of the Parent Company relating to the previous year for €127,626
- The Parent Company's receivables for €8,475,938 relating to the discounts on the invoice granted by the Company to customers for the works carried out according to the rules of the transfer to third parties pursuant to art. 121 of the Relaunch Decree converted into Italian Law 77/2020 of 19 July 2020. In line with the provisions of the “Communication on the methods of accounting for tax bonuses” issued by the Italian Accounting Body (OIC), for the part of the discount on the invoice the Company recorded revenues as a contra entry to receivables corresponding to the market value of the tax bonus that will be received as a result of the discount applied on the invoice. The market value of the tax bonus was derived from the transfer contracts that the Company stipulated with banks during the first half of 2021.

Receivables for prepaid taxes equal to €391,656 refer to the temporary differences between statutory profits and taxable income in addition to the effect deriving from the consolidation entries. These receivables have been posted since on the basis of the multi-year plans drawn up by the Company's management there is reasonable certainty that the Company will produce sufficient taxable income for their recovery in future years.

Table 1.4 details the tax receivables by nature.

Table 1.4

	within the year
Tax authority for withholdings incurred	1,559,122
Tax authority for IRAP advances	287,209
IRES receivables from previous years	127,626
Special tax credits	19,830
Other tax receivables	91,848
Ecobonus receivables	8,475,938
VAT receivable	7,887
Total	10,569,460

Other Receivables

The Other Receivables item, whose total is equal to €2,517,293 (€2,479,932 as at 31 December 2020), mainly consists of the Parent Company's receivables for security deposits (€173,726), advances to suppliers (€70,676), receivables from the associate Cine 1 Italia SRL (€600,000), receivables from social security institutions for wage supplements (€1,138,465).

FINANCIAL ASSETS THAT DO NOT CONSTITUTE FIXED ASSETS

At 30 June 2021 financial assets that do not constitute fixed assets amounted to €11,402,727 and relate to two investments made in the previous years by the Parent Company in capitalised financial products, an investment made in 2020 and a new investment relating to the first half of 2021. Specifically, the Parent Company invested in the following financial instruments:

- "Aviva value solution UBI Edition 2017": the contract was stipulated on 27 February 2018 and has a value of €1,064,955.
- "Eurovita Private Value": the contract was stipulated on 13 December 2018 and at 30 June 2021 has a value of €3,145,962.
- "Ezum Bnl Policy": the contract was stipulated on 5 November 2020 and has a value of €5,059,510.
- "3-year BPM Protected Capital" has a value as at 30 June 2021 of €2,084,400.

The Directors made these investments for temporary use of liquidity with a redemption option.

The valuation was carried out at the adjusted acquisition cost of a revaluation, amounting to €178,324, to take into account the higher realisable value at 30 June 2021.

CASH AND CASH EQUIVALENTS

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

Note that the Group's cash and cash equivalents amounted to €4,943,883 (€8,241,967 as at 31 December 2020). The decrease in cash and cash equivalents is essentially due to the repayment of outstanding loans and to the investment of €1,980,000 in an insurance policy posted under Financial assets not recorded under fixed assets.

Note that the cash and cash equivalents of the various group companies pertain to the Parent Company for an amount equal to €4,817,889, Edac France S.a.S. for €25,994 and Energy Acrobatics 110 S.r.l. for €100,000

ACCRUED INCOME AND PREPAID EXPENSES

The item "Accrued income and prepaid expenses" includes prepaid expenses of €763,424 due to insurance premiums, loan application costs and rents

COMMENTS ON THE MAIN LIABILITY ITEMS

SHAREHOLDERS' EQUITY

Below we comment on the main items comprising shareholders' equity and their changes.

Share capital

The share capital was fully subscribed and paid up as at 30 June 2021 and amounted to €803,250, represented by 8,032,498 ordinary shares. The share capital remained unchanged compared to 31 December 2020.

Legal reserve

The legal reserve amounts to €160,650 versus €158,486 in the previous year. The legal reserve increased by €2,165, as per the resolution of the Shareholders' Meeting of 29 April 2021.

Share premium reserve

The reserve recorded in the financial statements amounts to €6,680,369, unchanged compared to 31 December 2020.

