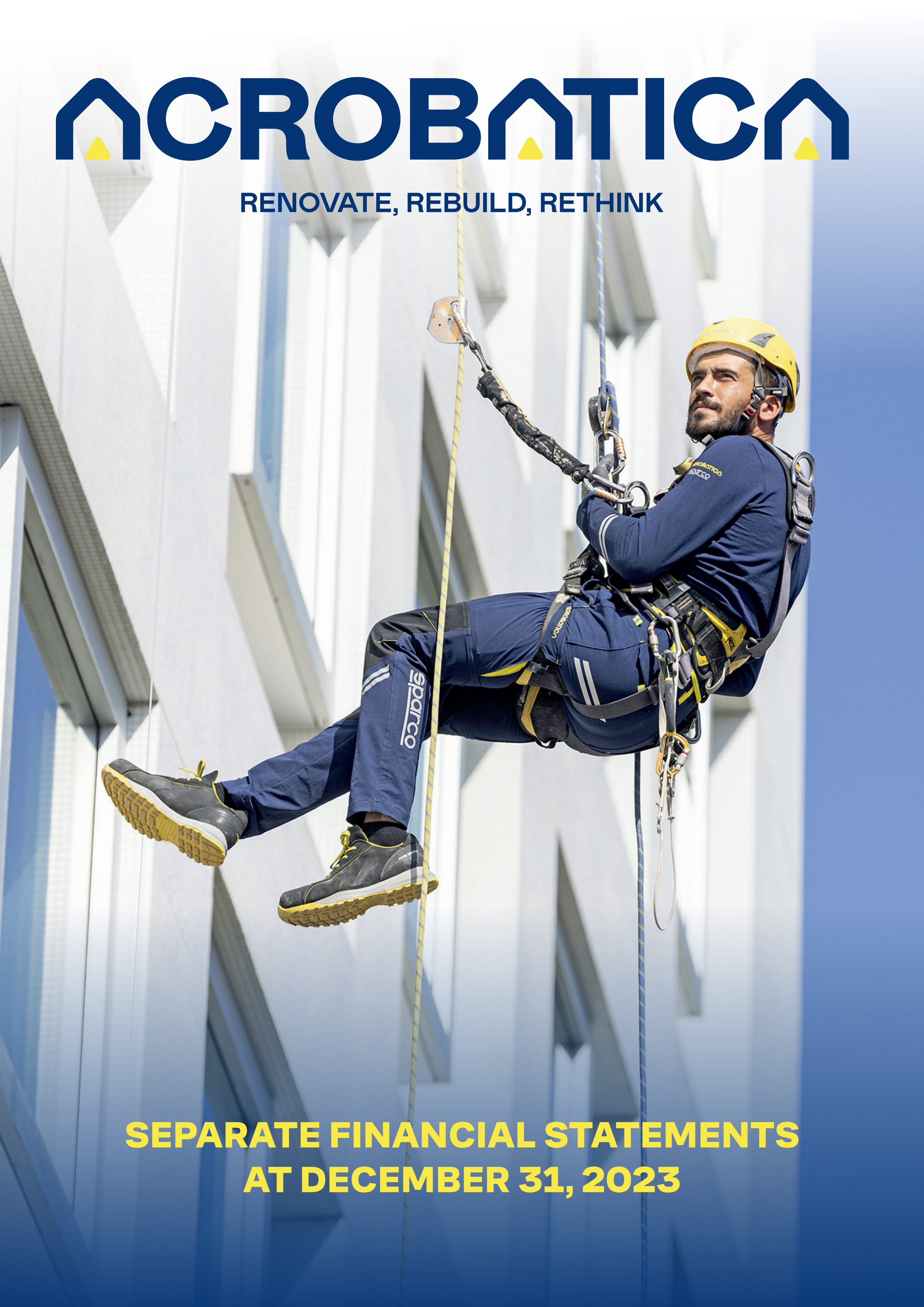
ACROBATICA

RENOVATE, REBUILD, RETHINK



SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2023

Directors' Report of the Financial Statements at 31 December 2023

Dear Shareholders, these financial statements as of 31 December 2023 close with a net profit for the period of €4,025 thousand, net of taxes of €3,144 thousand.

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

This document presents information concerning the Company'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 Company is exposed.

This report, drawn up with values expressed in thousand of euros, is presented alongside the financial statements to provide information about the Company'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 Financial Statements have been prepared, for the first time, 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.

In light of 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.

Trends in the economy and construction sector

In 2023, the Italian economy 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, the GDP did not record any changes. 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.

Nevertheless, 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 architectural barriers. As regards 2024, the forecasts set out in the Osservatorio Congiunturale speak of an uncertain macroeconomic scenario, influenced by geopolitical tensions, inflation and monetary policy. According to ANCE, the construction sector is very sensitive to this context and, for this reason, a -7.4% reduction is expected during the year in investments in construction.

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 such a context of changes the Company has carved out a leading role on the Italian market

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.**

Despite this fact, the Company continued its trend of growth through the planning of routine and extraordinary maintenance of buildings and is forging ahead in the rope construction industry. 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 Company continues to hold an absolute leadership role in the Italian market, where most competitors are small companies with a rather underdeveloped level of business organisation.

The Company'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.

As mentioned, 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.

In 2023, the Company 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.

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

The 2023 financial statements were strongly influenced by the sudden end of the invoice discount. Despite this, as mentioned above, the Company 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 fell to € 114,536 thousand from € 121,895 thousand generated in 2022, with an overall decrease of 6%; operating costs amounted to € 94,423 thousand against € 87,293 thousand in 2022, up by 8%.

Among operating costs, personnel costs, which constitute the largest item, amounted to € 52,344 thousand, an increase on the € 43,365 thousand in 2022, with a 21% increase compared to the previous financial year. The increase in personnel costs mainly derives from the growth in personnel (+310 employees compared to the financial year 2022).

Amortisation and depreciation amounted to € 6,881 thousand, a 33% increase compared to 2022.

The gross operating margin was €20,113 thousand, compared to €34,602 thousand in the previous financial year.

Financial management generated € 1,924 thousand, of which € 708 thousand in financial income and € 2,632 thousand in financial expenses.

Profit (loss) for the year 2023 was a net profit of € 4,025 thousand against a net profit of 15,593 thousand in 2022.

Income tax amounted to € 3,144 thousand.

Company situation and management performance

In 2023, EdiliziAcrobatica S.p.A. 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.

As regards the domestic market, in pursuit of the objective to acquire new market shares through the widespread penetration of the Italian territory, 103 operating areas were achieved in the financial year, with an increase of 20 units compared to the 83 achieved in 2022. The number of affiliations increased to 39 units.

Analysis of the business 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
Revenues	114,536	121,895
Operating Costs	(94,423)	(87,293)
EBITDA	**20,113**	**34,602**
Amortisation and Depreciation	(6,881)	(5,162)
Depreciation and Provisions	(4,139)	(328)
EBIT	**9,093**	**29,112**
Financial income and charges	(1,924)	(5,973)
Pre-tax income	**7,169**	**23,139**
Income tax	(3,144)	(7,546)
Net profit (loss)	**4,025**	**15,593**
EBITDA %	17.56%	28.39%
EBIT %	7.94%	23.88%
Pre-tax income %	6.26%	18.98%
Net profit (loss) %	**3.51%**	**12.79%**

OPERATING REVENUES	2023	Perc. %	2022	Perc. %
Revenue from sales and services	113,745	99.31%	121,283	99.50%
Other revenues and income	791	0.69%	612	0.50%
TOTAL OPERATING REVENUES	**114,536**	**100.00%**	**121,895**	**100.00%**

AMORTISATION AND DEPRECIATION	2023	Perc. %	2022	Perc. %
Amortisation of intangible fixed assets	339	3.08%	475	8.65%
Amortisation of rights of use	3,749	34.02%	2,592	47.21%
Amortisation of tangible fixed assets	2,793	25.34%	2,095	38.16%
TOTAL AMORTISATION AND DEPRECIATION	**6,881**	**62.44%**	**5,162**	**94.03%**
Depreciation	4,139	37.56%	328	5.97%
TOTAL AMORTISATION AND DEPRECIATION	**11,020**	**100.00%**	**5,490**	**100.00%**

FINANCIAL INCOME AND CHARGES	2023	Perc. %	2022	Perc. %
Financial Income	708	(36.80%)	301	(5.04%)
Financial Charges	(2,632)	136.80%	(5,981)	100.13%
Forex income and charges	0	0.00%	(293)	4.91%
TOTAL FINANCIAL INCOME AND CHARGES	**(1,924)**	**100.00%**	**(5,973)**	**100.00%**

The year 2023 was characterised by a slight 6% decrease in turnover compared to the same period in the previous year. In any case, the turnover for the year was exceptional considering that in February the transfers of tax credits relating to the invoice discount were suspended.

Despite the organic drop in turnover, the number of contracts signed during the year recorded an increase of +48%, from 17,925 contracts in 2022 to 26,550 in 2023. This result reflects the sharp increase in the number of customers, which recorded a +100% increase year-on-year in 2023. This strong commercial activity made it possible to offset the decrease in turnover following the freeze on the invoice discount. It should also be noted that April and May saw heavy rainfall across the entire country and this negatively influenced the revenues generated in the first quarter.

Lastly, the revenues of EdiliziAcrobatica S.p.A. 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 the first half of 2023. Therefore, the revenues for €117,818 thousand were recorded net of the expenses for the transfer of the tax bonus for approximately €4,074 thousand, thus bringing the total value of revenues to €113,745 thousand.

Operating costs, however, rose by 8% from €87,293 thousand to €94,423 thousand.

EBITDA amounted to € 20,113 thousand against € 34,602 thousand in the previous period. As previously represented, this decrease is linked to the increase in operating costs as described in the Explanatory Notes.