Profits carried forward

This item, recorded for €2,614,762, includes the results of the Parent Company and its subsidiaries carried forward.

Reconciliation between the shareholders' equity and the net profit for the year of Ediliziacrobatica S.p.A. with the shareholders' equity and the net result of the Consolidated Financial Statements.

The comparison between the composition of shareholders' equity indicated in the Parent Company's financial statements at 30 June 2021 and the corresponding values shown in the Consolidated Financial Statements at the same date is as follows.

Table 1.5

	EDAC S.p.A.	Consolidated Financial Statements
- Share Capital	803,250	803,250
- Share premium reserve	6,680,369	6,680,369
- Legal Reserve	160,650	160,650
- Other reserves, otherwise indicated	883,057	883,057
- Reserve for hedging transactions expected	- 11,477	- 11,477
- Profits carried forward	3,443,653	2,614,762
- Net result for the year	2,110,611	1,600,721
Total	14,070,113	12,731,332

These differences can be explained as follows (Table 1.6):

Table 1.6

	Shareholders' Equity	Profit/loss Net
EDAC S.p.A. FINANCIAL STATEMENTS	**14,070,113**	**2,110,611**
- Consolidation of EDAC France	- 1,460,854	- 446,145
- IAS 17	- 6,171	- 18
- Consolidation of Energy Acrobatica 110	20,000.00	
- Capitalisation of start-up costs in France	128,244	- 63,726
CONSOLIDATED FINANCIAL STATEMENTS	**12,751,332**	**1,600,721**
- Amounts attributable to minority shareholders	20,000	
VALUES ATTRIBUTABLE TO THE GROUP	**12,731,332**	**1,600,721**

MINORITY INTERESTS

At 30 June 2021 shareholders' equity (capital and reserves) and the net result attributable to minorities refer to the minority share held by minority shareholders in the Group Companies.

A breakdown of the portion of Capital and Profit attributable to minority interests is provided here:

Table 1.7

	30.06.2021
Minority interests in capital and reserves	20,000
Profit (Loss) attributable to minority interests	-

Changes in the Shareholders' Equity items (Table 1.8)

	Capital	Share premium reserve	Legal reserve	Statutory reserves	Reserve for hedging transactions expected	Miscellaneous other reserves	Retained earnings (losses)	Profit (loss) for the year	Negative reserve for treasury shares in portfolio	Total Group shareholders' equity	Minority interests in capital and reserves	Total SE of the Group and minority interests
Value at year start	803,250	6,680,369	158,485		- 22,839	4,389	3,481,007	1,757,640		12,862,301		12,862,301
Allocation of the result of the previous year			2,165			878,668	876,807	- 1,757,640		-		-
Allocation of dividends							- 1,743,052			1,743,052		- 1,743,052
Other uses										-		-
Other changes										-	20,000	20,000
Increases					11,362					11,362		11,362
Decreases										-		-
Reclassifications										-		-
Operating result								1,600,721		1,600,721		1,600,721
Value at year end	803,250	6,680,369	160,650	-	- 11,477	883,057	2,614,762	1,600,721	-	12,731,332	20,000	12,751,332

PROVISIONS FOR RISKS AND CHARGES

At 30 June 2021 the following amounted to €95,489 (€120,122 at 31 December 2020):

The provision reflects the portions recorded for the year relating to deferred taxes, while the use represents the use of previous provisions for the purposes for which they were intended.

EMPLOYEE SEVERANCE INDEMNITIES

Employee severance indemnities equal to €2,058,407 (€1,663,476 at 31 December 2020), determined in accordance with the provisions of art. 2120 of the Italian Civil Code, saw the following changes:

Table 1.9

	31.12.2020-30.06.21
Provision as at 31.12.2020	1,663,193
Allocated during the year	598,532
Disbursed	203,318
Provision as at 30.06.2021	2,058,407

PAYABLES

The total amount of payables is reported under "liabilities" of the balance sheet, in class "D", for an amount of €42,677,756 (€38,510,146 at 31 December 2020). The new wording of article 2426 of the Italian Civil Code provides that receivables and payables must be recognised in the financial statements according to the amortised cost criterion, taking into account the time factor (and, with regard to receivables, the estimated realisable value). From a valuation of the payable items, the effect of the application of the amortised cost to the payables in the financial statements with respect to a valuation at nominal value was irrelevant.
Below we comment on the composition of the main items that make up this grouping:

Bonds

On 31 July 2020, Ediliziacrobatica S.p.A. issued a €10 million bond underwritten by the Intesa Sanpaolo bank while simultaneously repaying the bond loans listed on the ExtraMOT Pro segment of Borsa Italiana.

The main terms governing the Bond Loan are:
Interest: fixed rate (with six-monthly deferred coupon) equal to 3.30% (three point thirty per cent) on an annual basis;
Maturity/duration: 7 (seven) years from the date of issue
Repayment: on an amortised basis, with a pre-amortisation period of 2 (two) years.

The issue of the Bond Loan is aimed at the development of new markets through the strengthening of the business's commercial presence, continuation and consolidation of the international expansion, new business lines also through mergers & acquisitions of companies or individual business units, as well as the strengthening and/or rationalisation and/or improved efficiency of both Italian and foreign production areas in order to strengthen the business's presence in the markets of reference and to develop working capital in relation to the revenue growth.
At 30 June 2021 bonds amounted to €9,751,079 (€9,740,976 at 31 December 2020).

Payables to banks

Payables due to banks comprise the following (Table 1.10).

Table 1.10

	Balance at 30.06.2021	Balance at 31.12.2020
Advances on invoices	401,165	672,693

Credit cards	14,286	7,429
Financing	13,103,401	14,245,945
Total	**13,518,852**	**14,926,067**

The item “Advances on invoices” for €401,165 relates to the use of ordinary loans granted by the various Credit Institutions of the Parent Company. Note that the uses fall largely within the limits of the loans granted.

Below is the breakdown of payables to banks due within the year and due beyond the year (Table 1.11).

Table 1.11

	Balance at 30.06.2021
Due within the year	4,926,720
Due beyond the next year	8,592,130
Total	**13,518,852**

The breakdown of the timing of the main loans with portions due within and beyond the year is presented below (Table 1.12)

Table 1.12

	within the year	**beyond the year**
UNICREDIT LOAN 7697470	70,795	77,700
Intesa loan (January 2018)	377,565	317,629
Credem loan November 2018	100,362	50,545
Unicredit loan May 2019	308,731	
Credem Loan July 2019	133,485	
Ubi Banca loan January 2020	333,562	
Carige loan February 2020	750,000	
Intesa loan January 2020	166,438	333,562
Bpm loan June 2020	885,205	2,677,518
Deutsche Bank loan July 2020	371,598	1,628,402
Intesa loan September 2020	1,000,000	3,500,000
Bank mortgage loans	3,802	6,774
SPA advances	415,450	
Advances other companies	9,727	
Total	**4,926,720**	**8,592,130**

Payables to other lenders

Payables to other lenders amounted to 809,786 and consist of a loan for a company car, lease agreements and a loan guaranteed by the French State to Edac France S.a.S. The breakdown of instalments due this and subsequent years is as follows (Table 1.13):

Table 1.13

	Balance at 30.06.2021
Due within the year	
Due beyond the next year	809,786
Total	**809,786**

Advances received

The item "Advances", amounting to €1,289,421 (€1,396,781 for the previous year), comprises all advances received from customers for supplies of goods and services not yet rendered.

The most significant amounts relate to advances received from the Parent Company's customers for €1,279,686.

Trade payables

"Trade payables" relate to commercial transactions with normal payment terms, all with a maturity within one year.

At 30 June 2021 the item had a value of €6,455,242 (€5,269,421 as at 31 December 2020).

Tax Payables

The item "Tax payables", amounting to €3,272,895, mainly relates to the current tax payables for the year net of the advances for the months of June and November, amounting to €1,662,053 for the Group companies, to the VAT payables for the Group companies for €727,381, to the debt of the Parent Company for taxes paid in instalments or in the process of being settled for €86,870 and to payables for withholdings for employees and self-employed for €883,462. (Table 1.14)

Table 1.14

	Balance at 30.06.2021
Income taxes and lesser taxes	1,662,053
VAT payables	727,381
Tax withholdings on employees	856,773
Withholdings on self-employment	26,688
Total	**3,272,895**

Payables to social security institutions

This item refers to payables to the social security institutions of the Parent Company for €2,280,225, of Edac France for €219,703. Specifically, payables are mainly owed to social security institutions and construction pension funds, whose increase compared to the previous period is due to the acquisition of the employees of the subsidiaries hired from 1 January 2021.