The item "Amortisation and depreciation" amounted to € 6,881 thousand, of which € 339 thousand related to the amortisation of intangible fixed assets, € 3,749 thousand related to the depreciation of leased assets, and € 2,793 thousand related to the amortisation of tangible fixed assets.

Furthermore, the Company has taken steps to carry out some significant depreciation which refer to the French and Spanish Company, better detailed in the Explanatory Notes.

This value brought the EBIT to € 9,093 thousand.

Balance Sheet

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

RECLASSIFIED BALANCE SHEET	31/12/2023	31/12/2022
Inventories	951	793
Trade receivables	37,717	19,362
Trade payables	(22,467)	(39,542)
Operating NWC	**16,201**	**(19,387)**
Tax assets	23,936	43,222
Other current receivables	3,043	3,226
Tax liabilities	(5,889)	(12,780)

Other current payables	(7,067)	(3,869)
Net Working Capital	**30,224**	**10,412**
Tangible fixed assets (including rights of use)	22,463	19,361
Intangible fixed assets (including goodwill)	976	1,040
Financial fixed assets	13,664	6,479
Fixed assets	**37,103**	**26,880**
Other non-current assets	6,487	393
Other non-current liabilities	(4,936)	(3,934)
Net Invested Capital	**68,878**	**33,751**
Equity	**(30,585)**	**(36,707)**
Cash and cash equivalents	6,940	25,749
Current financial receivables	2,882	12,249
Current financial liabilities	(16,943)	(9,517)
Non-current financial liabilities	(31,172)	(25,525)
Net Financial Position	**(38,293)**	**2,956**
Equity and Net Financial Debt	**(68,878)**	**(33,751)**
Short-term Net Financial Position	**(7,121)**	**28,481**

The net financial position ("NFP"), following the aforementioned changes, worsened compared to the previous year, from a positive € 2.9 million to a negative € 38 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 costs of €514 thousand;

Lastly, following the adoption of IAS/IFRS accounting standards, the Net Financial Position includes the payable for leased assets amounting to €19,433 thousand (€15,659 thousand in financial year 2022).

With reference to the increase in Working Capital, attention is drawn to the fact that the trade receivables increased by approximately € 18,355 thousand and trade payables decreased by approximately € 17,075 thousand. 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 € 9.8 million at 31 December 2023. It should be noted that this combined effect is a consequence of the February 2023 tax bonus freeze.

DESCRIPTION	31/12/2023	31/12/2022
CURRENT (non-financial) ASSETS		
Inventories	951	793
Trade receivables	37,717	19,362
Other current receivables	3,043	3,226
Tax credits	23,936	43,222
CURRENT (non-financial) LIABILITIES		
Trade payables	(22,467)	(39,542)
Tax payables	(5,889)	(12,780)
Other current payables	(7,067)	(3,869)
Net Working Capital	**30,224**	**10,412**

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	36.61%	20.68%
b) Weight of current assets = Current assets / Total assets	63.39%	79.32%
c) Weight of equity capital = Equity / Total liabilities	25.69%	27.83%
d) Weight of third-party capital = Liabilities / Total liabilities	74.31%	72.17%

Profitability (or economic situation) indices

The ROE indicates the profitability of the investment in the Company's capital compared to other investments; it is supplied in the "after tax" version and in the "gross" version.

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

DESCRIPTION	2023	2022
ROE (return on equity)	13.16%	42.48%
Pre-tax ROE	23.44%	63.04%
ROI (return on investment)	7.64%	22.08%
ROS (return on sales)	17.68%	28.53%

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 2022 and the first half off 2023.

DESCRIPTION	31/12/2023	31/12/2022
a) Current Ratio = Current assets / Current Liabilities	144.12%	159.19%
a) Liquidity Ratio = Current Fin. Assets / Current Fin. Liabilities	57.97%	399.26%
c) Coverage Cap. Fixed = Equity / Non-current assets	70.17%	134.59%

Risks related to the sector of activity and level of competition

As mentioned, the Company operates in the sector of building restructuring in Italy, 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 Company'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 Company 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 Company, 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 Company and to meet delivery deadlines, as it is not difficult to find replacement suppliers.

Risks related to financial indebtedness

The Company has always had the support of its banking counterparts 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 Company 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 Company.

Liquidity risk

The Company'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.

Credit risk

The Company 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.

Climate-related risk

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 Company'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 Company's energy consumption only concerns electricity purchased from the grid, which is used in offices and warehouses to carry out work activities and for air-conditioning the rooms. No gas consumption or consumption from other energy sources is recorded.

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.

Information on relations with staff

During the financial year, the Company fulfilled its 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 Company has 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 tax situation is constantly monitored by the Directors. Residual taxes, net of Advances paid, due to the Treasury and the Social Security Institutions are set aside in the appropriate budget item.

Research and Development

The Company did not carry out any Research and Development activities during the year.

Relationships between related parties

During the year, the following relationships were maintained between the Company and the Subsidiaries; these transactions of a commercial and financial nature took place under normal market conditions.

NAME	Financial Receivables	Trade Receivables	Financial Payables	Trade Payables	Revenues	Costs
EdiliziAcrobatica France S.a.s.	3,249	1,122	0	0	447	(1,733)
Energy Acrobatica 110 S.r.l.	0	934	0	0	610	0
EdiliziAcrobatica Iberica S.L.	0	220	0	(91)	103	(1,418)
EdiliziAcrobatica Monaco S.A.M.	160	72	0	0	24	0
Enigma Capital Investments LLC	2,977	0	0	0	166	0
ARIM Holding S.a.r.l.	0	0	(368)	(1,128)	0	(1,220)
EDAC I-Profile S.r.l.	0	184	0	0	0	0
EDAC Italia S.r.l.	0	194	0	0	0	0
Directors	0	0	0	(295)	0	(840)
Total	**6,386**	**2,726**	**(368)**	**(1,514)**	**1,350**	**(5,211)**

Secondary Offices

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

It should also be noted that the Company has a sales network of 67 EdiliziAcrobatica SpA points and 75 warehouses.

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

At 31 December 2023, the 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%

Events after the reporting period

On 9 February 2024, EdiliziAcrobatica S.p.A. signed binding agreements for a corporate and commercial joint venture (the “JV”) with the Italsoft Group – an Italian leader in enabling technology for the digital and energy innovation of the construction and real estate sectors, dedicated to environmental sustainability and decarbonisation through energy redevelopment, the management of energy communities, and the smart transformation of buildings – and at the same time set up the Company Acrobatica Smart Living S.r.l. (the NewCo Acrobatica Smart Living), in which EdiliziAcrobatica holds 51% of the share capital.
With this operation, Acrobatica 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.

Training

Human resources training has always been at the core of the Company'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 Company 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 Company 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 Company’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. This bonus, combined with the invoice discount, certainly accelerated the Company's growth, allowing it to increase and develop a large number of new customers and to strengthen its sales force in the territory. This benefit has resulted in the Company increasingly consolidating its position as the market leader in the outdoor renovation market.

Bolstered by this positioning, the Company entered into important commercial agreements with leading credit institutions in order to facilitate and ensure advantageous conditions for its customers.

Environment, Social, Governance

The Company 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 Company 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 in 2024. In 2023, the Company became a sponsor of Italian tennis player, Martina Trevisan, who holds a stable high ranking in Italy and internationally.

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.

Events of 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, the contracts signed last year were over 17,925, and in 2023 they rose to 26,550 with a significant increase in the number of active customers, demonstrating the company's great ability to penetrate the market;

- 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 2024 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, the No. 1 professional tennis player in Italy and ranked No. 18 internationally, and Alberto Riva, a young champion sailor and technical partner of the Company Correnti Srl;
- EdiliziAcrobatica therefore pursues its own growth strategy, opening new offices in Italy and continuing its expansion abroad. 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;

On the basis of the above, thanks to its organisational flexibility and the solidity of its financial situation, the Company 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.

Business outlook

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

The 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 Company.

It should be noted, again with a view to the continuous growth of the group, that on 9 February 2024, EdiliziAcrobatica S.p.A. 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 EdiliziAcrobatica holds 51% of the share capital. With this operation, EdiliziAcrobatica 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 Company will continue with the sale of tax credits to banks, allowing it to improve its financial position and Net Working Capital, as well as support the Investments Plan.

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.

Genova, 27 March 2024

The Board of Directors

Simonetta Simoni (Chairman)

Anna Marras (Managing Director)

Simone Muzio (Director)

Fortunato Seminara (Director)

Marco Caneva (Independent Director)

INCOME STATEMENT	Year 2023	Year 2022
		(re-exposed)
Revenue from sales and services	113,745,062	121,282,754
Other income	791,198	611,861
Cost for consumption	(9,836,609)	(10,094,946)
Cost for services	(28,674,766)	(29,008,706)
Personnel expense	(52,344,034)	(43,365,291)
Other Operating Costs	(3,568,188)	(4,823,255)
Gross Operating Margin	**20,112,663**	**34,602,417**
Amortisation	(6,880,782)	(5,162,229)
Depreciation and Provisions	(4,138,763)	(327,534)
Net Operating Margin	**9,093,118**	**29,112,654**
Financial Income	707,745	300,957
Financial Expenses	(2,631,641)	(5,981,245)
Forex income and expenses	0	(292,996)
Net financial income (expense)	**(1,923,896)**	**(5,973,284)**
Profit (Loss) before taxes	**7,169,222**	**23,139,370**
Income taxes	(3,143,944)	(7,545,976)
Net profit (loss) for the year	**4,025,278**	**15,593,394**

STATEMENT OF OTHER COMPREHENSIVE INCOME	Year 2023	Year 2022
		(re-exposed)
Net profit (loss) for the year	**4,025,278**	**15,593,394**
Actuarial gain (losses)	82,240	86,545
Change in Fair Value of CFH Reserve	(3,802)	46,022
Related tax	1,061	(12,840)
Comprehensive income for the year	**4,104,777**	**15,713,121**