Other Payables

The item "Other payables", equal to €4,804,160, mainly consists of payables to employees for the salaries for the month of June duly paid in July 2021 for €1,609,153, payables to employees for deferred pay for €748,479 and payables of the Parent Company for €1,512,674 to Shareholders for profits whose distribution has been approved but not yet paid.

This item includes the following entries (Table 1.15):

Table 1.15

	Balance at 30.06.2021	Balance at 31.12.2020
Payables due to personnel	3,123,297	2,000,862
Payables to shareholders for profits to be paid	1,511,479	85,000
Payables to franchises	27,716	21,402
Other sundry payables	141,667	612,501
Total	**4,804,160**	**2,719,767**

ACCRUED EXPENSES AND DEFERRED INCOME

At 30 June 2021 the item accrued expenses and deferred income amounting to €90,827 consisted for €4,529 of interest expense pertaining to the first half of the year and the remaining part for €286,298 consisted of deferred income recorded following the receipt of clearance from the Ministry of Economic Development and the Revenue Agency with respect to the validity of the tax credit for the IPO consulting during the year of listing and deferred income on bond loans.

COMMENTS ON THE MAIN ITEMS OF THE INCOME STATEMENT

Introduction, explanatory notes to the income statement

Before proceeding with the analysis of the individual items, please note that in accordance with art. 2428, paragraph 1, of the Italian Civil Code the comments on the general trend of costs and revenues are presented in the management report.

VALUE OF PRODUCTION

Revenue from sales and services

The value of production as at 30 June 2021 amounted to €36,781,010 (€18,685,554 as at 30 June 2020), with a significant increase compared to the same period of the previous year. The increase of this item is mainly due to the effect that the Ecobonus scheme had on the Company. See the Management Report for an analysis of the performance of revenues in the first half of 2021.

Revenues as at 30 June 2021 recorded an amount of €36,500,330 (17,593,998 as at 30 June 2020). As already noted in the “Tax receivables” section, the revenues relating to the works carried out according to the rules of the transfer to third parties pursuant to art. 121 of the Relaunch Decree converted into Italian Law 77/2020 of 19 July 2020 were recorded at the market value of the tax bonus that will be received as a result of the discount applied in the invoice, whose charge, borne by the Parent Company, was estimated for an amount equal to €1,160,006. The market value of the tax bonus was derived from the transfer contracts that the Company stipulated with banks during the first half of 2021.

The item A4) “Increases in fixed assets for internal works” equal to €121,000 includes capitalised costs that have generated increases in assets in the balance sheet under the item “Assets under construction and payments on account”. For details of the increases, see the comment on the item “Assets under construction and payments on account”.

The item A5) “Other revenues and income” includes operating grants recorded under the item “Operating grants” for €81,375 and other revenues recorded under the item “Others” for €77,945.

The item “Revenues from Sales and Services” is detailed below, broken down by type of revenue (Table 1.16):

Table 1.16

	Balance at 30.06.2021	**Balance at 30.06.2020**
Sales of Services	34,642,072	16,253,183
Royalties	978,649	587,109
Revenues from secondment of employees	169,736	240,396
Sales of goods and recharges to franchisees	709,874	341,310
Franchise fee	-	172,000
Total	**36,500,330**	**17,593,998**

For more details please refer to the management report.

COSTS OF PRODUCTION

Costs and charges under class B of the Income statement, equal to €31,252,249 as at 30 June 2021 (€18,241,577 as at 30 June 2020), classified by nature, were indicated net of returns, commercial discounts, rebates and premiums, while financial discounts were recognised under item C.16, as they constitute financial income. The costs for purchase of goods also include ancillary purchase costs (transport, insurance, loading and unloading, etc.) if the supplier included them in the purchase cost of materials. Otherwise, these costs were recorded under costs for services (item B.7). VAT that cannot be recovered was included in the purchase cost of the goods. Items B.6, B.7 and B.8 do not only include the costs of a certain amount resulting from invoices received from suppliers, but also those of an estimated amount not yet documented, for which specific checks have been carried out.