STATEMENT OF CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	Year 2023	Year 2022
Earnings per Share, Basic *(amounts in Euros)*	**0.49**	**1.91**
Earnings per Share, Diluted *(amounts in Euros)*	**0.48**	**1.89**

STATEMENT OF FINANCIAL POSITION	12/31/2023	12/31/2022	01/01/2022
		(re-exposed)	*(re-exposed)*
Intangible assets	975,941	1,040,065	989,668
Goodwill	0	0	0
Rights of use assets	18,921,400	15,290,229	11,957,882
Tangible fixed assets	3,541,700	4,070,872	3,764,363
Financial fixed assets	13,663,639	6,478,766	3,167,597
Other non-current assets	6,487,071	393,317	420,000
Non-current assets	**43,589,750**	**27,273,249**	**20,299,510**
Inventories	950,587	792,647	1,051,736
Trade receivables	37,717,509	19,362,336	13,279,852
Tax assets	23,936,346	43,222,306	48,582,323
Other Current assets	3,042,659	3,226,244	2,298,108
Cash and cash equivalents	6,940,326	25,749,074	16,147,779
Other current financial assets measured at fair value	2,882,102	12,249,211	11,820,673
Current assets	**75,469,528**	**104,601,818**	**93,180,471**
TOTAL ASSETS	**119,059,279**	**131,875,066**	**113,479,981**
Non-current financial liabilities	15,395,393	12,519,217	17,226,357
Non-current lease liabilities	15,776,797	13,006,033	10,188,483
Employee benefits	4,925,078	3,840,026	2,888,175
Other non-current liabilities	11,067	93,914	62,355
Non-current liabilities	**36,108,335**	**29,459,190**	**30,365,370**
Current financial liabilities	13,287,372	6,863,866	6,159,377
Current lease liabilities	3,656,151	2,653,130	2,017,934
Trade payables	12,683,072	8,079,103	6,846,167
Advances from customers	9,784,256	31,463,398	22,718,476
Tax liabilities	5,889,491	12,779,819	18,351,148
Other Current liabilities	7,066,431	3,870,305	5,012,835
Current Liabilities	**52,366,773**	**65,709,621**	**61,105,937**
Share capital	831,723	823,569	815,415
Statutory reserves	11,161,565	10,697,888	9,258,646
FTA Reserve	(4,466,347)	(4,466,347)	(4,466,347)
OCI Reserve	192,051	112,553	(7,174)
Retained earnings	18,840,012	13,945,199	4,322,321
Profit for the year	4,025,168	15,593,394	12,085,813
Equity	**30,584,171**	**36,706,256**	**22,008,674**
TOTAL EQUITY AND LIABILITIES	**119,059,279**	**131,875,066**	**113,479,981**

STATEMENT OF CASH FLOWS	Year 2023	Year 2022
		(re-exposed)
Profit for the year	4,025,168	15,593,394
Amortisation	6,880,782	5,162,230
Changes to post-employment benefits	1,002,205	983,410
Change in advances from customers	(21,679,142)	8,744,922
Income taxes	3,143,944	7,545,976
Other changes in non-monetary items	544,418	1,345,480
Cash flows before changes in net working capital	***(6,082,625)***	***39,375,413***
Changes in inventories	(157,940)	259,089
Changes in trade receivables	(17,786,742)	(5,899,290)
Change in trade payables	3,476,386	1,232,936
Changes in other credits/debts or other assets/liabilities	10,124,353	(7,539,371)
Tax payment	(2,255,642)	(2,471,958)
Cash flows from changes in net working capital	***(6,599,584)***	***(14,418,594)***
Cash flows from operating activities	**(12,682,209)**	**24,956,819**
Acquisition of intangible assets	(274,335)	(869,913)
Acquisition of property, plant and equipment	(2,264,070)	(2,057,571)
Acquisition of investments and other assets	(7,591,509)	(3,284,305)
Cash flows from investng activities	**(10,129,915)**	**(6,211,788)**
New financing	15,000,000	2,500,000
Decrease of financial assets	9,367,109	(428,538)
Repayments of loan	(6,068,458)	(6,502,651)
Repayments of lease liabilities	(3,606,466)	(2,471,253)
Dividends paid	(10,688,810)	(2,446,243)
Sale/(Purchase) of treasury shares	0	204,950
Cash flows financing activities	**4,003,376**	**(9,143,735)**
NET CASH FLOW FOR THE YEAR	**(18,808,748)**	**9,601,295**
Cash and cash equivalents at at the beginning og the year	**25,749,074**	**16,147,779**
Net cash flow for the year	(18,808,748)	9,601,295
Cash and cash equivalents at end of The Year	**6,940,326**	**25,749,074**

STATEMENT OF CHANGES In Equity	Share Capital	Statutory Reserves	FTA Reserve	OCI Reserve	Reteined earnings	Profit (loss) for the year	Equity EDAC S.p.A.
Beginning balance at 01/01/2022	**815,415**	**9,258,646**	**(4,466,347)**	**(7,174)**	**4,322,321**	**12,085,813**	**22,008,674**
Allocation of prior year profit		2,446			12,083,367	(12,085,813)	
Dividends					(2,446,243)		**(2,446,243)**
Treasury shares		204,950					**204,950**
Share-based payments	8,154	1,155,150			(8,154)		**1,155,150**
Change/translationtranslation							
Net profit (loss) for the year						15,593,394	**15,593,394**
Other comprehensive income (expense)				119,726			**119,726**
Other movements		76,696			(6,092)		**70,604**
Final balance at 12/31/2022	**823,569**	**10,697,888**	**(4,466,347)**	**112,553**	**13,945,199**	**15,593,394**	**36,706,256**
STATEMENT OF CHANGES in EQUITY	**Capital Social**	**Reserves Statutory**	**Reserve of FTA**	**Reserve OCI**	**Result carried over**	**Result Period**	**Equity EDAC S.p.A.**
(amounts in thousands of Euros)							
Beginiing balance at 01/01/2023	**823,569**	**10,697,888**	**(4,466,347)**	**112,553**	**13,945,199**	**15,593,394**	**36,706,256**
Allocation of prior year profit		2,446			15,590,948	(15,593,394)	
Dividends					(10,688,810)		**(10,688,810)**
Treasury shares							
Share-based payments	8,154	462,060			(8,154)		**462,060**
translation Change/ Translation							
Period Result						4,025,168	**4,025,168**
Other comprehensive income (expense)				79,499			**79,499**
Other movements	(1)	(829)			828	0	**(1)**
Final balance at 12/31/2023	**831,723**	**11,161,565**	**(4,466,347)**	**192,051**	**18,840,012**	**4,025,168**	**30,584,171**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Basis of preparation

These Financial Statements, expressed in Euro, were prepared:

- In compliance with the International Accounting Standards issued by the International Accounting Standard Board ("IASB") and endorsed by the European Union ("EU- IFRS") as well as in compliance with the provisions issued in implementation of Article 9 of Legislative Decree No. 38 of 28 February 2005. In light of 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.
- On a going concern basis , and therefore on the assumption that the Company will be able to satisfy the mandatory repayment conditions of the credit lines granted by the banks and of the bond issues as described in the following paragraph "Considerations on Going Concern".

Amounts shown in the notes to the Separate Financial Statements, where not expressly specified, are in thousands of Euros.

Changes in the application of accounting standards, where relevant, are described in the following paragraphs.

Entry into force of the Capital DecreeCapital Decree and audit 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 that are widely distributed among the public" ("Emittenti 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 DecreeCapital Decree") entered into force on 27th March 2024. This Law provided for the reorganisation of the regulation of "Emittenti Titoli Diffusi" 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.

Capital DecreeCapital DecreeThe 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 .

As a result of the changed regulatory framework, at the next shareholders' meeting of the Company scheduled for 29th April 2024, the legal audit 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.

CONTENT AND FORM OF THE SEPARATE FINANCIAL STATEMENTS

These Financial Statements consist of: the Income Statement (showing items broken down by nature), the Statement of Other Comprehensive Income, the Statement of Financial Position (presenting assets and liabilities according to their maturity, showing current and non-current items), the Statement of Cash Flows (structured on the basis of the indirect method, showing cash flow from operating activities, investing activities and financing activities) and the Statement of Changes in Equity, as well as these Notes to the Financial Statements.

Since these are the financial statements for the first-time adoption of International Accounting Standards, please refer to the annex "Illustration of the Effects of the Adoption of International Accounting Standards" for explanations on this subject and for a reconciliation of the opening balances with the financial statements of previous years, presented in accordance with National Accounting Standards.

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.

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 taken into account in the continuous monitoring provided for in the Code of the crisis of the Company.

Accounting Standard OIC 11 provides that, when preparing the financial statements, management must carry out a prospective assessment of the Company's ability to continue to constitute a functioning economic complex for income production for a foreseeable future period, covering a period of at least 12 months from the balance sheet date. In cases where significant uncertainties regarding this capacity are identified 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 have to 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, EdiliziAcrobatica S.p.A. signed binding agreements for a corporate and commercial joint venture (the "JV") with the Italsoft Group – an Italian leader in enabling technology for the digital and energy innovation of the construction and real estate sectors, dedicated to environmental sustainability and decarbonisation through energy redevelopment, the management of energy communities, and the smart transformation of buildings – and at the same time set up the Company **Acrobatica Smart Living S.r.l.** (the NewCo ***Acrobatica Smart Living***), in which EdiliziAcrobatica holds 51% of the share capital.

With this operation, Acrobatica took the next step in its process of growth 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.

ESG

Starting in 2020, the Company began implementing a series of initiatives to reduce its product and process environmental impact. 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 Company's energy consumption only concerns electricity purchased from the grid, which is used in offices and warehouses to carry out work activities and for air-conditioning the rooms. No gas consumption or consumption from other energy sources is recorded. The data was calculated on the basis of an estimate of total consumption for the locations in Italy for EdiliziAcrobatica S.p.A.