Costs of Raw, Ancillary and Consumable Materials

Costs for raw, ancillary and consumable materials amount to €3,978,707 as at 30 June 2021 (€2,144,910 in the same period of the previous year). This item consists mainly of costs for equipment and materials used by operating teams in the production process.

Costs for Services

Costs for services are shown for an amount equal to €8,118,624 (€4,618,052 as at 30 June 2020). This item mainly consists of costs incurred by the Parent Company, for commercial, legal and safety consulting (€2,455,492), costs for advertising and marketing (€414,882), reimbursement of expenses of workers, contractors and coordinators (€401,152), third-party labour costs on construction sites (€210,605), costs for personnel search and selection (€293,564), waste disposal costs (€154,341), fuel costs and tolls (€405,894), costs for restaurants, hotels and travel (€229,503).

Costs for Use of leased assets

The cost for use of leased assets corresponded to €2,039,902, while for the same period of the previous year the amount of costs included in this item was €1,318,282.

This item includes the rent for the buildings of the direct operating offices of the Parent Company for €643,780, rent for the use of software licences for €63,649, rent for cars, vans, equipment and other accessories for €876,551 thousand, rent for meeting rooms and training for €17,448 and software licences for €212,400.

Compared to 30 June 2020, the Parent Company's rental fleet increased by 22 cars, 20 vans and 5 scooters, with a total vehicle fleet at 30 June 2021 of 151 units.

Personnel costs

The item personnel cost is recorded in the production costs of the income statement for a total of €14,852,970 (€9,075,744 in the first half of the previous year). The breakdown of these costs is already provided in the income statement.

The item includes all personnel costs, including merit increases, automatic cost-of-living increases, the cost of holidays not taken and provisions required by law and collective bargaining agreements.

Amortisation, Depreciation and Write-Downs

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

Item B10d) “Write-downs of receivables included in current assets and cash and cash equivalents” includes
€350,000 in write-downs of trade receivables recorded in current assets.

Change in inventories of raw and ancillary materials, consumables and goods

The change in consolidated inventories of the Group amounted to €63,536. The item consists of changes due to the increase in the Construction Warehouse, the Pedestrian Tunnels and the Operator Kit in the first six months of the year 2021.

Other operating charges

The item has a consolidated balance of €893,930 (€185,902 for the same period of the previous year) and is mostly composed of €697,285 of contingent liabilities of various kinds reclassified to this item and €63,607 of sanctions, penalties and fines.

INTEREST AND OTHER FINANCIAL CHARGES

Income other than the above

This item includes interest income deriving from interest related to payment concessions deferred over time to some customers of the Parent Company for €15,098.

Interest and other financial charges

This item, amounting to €2,767,250 (€179,386 the same period of the previous year), mainly includes charges relating to interest expense accrued on the bond loan and loans recorded under the item "payables due to banks". Moreover, the item includes for €2,476,934 the cost incurred by the Parent Company during the first half of 2020 for the transfer of tax receivables pursuant to article 121 of Italian Decree Law no. 34 of 19 May 2020, converted by Italian Law no. 77 of 17 July 2020 (Relaunch Decree) amended by Italian Law 178/2020 to Intesa San Paolo S.p.A.

Following are the details of the main items of interest (Table 1.18).

Table 1.18

	Balance at 30.06.2021
Bank interest expense	16,008
Interest expense on bond loans	165,917
Interest expense on loans	72,528
Interest on loans of other lenders	1,334
Others	2,511,463
Total	**2,767,250**

ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS

The item write-ups of securities included under current assets that do not constitute equity investments consists for €178,324 in the write-up of the value of the item "Other securities" entered under Current Assets (Table 1.19).

Table 1.19

	Balance at 30.06.2021
from securities classified under fixed assets not representing equity investments	-
from securities included under current assets not constituting equity investments	178,324
Total	**178,324**

INCOME TAX FOR THE YEAR

Income taxes of the Group companies for the year were estimated by virtue of the concept of autonomy of the interim financial statements envisaged by OIC 30. Therefore, a tax provision was estimated as if taxes were to be paid based on gross profit as at 30 June 2020.