EdiliziAcrobatica S.p.A.'s Commitments to Sustainability was honoured by IRTOP Consulting in the 2nd edition of the **"ESG Awards"** assigned by the ECM ESG Observatory, where the 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.

Significant events in the financial year 2023

On 21st March 2023, the Group acquired a controlling stake corresponding to 51% of the Share Capital of Enigma Capital Investments LLC at a price of €5,102 thousand. 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.

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 separate financial statements of EdiliziAcrobatica S.p.A..

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 Company 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 Company 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.

The following is a summary of the Company'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: revenue is 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

EdiliziAcrobatica S.p.A. has adopted a plan for the free assignment of its ordinary shares to certain categories of employees. This plan, which provides for the allocation of total of 244,620 shares in three equal tranches amounts, runs from the financial years 2021-2023 (with actual allocation 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, among personnel costs.

Financial income and expenses

Financial income and expenses 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 income 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 are not met 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 directly charged to equity,in change to the amount entered in the accounts. Current taxes are taxes calculated by applying the tax rate in force at the balance sheet date, and tax adjustments of previous years.

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

Deferred tax assets 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 shares outstanding 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 outstanding shares 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 mainly by 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 Company 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 at the current balance sheet date.

Goodwill formed after the date of transition to IFRS is presented in accordance with described in the previous section Business Combinations.

Right of use Assets and Lease

Right ofuse resulting from the signing of movable and immovable lease agreements, are recognised at the net present value of the contractual flows planned (including a possible renewal), discounted at the rate of 2% for movable contracts and for immovable contracts due by 2030 and at the rate of 3% for real estate contracts due by 2030 (by reference to the Company'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 lease agreements, 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 portion (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 of mainly by leasehold improvements (relating to the 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 Company and the cost of the asset can be reliably determined.

After initial recognition, they are amortised 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 deferred tax assets, are subject to measurement at the balance sheet date in order 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 previously impaired assets. Reversals of impairment losses are recognised in the income statement.

Goodwill previously written down is never reinstated.

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 expenses.

The risks for any loss in value of inventories are covered by the inventory Depreciation, if any, which are deducted from the corresponding asset item. The values thus obtained do 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:

- Amortised Cost: 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;
- Fair value through other comprehensive income ("FVOCI"): 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;

- Fair value through profit or loss ("FVTPL"): 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;
- FVOCI for equity instruments: 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 upon or after the termination of employment with the Company, 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 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.

Provisions for risks and charges

Costs and expenses relate to costs and expenses 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 Company would rationally pay to settle the obligation or to transfer it to a third party at the balance sheet date.

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

In cases where the Company has transferred the 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 financial statements to the extent of its 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 Company may be required to pay.

In cases where the residual involvement takes the form of an option issued and/or purchased on the transferred asset (including cash-settled or similar options), the extent of the Company's involvement corresponds to the amount of the transferred asset that the Company may repurchase; however, in the case of a put option issued on an asset measured at fair value (including cash-settled or similar options), the extent of the Company'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 Company is the Euro. Transactions in foreign currencies are translated into euros on the basis of 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.

Use of estimates

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

Estimates are used in several areas, such as Allowance for doubtful accounts, depreciation, employee benefits, income taxes, other risk 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.

Estimates and assumptions are reviewed periodically by the Company based on the best knowledge of the Company's business and other factors reasonably deducible from 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 Company as of 1st January 2023:

- On 18th May 2017, the IASB published IFRS 17 – *Insurance Contracts*, which is intended to replace IFRS 4 – *Insurance Contracts*. 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 9th 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 Company's separate 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 Company's separate 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 Company's separate 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 (which is in force in Italy on 31st December 2023, but applicable from 1st January 2024) 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 are only 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.

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 material effect on the Company's separate 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 material effect on the Company's separate 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 material effect on the Company's separate 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 IFRS 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 Company's separate financial statements from the adoption of this standard.

NOTES ON THE MAIN INCOME STATEMENT ITEMS

Revenue from sales and services The breakdown of sales by type of revenue is as follows:

Revenue from sales and services	2023	2022
Revenue from contracts	106,743	115,665
Revenue from products and services	3,417	1,757
Revenue from royalties	3,585	3,861
Total revenue from sales and services	**113,745**	**121,283**

Given the preponderance of revenue from Revenue from contracts (over 90%), information by segment according to IFRS 8 is not useful(not by exceeding the thresholds identified therein)) and is therefore not provided.

As at 31st December 2023, the item "Revenue from sales and services" mainly includes revenue from production at construction sites, which decreased by 8% compared to the previous year.

As is well known, the "facade bonus" tax benefit introduced by the Budget Law 2020, subsequently extended by the Budget Law 2021 and 2022, but with a reduction to 60% and then reduced to 50% for 2023, was finally suspended in early 2023. This bonus, combined with the invoice discount, certainly accelerated the company's growth, allowing it to increase and develop many new customers and to strengthen its sales force in the territory. This benefit has resulted in the company increasingly consolidating its position as the market leader in the outdoor renovation market.

Lastly, the revenues were recorded at fair value, i.e. net of the tax bonus transfer expenses, which was inferred from the transfer agreements entered into by the company with Banca Intesa Sanpaolo during financial year 2023. Therefore, the revenues for €117,818 thousand were recorded net of the expenses for the transfer of the tax bonus for approximately €4,074 thousand, thus bringing the total value of revenues to €113,745 thousand.

Other income

The item mainly consists of other revenues accrued with respect to the subsidiary Energy Acrobatica S.r.l. for centralised services.

Operating Costs

Costs for consumption amounted to €9,837 thousand (€10,095 thousand during the financial year 2022). This item is mainly composed of Costs for Acquisitions of consumables used in the production process.

Costs for services amounted to €28,675 thousand (€29,009 thousand as at 31st December 2022). Costs consist mainly of costs:

- for external processing mainly incurred in the amount of €3,701 thousand;
- for fuel and vehicle maintenance mainly incurred in the amount of €1,556 thousand;
- for technical – commercial, marketing and professional consulting services attributable in the amount of €9,661 thousand;
- for advertising in the amount of €3,555 thousand;
- for staff training, travel, board and lodging in the amount of €2,018 thousand.

Personnel expenses amounted to €52,344 thousand (€43,365 thousand as at 31st December 2022). The increase in Costs for staff is mainly due to the growth in personnel at EdiliziAcrobatica S.p.A. (+310 employees compared to 31st December 2022).

Amortisation, Provisions and Write-downs

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

They are broken down as follows:

AMORTISATION	2023	2022
Amortisation of intangible assets	339	475
Amortisation of rights of use assets	3,749	2,592
Amortisation of tangible fixed assets	2,793	2,095
Total Amortisation	**6,881**	**5,162**

Write-downs for the year concerned:

- Trade receivables in the amount of €777 thousand (including €150 thousand in application of IFRS 9 and € 300 thousand relating to intra-group receivables);
- Securities in the amount of €107 thousand;
- Investments in the amount of €3,255 thousand, as more fully explained in the "Financial fixed assets" section below.

Financial Expenses

Financial expenses are broken down as follows:

FINANCIAL EXPENSES	2023	2022
Interest liabilities on financing	(650)	(130)
Interest payable on bond loans	(357)	(334)
Interest on lease liabilities	(481)	(374)
Interest on employee benefit	(140)	(60)
Miscellaneous liabilities	(414)	(135)
Interest Liabilities on Third Party Financing	(92)	
Credit transfer costs	(498)	(4,699)
Write-downs of Financial assets		(249)
Total financial expenses	**(2,632)**	**(5,981)**

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 is mitigated 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 Company 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	(2,590)	(5,323)
Current taxes – IRAP	(1,193)	(1,921)
Deferred Taxes	742	(302)
Taxes from previous years	(103)	
Total Income taxes	**(3,144)**	**(7,546)**

The Company allocated taxes for the year on the basis of the application of current tax regulations. Current taxes refer to taxes for the period as resulting from tax declarations; taxes relating to previous years are comprehensive of interest and sanctions and are also related to the positive (or negative) difference between the amount due because of the settlement of a dispute or settlement with respect to the value of the accrued fund in previous years.

Deferred and anticipated taxes include the fiscal effects of all differences between the book values of asset items and their corresponding values for tax purposes.

Below is the IRES reconciliation statement:

ETF IRES reconciliation	2023
Profit(loss) before taxes	7,169
Theoretical tax burden (%)	24%
Theoretical IRES	1,721
Permanent differences	3,365
Temporary differences	255
Taxable profit	10,791
Actual IRES	2,590
Actual tax burden (%)	36%

Below is the IRAP reconciliation statement:

ETF IRAP reconciliation	2023
Profit(loss) before taxes	7,169
Not significant costs	58,407
Difference between production costs and revenues relevant for Theoretical IRAP purposes	65,579
Theoretical tax burden (%)	4.12%
Theoretical IRAP	2,705
Permanent differences	(35,854)
Temporary differences	(805)
Difference between production costs and revenues relevant for Actual IRAP purposes	28,919
Actual IRAP	1,193
Actual tax burden (%)	1.82%

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
Period Result	4,025,000	15,593,000
Average weighted shares	8,296,002	8,161,517
Earnings per Share, Basic *(amounts in Euros)*	**0.49**	**1.91**
Period Result	4,025,000	15,593,000
Average weighted shares	8,317,225	8,235,685
Earnings per Share, Diluted *(amounts in Euros)*	**0.48**	**1.89**

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	976	1,040	990
Rights of Use Assets	18,921	15,290	11,958
Tangible fixed assets	3,542	4,071	3,764
Financial fixed assets	13,664	6,479	3,168
Other non-current assets	6,487	393	420
Total non-current assets	**43,590**	**27,273**	**20,300**

Below are the comments on the individual items.