The Group companies allocated annual taxes based on the application of current tax regulations in the countries they are located in. The year's taxes include current, deferred and prepaid taxes relating to positive and negative items of income subject to taxation or deduction in other years with respect to the year of recognition. Prepaid/deferred taxes related to consolidation entries deriving from the elimination of intra-group margins and the related effect on consolidated amortisation and depreciation and the application of IAS17 to existing lease contracts were also calculated.

Taxes amount to a total of €1,354,212, of which:

- €1,427,010 for current taxes
- €72,798 for prepaid taxes

Details of the taxes are provided below (Table 1.20)

Table 1.20

	Balance at 30.06.2021
IRAP	535,539
IRES	891,471
Deferred and prepaid taxes	- 72,798
Taxes relating to prior years	
Total	**1,354,212**

Potential commitments, guarantees and liabilities not included in the balance sheet

Following the amendments made to the financial statements by Italian Legislative Decree 139/2015 from 2016, the memorandum accounts at the bottom of the Balance sheet must no longer be included. Any commitments, guarantees and potential liabilities not shown in the Balance Sheet are therefore described in this specific point of the Report.

Disclosure of assets and loans allocated to a specific deal Assets allocated to a specific deal

It is certified that as of year end there were no assets allocated to a specific deal, as per no. 20 of art. 2427 of the Italian Civil Code.

Loans allocated to a specific deal

It is certified that as of year end there were no loans allocated to a specific deal, as per no. 21 of art. 2427 of the Italian Civil Code.

Disclosure of transactions with related parties

There were transactions with related parties during the year, summarised below (Table 1.21).

Table 1.21

	Receivables	Revenues	Payables	Costs
Edac I-Profile S.r.l.	-		112,377	13,573
Ediliziacrobatica Italia S.r.l.	81,942			137,079
Arim Holding S.r.l.	-		-	

Disclosure of off-balance sheet agreements

During the year no off-balance sheet agreements were stipulated.

Average number of employees broken down by category (table)

Table 1.22

	Executives/Managers	White-collar workers	Blue-collar workers	Others employees	Total Employees
Number medium	16	141	625	-	782

Businesses that draft financial statements of the largest/smallest group of businesses they are a part of as a subsidiary

This case does not exist as per art. 2427, nos. 22-*quinquies* and *sexies* of the Italian Civil Code.

Disclosure relating to derivative financial instruments pursuant to Art. 2427-bis of the Italian Civil Code

The detailed information required by article 2427 bis, paragraph 1, no. 1 of the Italian Civil Code is presented as follows. Note that the Company has two derivative contracts to hedge interest rate risk. The details are as follows. Changes in fair value reserves during the year are shown in the table in the Shareholders' Equity section (Table 1.24).

Table 1.24

Description	Fair value current year	Change in IS	Change in SE
Deutsche Bank Interest Rate Swap – 2021	26,659		26,659
Interest rate ap BPM-2021	- 38,137		- 38,137

Disclosure pursuant to art. 1, paragraph 124, of Italian Law no. 124 of 4 August 2017

Law no. 124/2017 provides for the obligation to provide information relating to grants, contributions, paid assignments and economic benefits of any kind received from Italian public administrations. In this regard, note that during 2021 EdiliziAcrobatica S.p.A. received no form of subsidy, contribution, paid assignment or other economic benefit from Italian public administrations. Note that the revenues: - generated by services provided to subjects belonging to public administrations as part of the normal operations of the company and regulated by contracts for services, as well as - the tax concessions accessible to all companies that meet certain conditions on the basis of predetermined general criteria, which are also the subject of specific declarations (see CNDCEC document of March 2019) are not considered relevant for the purposes of the disclosure obligations envisaged by Italian Law no. 124/2017. In accordance with art. 2427 of the Italian Civil Code, it is also specified that: - No financial charges were attributed to the values recorded in the balance sheet assets.

Genoa, 27 September 2021

For the Board of Directors.

Riccardo Iovino