Intangible assets

Intangible assets consisted mainly of computer programmes, including the Oracle management software, which became fully operational in the year 2023, which was reclassified from assets under construction in the amount of €600 thousand, with the consequent start of the amortisation process.

Acquisitions in the period were not significant. Depreciation for the period is calculated according to what is indicated in the comments on the evaluation criteria.

The table below shows the changes in Intangible fixed assets.

Changes in Intangible Assets	Software	Costs of Start-Up Points	Brands	Fixed Assets in Progress	Total
Historical Cost	355	3,281	2	600	4,238
Amortisation Provision	(178)	(3,017)	(2)	-	(3,198)
Value as at 12/31/2022	**177**	**263**	**-**	**600**	**1,040**
Increases for the year	203	71	-		874
Reclassification for the year	600			(600)	(600)
Depreciation for the year	(154)	(184)	-	-	(338)
Changes in the year	**648**	**(113)**	**-**	**(600)**	**(64)**
Historical cost	1,158	3,352	2	-	4,512
Amortisation Provision	(333)	(3,201)	(2)	-	(3,536)
Value as at 12/31/2023	**825**	**151**	**-**	**-**	**976**

Rights of Use Assets

Changes in Rights of Use Assets are as follows:

Right of Uses	Property	Mobile	Total
Historical cost	15,820	6,132	21,952
Amortisation Provision	(3,666)	(2,996)	(6,662)
Value as at 12/31/2022	**12,154**	**3,136**	**15,290**
Increases for the year	2,830	4,550	7,380
Depreciation for the year	(1,587)	(2,162)	(3,749)
Changes in the year	**1,243**	**2,388**	**3,631**
Historical cost	18,650	10,682	29,332
Amortisation Provision	(5,253)	(5,158)	(10,411)
Value as at 12/31/2023	**13,397**	**5,524**	**18,921**

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

Acquisitions for the period mainly consisted of operator work kits (€843 thousand), improvement of third-party assets(€894 thousand), equipment (€255 thousand) and electronic machines (€167 thousand). Depreciation for the period is calculated according to what is indicated in the comments on the evaluation criteria.

The following table shows the changes in Tangible fixed assets.

Changes in Tangible Fixed Assets	Installations	Equipment	Furniture	Machinery	Vehicles (owned)	Improvements on third party assets	Kit	Other	Total
Historical cost	190	21	872	490	38	1,790	3,666	222	7,289
Amortisation Provision	(104)	(9)	(543)	(193)	(15)	(745)	(1,499)	(110)	(3,218)
Value as at 12/31/2022	**86**	**12**	**329**	**297**	**23**	**1,045**	**2,167**	**112**	**4,071**
Increases for the year		255	103	168		894	843	2	2,265
Depreciation for the year	(29)	(30)	(99)	(108)	(9)	(449)	(2,044)	(26)	(2,794)
Changes in the year	**(29)**	**225**	**4**	**60**	**(9)**	**445**	**(1,201)**	**(24)**	**(529)**
Historical cost	190	276	975	658	38	2,684	4,509	224	9,554
Amortisation Provision	(133)	(39)	(642)	(301)	(24)	(1,194)	(3,543)	(136)	(6,012)
Value as at 12/31/2023	**57**	**237**	**333**	**357**	**14**	**1,490**	**966**	**88**	**3,542**

Financial fixed assets

Financial fixed assets consist of Investments, Credits in subsidiaries and Credits in other companies, and the positive fair value of an interest-rate swap classified as held to hedge cash flows.

The most significant change during the year was the acquisition of a 51% stake in Enigma Capital Investments LLC on 21st March 2023 at a price of €5,102 thousand plus purchase-related expenses.

It should also be noted that, at year-end, the Company waived Credits from its subsidiaries, Edac France and Edac Iberica, in the amount of €3,255 thousand due to the need to cover the losses incurred by them in previous years.

Changes in Financial fixed assets are shown below:

Changes of Financial fixed assets	Investments	Credits from subsidiaries	Credits in other companies	Financial assets	Total
Value as at 12/31/2022	**1,575**	**2,915**	**1,893**	**95**	**6,478**
Increases for the year	5,656	5,527	-	-	11,183
Decreases for the year	-		-	(49)	(49)
Waivers of Credits for the Year	3,255	(3,255)	-	-	-
Write-downs for the year	(3,255)	(300)	(8)	-	(3,563)
Reclassification of financing towards Enigma	-	1,500	(1,500)	-	-
Reclassifications of credits to Other Companies	-		(385)	-	(385)
Value as at 12/31/2023	**7,231**	**6,387**	-	**46**	**13,664**

Investments in subsidiaries are detailed below:

Subsidiaries	Carrying amount	Equity	Percentage owned	Pro-rata Shareholders' Equity
EdiliziAcrobatica France S.a.s.	975	(2,934)	100%	(2,934)
EdiliziAcrobatica Iberica S.L.	450	(271)	90%	(244)
Acrobatica Energy S.r.l.	100	4,190	100%	4,190
EdiliziAcrobatica Monaco S.A.M.	90	(140)	60%	(84)
Enigma Capital Investments LLC	5,616	86	51%	44

The Company verifies once a year the recoverability of the book value of investments, to determine whether there is any indication that these investments may have suffered an impairment loss (review of trigger events). If such an indication exists, it is necessary to estimate the recoverable amount of the asset to determine any impairment loss. The recoverable value is the higher of the current value less costs to selland its value in use determined as the present value of estimated future cash flows. An impairment loss is recognised if the recoverable amount is less than the carrying amount. The above analysis showed that the carrying value of the investments in Edac France S.a.S., Edac Iberica S.S. and Enigma Investments LLC was higher than the pro-rata net equity and therefore the need to determine the recoverable value emerged. The Company determined these values using the Discounted Cash Flow model methodology. Considering the results of the impairment test performed, the recoverability of the carrying value of investments was confirmed.

Other non-current assets

Other Non-Current Assets mainly comprise long-term Tax credits in the amount of €5,687 thousand, the receivable from CINE 1 in the amount of €385 thousand (reclassified in this item as shown in the table above) and security deposits in the amount of €414 thousand, relating to rental contracts for points used by the Company to conduct its business in Italy. Tax assets, accrued against the application of the discount on invoices as provided for by tax bonus regulations, which the Company intends to offset in the years 2025 and 2026, have been reclassified within this item. The amount of €5,687 thousand is discounted at the market rate resulting from the Company'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	951	793	1,052
Trade receivables	37,717	19,362	13,280
Tax assets	23,936	43,222	48,582
Other Current assets	3,043	3,226	2,298
Cash and cash equivalents	6,940	25,749	16,148
Other current financial assets measured at fair value	2,882	12,249	11,821
Total Current assets	**75,469**	**104,601**	**93,181**

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 Company.

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 an Allowance for doubtful accounts for a total of €1,696 thousand, the adjustment of which resulted in Depreciation in the Income Statement of €476 thousand.

Tax assets

Tax assets mainly consist of credits for work performed with discounts on invoices, according to the rules on assignment to third parties (so-called tax bonuses).

In application of these rules, the Company recognises revenue as a contra entry to Credits recognised at fair value. The market value of these Credits was derived from the assignment contracts for tax bonuses entered during the year with Bank Intesa San Paolo.

The decrease from the previous year represents the net effect of a significant reduction in the Company's tax bonus receivables (which decreased from €38,908 thousand to €31,746 thousand, of which €6,314 thousand was recognised under "Other non-current assets")

Other Current assets

Other Current assets consist mainly of credits to social security institutions in the amount of €1,705 thousand (mainly related to atmospheric phenomena).

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 €18,809 thousand, of which

- cash flows from operating activities negative in the amount of €12,683 thousand, mainly as a result of collections facilitated in the previous period followed by work in progress in the current period;
- financial flow of investment activity negative for €10,130 thousand, mainly due to the acquisition of Enigma Capital Investments LLC;
- positive cash flows from Financing activities of €4,004 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:

- a policy taken out with BPM, which had a fair value of €1,878 thousand at the balance sheet date;
- marketable securities in the amount of €469 thousand;
- 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 a provision for Depreciation 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	15,395	12,519	17,226
Non-current lease liabilities	15,777	13,006	10,188
Employee benefits	4,925	3,840	2,888
Other non-current liabilities	11	94	63
Total Non-Current Liabilities	**36,108**	**29,459**	**30,365**

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	12/31/2022	Increases	Payments	12/31/2023
Non-Current Debts to banks	5,501	8,468	(3,640)	10,329
Bond loan	7,018		(1,952)	5,066
Total Non-current Financial Liabilities	**12,519**	**8,468**	**(5,592)**	**15,395**

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

Debts to banks held by the Company relate to Financing Agreements with leading banks. It should be noted that new Financing totalling €15,000 thousand was taken out during the financial year, of which the portion due after one year is presented in the table. These are:

- a loan of €1,000 thousand taken out in January 2023 (first Repayment of capital in February 2023), with 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 3-month EURIBOR, repayable by August 2025, of which a balance of €5,700 thousand remains, of which €1,200 reclassified as current and €4,500 reclassified as non-current.

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. As at 12.31.2023, the Company verified that it had complied with the Covenants under the Bond Agreement.

Non-current financial liabilities for leased assets

Non-current lease liabilities consist mainly of the value of real estate contracts held by EdiliziAcrobatica S.p.A. detailed as follows:

LEASE LIABILITIES	12/31/2023	12/31/2022
Property	12,380	11,188
Mobile	3,397	1,818
Total Non-Current Lease liabiliities	**15,777**	**13,006**

The increases for the period represent the non-current portion of the net present value of contractually agreed cash flows for contracts entered in 2023. Payments for the period represent the capital reimbursed during the financial year (calculated in accordance with the comments on the valuation criteria).

Employee benefits

Employee Benefits amounted to €4,925 thousand, determined based on a defined benefit plan for IFRS purposes. The increases represent the cost for the period, calculated using an actuarial technique and broken down into *Service Cost* of €2,043 thousand (presented under personnel costs) and *Interest Cost* of €140 thousand (presented under financial expenses). Payments represent disbursements made during the period.

In this regard, the main actuarial assumptions used in the calculation of severance pay, with explicit reference to the Company's direct experience or to *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 severance pay, 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)

Current Liabilities

Current liabilities are broken down as follows:

CURRENT LIABILITIES	12/31/2023	12/31/2022	01/01/2022
Current financial liabilities	13,287	6,864	6,159
Current lease liabilities	3,656	2,653	2,018
Trade payables	12,683	8,079	6,846
Advances from customers	9,784	31,463	22,718
Tax liabilities	5,889	12,780	18,351
Other Current liabilities	7,067	3,869	5,015
Total CURRENT LIABILITIES	**52,366**	**65,708**	**61,107**

Below are the comments on the individual items.

Current financial liabilities

Changes in Current financial liabilities are as follows:

CURRENT FINANCIAL LIABILITIES	12/31/2022	Increases	Payment	Other changes	12/31/2023
Current Debts to banks	4,916	6,532	(1,484)		9,964
Bond loan	1,948			1,004	2,952
Total Current Financial Liabilities	**6,864**	**6,532**	**(1,484)**	**1,004**	**12,916**

Debts to banks relate to financing contracts with leading banks. It should be noted that during the financial year, new financing was taken out for a total of €15,000 thousand, of which the table shows the amount due within the year (these are described in the commentary on Non-current Financial Liabilities).

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. The short-term portion shows an increase compared to the previous year, as the debit of the instalment due in December was postponed to the beginning of January.

Finally, it should be noted that "Current financial liabilities" include a debt of a financial nature to the Parent Company in the amount of €370 thousand.

Current lease liabilities

Curr ent lease liabilities consist mainly of the value of movable contracts, detailed as follows:

LEASE LIABILITIES	12/31/2023	12/31/2022
Property	1,479	1,299
Mobile	2,177	1,354
Total	**3,656**	**2,653**

Current and non-current lease liabilities are shown below:

LEASE LIABILITIES	12/31/2022	Increases	Payments	12/31/2023
Loans for leased assets	15,659	7,380	(3,606)	19,433
Total Financial Liabilities for Leased Assets	**15,659**	**7,380**	**(3,606)**	**19,433**

The increases for the period represent the current portion of the net present value of the contractually agreed cash flows for contracts entered in 2023. Payments for the period represent the capital reimbursed during the financial year (calculated in accordance with the comments on the valuation criteria).

Trade payables

Trade payables mainly consist of Accounts payable for invoices received and invoices to be received, for commercial transactions conducted at market conditions. The increase is closely linked to the rise in operating costs. This item contains trade payables to Parent Company in the amount of €1,127 thousand.

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 the lower income taxes accrued in the Income Statement because of the lower result for the period and the lower VAT payable recorded in December 2023 compared to the same period of the previous year due to the lower advances recorded at the end of the year.

Other Current liabilities

Other Current liabilities mainly consist of social security payables (€3,725 thousand) and employee benefits (€2,864 thousand). For the sake of completeness, it should be noted that, to a lesser extent, they include payables to related parties, of which €294 thousand to directors.

Considering the change in the scope of consolidation, the change from the previous year mainly refers to the increase in payables to the related parties.

Contingent liabilities and litigation

Significant contingent liabilities are disclosed in the notes to the financial statements: • 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 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 may not be onerous. For the purposes of this Financial Statements, there are no bonds falling under the above description.

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	11,162	10,698	9,259
FTA Reserve	(4,466)	(4,466)	(4,466)
OCI Reserve	192	113	(7)
Retained earnings	18,840	13,945	4,322
Profit (loss) for the year	4,025	15,593	12,086
Total equity	**30,585**	**36,707**	**22,009**

Changes in Equity are shown in the financial statements.

Dividends of €10,689 thousand were distributed during the year. The increase for assigned shares includes the period's portion of the fair value of the shares assigned under the existing allocation plan, calculated as indicated in the comments on the evaluation criteria (section "Share-based Payments"), where the characteristics of the allocation plan are also described. The increases for the result for the period and for Other Comprehensive Income Statement come directly from the Income Statement and the Statement of Other Comprehensive Income, respectively.

Share Capital amounted to €831,722.50, represented by 8,317,225 ordinary shares with a nominal value of Euro 10 cents. Compared to previous year, it increased by €8,154 for assigned shares (see below).

Statutory reserves are detailed as follows:

STATUTORY RESERVES	12/31/2023	12/31/2022	Variation
Share premium reserve	7,207	7,207	0
Legal reserve	165	163	2
Extraordinary reserve	85	85	0
Merger Surplus Reserve	4	4	0
Translation Reserve	0	0	0
Treasury shares	(450)	(450)	0
Shares Allocated	4,150	3,688	462
Total Statutory Reserves	**11,162**	**10,698**	**464**

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 extensively illustrated in the annex "Illustration of the Effects Resulting from the Adoption of International Accounting Standards."

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

The following table lists the items of assets and indicates for each the possible destination as well as any tax restrictions:

Equity	Amount	Possible uses	Share available and distributable	Tax suspension quota
Share Capital	832	-	-	832
Share premium Reserve	7,207	A,B,C	7,207	-
Legal reserve	165	B	-	-
Extraordinary reserve	85	A,B,C	85	-
Merger Surplus Reserve	4	A,B,C	4	-
Treasury Shares	(450)	-	-	-
Shares Allocated	4,150	A,B,C	4,150	-
FTA Reserve	(4,466)	A,B,C	(4,466)	-
OCI Reserve	192	-	-	-
Retained earnings	18,840	A,B,C	18,840	-
Profit (loss) for the year	4,025	-	4,025	-

Key: A (share capital increase), B (to cover losses), C (for distribution to shareholders).

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	26

Related Party Transactions

Figures for receivables, payables, costs and revenues from and to related parties (understood as the subsidiaries included in the consolidation area) are shown in the Directors' Report.

The table is reproduced:

DENOMINATION	Financial Receivables	Trade Receivables	Financial Debt	Trade Payables	Revenues	Costs
EdiliziAcrobatica France S.a.s.	3,249	1,122	0	0	447	(1,733)
Energy AcrobaticaS.r.l.	0	934	0	0	610	0
EdiliziAcrobatica Iberica S.L.	0	220	0	(91)	103	(1,418)
EdiliziAcrobatica Monaco S.A.M.	160	72	0	0	24	0
Enigma Capital Investments LLC	2,977	0	0	0	166	0
ARIM Holding S.a.r.l.	0	0	(368)	(1,128)	0	(1,220)
EDAC I-Profile S.r.l.	0	184	0	0	0	0
EDAC Italia S.r.l.	0	194	0	0	0	0
Directors	0	0	0	(295)	0	(840)
Total	**6,386**	**2,726**	**(368)**	**(1,514)**	**1,350**	**(5,211)**

Derivative financial instruments

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

DERIVATIVE	FV 12.22	FV 12.23	Var CFH	DTA/DTL	Notional value
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**	**2,231**

In assessing the fair value of an asset or liability, the Company 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) in 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 inputs 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 Company recognises transfers between 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
Derivative financial instruments	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**
Derivative financial 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)**

Fees for Directors, Statutory Auditors and Auditors

Fees were paid during the financial year:

- to directors in the amount of € 840 thousand;
- to the Board of Statutory Auditors in the amount of €34 thousand;
- to the auditing Company in the amount of €62 thousand for the performance of auditing activities and €11,000 for the performance of Agreed Upon Procedures.

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 based on 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. 124/201.

EXPLANATION OF THE EFFECTS RESULTING FROM THE FIRST – TIME ADOPTION OF INTERNATIONAL ACCOUNTING STANDARDS

EdiliziAcrobatica S.p.A. 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	3,208,236		(2,218,568)	989,668
Goodwill			0	0
Rights activities			11,957,882	11,957,882
Tangible fixed assets	971,437	2,332,138	460,788	3,764,363
Financial fixed assets	3,167,597		0	3,167,597
Other non-current assets		420,000	0	420,000
Non-current assets	**7,347,270**	**2,752,138**	**10,200,102**	**20,299,510**
Inventories	3,383,874	(2,332,138)	0	1,051,736
Trade receivables	13,413,232		(133,380)	13,279,852
Tax credits	47,985,348		596,975	48,582,323
Other Current assets	2,718,108	(420,000)	0	2,298,108
Cash and cash equivalents	16,147,779		0	16,147,779
Other current financial assets valued at fair value	11,820,673		0	11,820,673
Current assets	**95,469,014**	**(2,752,138)**	**463,595**	**93,180,471**
TOTAL ASSETS	**102,816,284**	**0**	**10,663,697**	**113,479,981**
Non-current financial liabilities	17,226,357		0	17,226,357
Non-current financial liabilities for leased assets			10,188,483	10,188,483
Other non-current liabilities	2,568,233		382,297	2,950,530
Non-current liabilities	**19,794,590**	**0**	**10,570,780**	**30,365,370**
Current financial liabilities	6,159,377		0	6,159,377
Current lease liabilities			2,017,934	2,017,934
Trade payables	6,846,167		0	6,846,167
Advances on sales	22,718,476		0	22,718,476
Tax debts	18,351,148		0	18,351,148
Other Current liabilities	5,012,836		0	5,012,836
Current Liabilities	**59,088,004**	**0**	**2,017,934**	**61,105,938**
Share capital	815,415		0	815,415
Statutory reserves	7,588,810	(871,494)	2,541,330	9,258,646
FTA Reserve			(4,466,347)	(4,466,347)
OCI Reserve (TFR & CFH)		(7,174)	0	(7,174)
Retained earnings	3,443,653	878,668	0	4,322,321
Period Result	12,085,813		0	12,085,813
Equity	**23,933,691**	**0**	**(1,925,017)**	**22,008,674**
TOTAL LIABILITIES	**102,816,285**	**0**	**10,663,697**	**113,479,982**

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	3,205,375		(2,165,310)	1,040,065
Goodwill			0	0
Rights activities			15,290,229	15,290,229
Tangible fixed assets	962,557	2,332,138	776,177	4,070,872
Financial fixed assets	6,478,766		0	6,478,766
Other non-current assets		393,317	0	393,317
Non-current assets	**10,646,698**	**2,725,455**	**13,901,096**	**27,273,249**
Inventories	2,958,068	(2,332,138)	166,717	792,647
Trade receivables	19,575,955		(213,620)	19,362,336
Tax credits	42,718,527		503,779	43,222,306
Other Current assets	3,619,561	(393,317)	0	3,226,244
Cash and cash equivalents	25,749,074		0	25,749,074
Other current financial assets valued at fair value	12,249,211		0	12,249,211
Current assets	**106,870,396**	**(2,725,455)**	**456,877**	**104,601,818**
TOTAL ASSETS	**117,517,094**	**0**	**14,357,972**	**131,875,066**
Non-current financial liabilities	12,519,217		0	12,519,217
Non-current lease liabilities			13,006,033	13,006,033
Other non-current liabilities	3,937,195		(3,255)	3,933,940
Non-current liabilities	**16,456,412**	**0**	**13,002,778**	**29,459,190**
Current financial liabilities	6,863,866		0	6,863,866
Current financial liabilities for leased assets			2,653,130	2,653,130
Trade payables	8,079,103		0	8,079,103
Advances on sales	31,463,398		0	31,463,398
Tax debts	12,779,626		193	12,779,819
Other Current liabilites	3,870,307		0	3,870,307
Current Liabilities	**63,056,300**	**0**	**2,653,323**	**65,709,623**
Share capital	823,569		0	823,569
Statutory reserves	7,912,832	(903,270)	3,688,326	10,697,888
FTA Reserve			(4,466,347)	(4,466,347)
OCI Reserve (TFR & CFH)		38,848	73,705	112,553
Retained earnings	13,072,623	864,422	8,154	13,945,199
Period Result	16,195,360		(601,966)	15,593,394
Equity	**38,004,384**	**0**	**(1,298,128)**	**36,706,256**
TOTAL LIABILITIES	**117,517,096**	**0**	**14,357,972**	**131,875,068**

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	121,282,754		0	121,282,754
Other revenues and income	611,861		0	611,861
Cost for consumption	(11,525,269)		1,430,323	(10,094,946)
Cost for services	(28,898,996)		(109,710)	(29,008,706)
Rental Costs	(6,379,629)		2,845,264	(3,534,365)
Personnel costs	(42,569,055)		(796,236)	(43,365,291)
Other Operating Costs	(1,300,198)		11,308	(1,288,890)
Gross Operating Margin	**31,221,468**	**0**	**3,380,949**	**34,602,417**
Amortisation	(1,774,020)		(3,388,209)	(5,162,229)
Depreciation	(247,294)		(80,240)	(327,534)
Net Operating Margin	**29,200,154**	**0**	**(87,500)**	**29,112,654**
Financial Income	300,957		0	300,957
Financial Expenses	(5,547,327)		(433,918)	(5,981,245)
Forex income and expenses	(292,996)		0	(292,996)
Result from Financial Management	**(5,539,366)**	**0**	**(433,918)**	**(5,973,284)**
Pre-Tax Result	**23,660,788**	**0**	**(521,418)**	**23,139,370**
Income taxes	(7,465,428)		(80,548)	(7,545,976)
Period Result	**16,195,360**	**0**	**(601,966)**	**15,593,394**
Other Components of Overall C/E (OCI)	0		119,726	119,726
Overall Result for the Period	**16,195,360**	**0**	**(482,239)**	**15,713,121**

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

OIC Consolidated Equity	01/01/2022	12/31/2022
(amounts in Euro)	23,933,691	38,004,384
Assets	(1,757,780)	(1,223,107)
Expected Credit Loss	(133,380)	(213,620)
Kit	0	691
Stock Grant	0	0
Leases	(248,535)	(368,934)
Severance Pay	(382,297)	3,255
Other	0	0
Fiscal effect	596,975	503,587
Total Effect of Adjustments	***(1,925,017)***	***(1,298,128)***
IFRS Consolidated Equity	**22,008,674**	**36,706,256**

OIC result	01/01/2022	12/31/2022
(amounts in Euro)	12,085,813	16,195,360
Assets	0	534,673
Expected Credit Loss	0	(80,240)
Kit	0	691
Stock Grant	0	(1,155,150)
Leases	0	(120,399)
Severance Pay	0	385,552
Other	0	46,022
Fiscal effect	0	(93,388)
Total Effect of Adjustments	***0***	***(482,239)***
IFRS result	**12,085,813**	**15,713,121**

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	11,040,015	16,233,234	27,273,249	7,767,270	12,532,240	20,299,510
Current assets	106,477,079	(1,875,261)	104,601,818	95,049,014	(1,868,543)	93,180,471
TOTAL ASSETS	**117,517,094**	**14,357,972**	**131,875,066**	**102,816,284**	**10,663,697**	**113,479,981**
Non-current liabilities	16,456,412	13,002,778	29,459,190	19,794,590	10,570,780	30,365,370
Current Liabilities	63,056,300	2,653,323	65,709,623	59,088,004	2,017,934	61,105,938
Equity	38,004,384	(1,298,128)	36,706,256	23,933,691	(1,925,017)	22,008,674
TOTAL LIABILITIES	**117,517,096**	**14,357,972**	**131,875,068**	**102,816,285**	**10,663,697**	**113,479,982**
Net Financial Position	**18,615,202**	**(15,659,163)**	**2,956,039**	**4,582,718**	**(12,206,417)**	**(7,623,699)**
Revenues and Operating Costs	31,221,468	3,380,949	34,602,417			
Revenues and Non-Operating Costs	(7,560,680)	(3,902,366)	(11,463,046)			
Income taxes	(7,465,428)	(80,548)	(7,545,976)			
Period Result	**16,195,360**	**(601,966)**	**15,593,394**			
Other Components of Overall C/E (OCI)	0	119,726	119,726			
Overall Result for the Period	**16,195,360**	**(482,239)**	**15,713,121**			

Brief Illustration of the Differences in Principles Found

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).

Expected Credit Loss (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.

Kit (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.

Stock Grants (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.

Severance pay (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.

Fiscal effects (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 FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ediliziacrobatica S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2023 and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2023 and of its financial performance and its cash flows for the year then 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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Ediliziacrobatica S.p.A., from the financial statements as at December 31, 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 Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company'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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 S.p.A. as at December 31, 2023 including its consistency with the related 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 financial statements of Ediliziacrobatica S.p.A. 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 financial statements of Ediliziacrobatica S.p.A. 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 entity 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.

REPORT OF THE BOARD OF STATUTORY AUDITORS PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE NO. 58/1998 AND ARTICLE 2429 PARAGRAPH 3 OF THE ITALIAN CIVIL CODE TO THE SHAREHOLDERS' MEETING OF EDILIZIACROBATICA S.P.A. OF 29 APRIL 2024 (POSSIBLE SECOND CALL, 30 APRIL 2024)

To the Shareholders' Meeting of EdiliziAcrobatica S.p.A.

First of all, this Board of Statutory Auditors wishes to express its condolences for the passing away in 2023 of both the CEO and founder of the EdiliziAcrobatica Group Riccardo Iovino and the Chairman of the Board of Statutory Auditors Alda Bertelli. Their spirit will continue to reside in the hearts of the people who knew them.

<u>Foreword: legislative, regulatory and deontological sources</u>

Dear Shareholders,

the current Board of Statutory Auditors was appointed at the Shareholders' Meeting of EdiliziAcrobatica S.p.A. (hereinafter, also the "Company") on 26 April 2023 and its term of office ends with the Shareholders' Meeting to approve the financial statements at 31 December 2025. As noted during the year, the Chairman of the Board of Statutory Auditors passed away and was replaced by Alternate Auditor Fabio Coacci, who, in accordance with Article 2401 of the Italian Civil Code, took over as Chairman.

The Shareholders will have to appoint the auditors necessary to complete the Board of Auditors.

Pursuant to the Consolidated Finance Act and Legislative Decree No. 39/2010, the engagement for the legal audit activity was assigned to Deloitte & Touche S.p.A. by the Shareholders' Meeting of 26 April 2023 for the period 2023-2031.

Following the introduction of Law 21/2024 ("Share Capital Law"), which repealed letter a) of Article 19 bis paragraph 1 of Legislative Decree No. 39 of 2010, the nine-year obligation in the appointment of the auditing company no longer applies. Therefore, the Shareholders, in agreement with the auditing firm Deloitte & Touche S.p.A., will have to resolve on the amendment of the mandate for the three-year period 2024-2026.

Pursuant to Article 153, paragraph 1, of Legislative Decree no. 58 of 24 February 1998 (hereinafter "T.U.F."), the Board of Statutory Auditors hereby informs that, during the financial year ended 31 December 2023, it carried out the supervisory and control activities provided for by the regulations in force, with particular regard to the provisions of the Italian Civil Code, Legislative Decree no. 58/1998, Legislative Decree no. 39 of 27 January 2010 and Legislative Decree no. 254 of 2016, also taking into account the indications contained in CONSOB communications concerning corporate controls and the activities of the Board of Statutory Auditors, the indications contained in the Corporate Governance Code of listed companies, as well as the Rules of Conduct of the Board of Statutory Auditors of listed companies recommended by the National Council of Chartered Accountants and Accounting Experts.

This Report is made to the Shareholders of the Company in view of the Shareholders' Meeting convened, in first call, on 29 April 2024 and, if necessary, in second call, on 30 April 2024 for the purpose of approving the Financial Statements at 31 December 2023.

That being said, the activities performed by the Board of Statutory Auditors during 2023 and up to the date of today's report are set forth below, also with reference to the requirements of CONSOB Communication No. DEM/1025564 of 6 April 2001 and subsequent amendments.

Supervision of compliance with the law and the articles of association

During the financial year ended 31 December 2023, the Board of Statutory Auditors monitored compliance with the law and the Articles of Association in force, as well as compliance with the principles of proper administration.

To this end, the Board of Statutory Auditors made use of the information flows put in place by the Company, which are deemed suitable to ensure that the Statutory Auditors can verify the compliance of the organisational structure, internal procedures, corporate acts and resolutions of the corporate bodies with the applicable laws, statutory provisions and regulations.

In carrying out its audits, the Board of Auditors held a total of 10 meetings in 2023 and received information from the heads of the various corporate functions.

Furthermore, the Board of Auditors:

- attended the Shareholders' only ordinary and extraordinary general meeting;
- attended Board meetings (a total of 13 during 2023);

Supervisory activities on compliance with the principles of sound administration

The Board of Statutory Auditors reports that, also through its participation in Board of Directors' meetings, it obtained from the directors, in compliance with the periodicity required by law, the due information on the activities carried out and on the most significant economic, equity and financial transactions undertaken by the Company and the Group. On the basis of the information thus obtained by the Board of Statutory Auditors, the resolutions passed and the transactions consequently implemented comply with the law and the Articles of Association and do not show any potential conflicts of interest with the Company, are not manifestly imprudent, risky, atypical or unusual, nor do they conflict with the decisions taken by the Shareholders' Meeting or such as to compromise the integrity of the Company's assets or conflict with the Company's interests.

The Board of Statutory Auditors believes that the principles of sound administration have been respected and, on the basis of the information acquired, considers that the management choices are inspired by the principle of correct information and reasonableness.

The Board of Statutory Auditors brings the relevant events of the financial year to the attention of the Shareholders:

- the Financial Statements, brought for your approval, have been drawn up, for the first time, in compliance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") and approved by the European Union and effective at the balance sheet date. In light of 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;
- In 2023, the Company 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.

As far as significant events are concerned, the Statutory Auditors note that the founder and CEO Riccardo Iovino passed away on 25 September 2023 and that the Board of Directors on 27 September 2023 conferred the powers necessary to manage the company to Anna Marras, former CEO with responsibility for human resources. On 27 September 2023, the Board of Directors also approved the consolidated half-yearly financial statements, which marked the transition to the IAS/IFRS international accounting standards endorsed by the European Commission, supplemented by the relevant interpretations issued by the International Standard Board (IASB). A new Country Manager for France and Monaco was appointed on 4 October 2023. On 9 October 2023, the Board of Directors of EdiliziaAcrobatica S.p.A. appointed a new director by cooptation in accordance with the law and the Articles of Association with the consent of this Board of Auditors.

On 18 October 2023, the company published its second Sustainability Report covering 2022. The sustainalytics rating dropped 7.4 points to low risk.

On 3 April 2024, the Board of Directors of EdiliziAcrobatica, following the resignation of the Chairman of the Board of Directors Simonetta Simoni due to age limit, whom this Board thanks, appointed by cooptation as new Chairman Dr. Riccardo Banfo, former Group CFO.

This Board of Statutory Auditors points out that the shareholders' meeting will have to ratify the cooptations that have taken place to date.

Details of all significant economic, financial and balance sheet transactions are given in the Report on Operations in the section “Significant Events during the Year”.

Supervisory activities on the adequacy of the organisational set-up

In the course of its audits, the Board of Statutory Auditors monitored the adequacy of the organisational structure - in terms of structure, procedures, competences and responsibilities - to the size of the Company and the nature and pursuit of its corporate purpose. In this regard, the Board of Statutory Auditors believes that, to the extent of its competence, this organisational structure is, on the whole, adequate.

The Board of Statutory Auditors recalls that the Board of Directors is responsible for establishing the organisational structure of the company, defining the corporate structure of the group, and verifying the existence of the internal controls necessary to monitor the performance of the company and the group. The Management Report, to which reference is made, explains these aspects in detail.

The Board of Statutory Auditors reports that it has supervised the organisational and procedural activities implemented pursuant to Legislative Decree No. 231/2001, verifying the updating of the 231 Model and maintaining a periodic exchange of information with the Supervisory Board (also holding joint meetings). The Board of Statutory Auditors also examined the half-yearly report and the annual report of the Supervisory Board for 2023, on which it has no observations to make.

The Statutory Auditors carried out their own checks on the process of preparing the half-yearly financial report and the annual financial statements and assessed, through their periodic meetings with the auditors, the adequacy of the accounting principles and their uniformity for the purposes of the half-yearly financial report and the annual financial statements.

The Board of Statutory Auditors also reports that, in compliance with Law 179/2017 bearing "Provisions for the protection of the authors of reports of offences or irregularities of which they have become aware in the context of a public or private employment relationship" (so-called "Whistleblowing Law"), the Company has implemented a suitable global and integrated a Whistleblowing system at group level, with the aim of ascertaining and promptly managing any unlawful conduct and/or violations concerning suspicious conduct that does not comply with the provisions of the Company's Code of Ethics. The Board of Statutory Auditors met with the person responsible for activities related to the Data Protection Regulation (EU) 2016/679 (GDPR) and reviewed the related periodic reports.

Supervisory activities concerning the adequacy of the administrative accounting system and the statutory audit activities

The Board of Statutory Auditors monitored the Company's administrative and accounting system and its reliability in correctly representing management events, by obtaining information from the Manager in charge and from the Managers of the competent functions, by examining the documentation prepared by the Company and by analysing the work carried out by the auditing firm.

In particular, the Board of Statutory Auditors notes that the Manager in Charge of Preparation of the Financial Statements has issued the certification that the financial statements provide a true and fair view of the financial position, results of operations and cash flows of the Company and the investees included in the scope of consolidation. On the basis of the information obtained, the declarations made by the Manager in charge are complete.

The Board of Statutory Auditors, in consideration of the supervisory activities carried out, and taking into account the assessments of the adequacy, effectiveness and actual functioning of the organisational, administrative and accounting structure formulated by the Board of Directors, considers, to the extent of its competence, that this system is, as a whole, adequate and reliable in representing management events.

During the financial year ended 31 December 2023, the Board of Statutory Auditors met regularly with the auditing firm, Deloitte & Touche S.p.A., for the purpose of exchanging relevant data and information pursuant to Article 150, paragraph 3, of the Consolidated Law on Finance.

At these meetings, the auditors did not communicate any facts or anomalies of such significance that they should be reported in this report.

Supervision of the auditing activities pursuant to Article 19 of Legislative Decree No. 39 of 27 January 2010 was conducted by the Board of Statutory Auditors in the context of the aforementioned meetings with the appointed auditing firm, which illustrated the quarterly audits performed and their results, the auditing strategy, as well as the key issues encountered in the performance of its activities. These meetings did not reveal any critical issues affecting the Company's individual financial statements or the consolidated financial statements.

The Board of Statutory Auditors also assessed the work plan prepared by Deloitte & Touche S.p.A., finding it appropriate to the characteristics and size of the Group, and monitored the effectiveness of the statutory audit process, noting that it was carried out in accordance with the audit plan and according to International Standards.

The reports of Deloitte & Touche S.p.A. on the statutory and consolidated financial statements were issued, pursuant to Article 14 of Legislative Decree No. 39 of 27 January 2010 and Article 10 of Regulation (EU) No. 537 of 16 April 2014, on 12 April 2024.

With regard to opinions and attestations, the auditing company has:

- issued an opinion to the effect that the statutory and consolidated financial statements of EdiliziAcrobatica give a true and fair view of the financial position of EdiliziAcrobatica and the Group as at 31 December 2023, of the results of operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the measures issued in implementation of Article 9 of Legislative Decree No. 38/2005;

- issued an opinion of consistency showing that the management reports accompanying the annual financial statements and the consolidated financial statements for the year ended 31 December 2023 and certain specific information, the responsibility for which lies with the Company's Directors, have been prepared in accordance with the law;

- declared, with regard to any significant errors in the management reports, based on the knowledge and understanding of the company and its environment gained during the audit, that they have nothing to report.

The audit report expresses an opinion on the appropriateness of the Directors' use of the going concern assumption, based on the evidence obtained up to the date of the report.

The Board of Statutory Auditors received evidence from the Company of the following additional fees paid to companies or professional firms connected to the international network of *Deloitte & Touche S.p.A:*

Service	Fee
Statutory audit of annual accounts	€ 43,000
Agreed upon procedures	€ 12,800

Taking into account the declaration of independence issued by *Deloitte & Touche S.p.A*., the fact that the value of the non-audit assignments is immaterial, and the fact that no assignments have been given to companies belonging to its network by the Company and its Group companies, we believe that there are no critical aspects with regard to the independence of Deloitte & S.p.A.

The statutory auditor also declared that no non-audit services prohibited under Article 5(1) of Regulation (EU) 537/2014 were provided.

<u>Supervisory activities on the consolidated non-financial statement and diversity information</u>

Legislative Decree No. 254/2016 implementing the EU Directive on so-called "non-financial and diversity information" requires large public interest entities to report specific non-financial information starting with financial statements for financial years beginning on or after 1 January 2017. The company is not one of the obliged entities, however it has adopted an ESG sustainability report to provide information covering environmental, social, employee-related issues, respect for human rights, anti-corruption, diversity of board members and other aspects related to sustainability and climate change.

The Board of Statutory Auditors also notes that the responsibility for ensuring that the report is prepared and published in accordance with the law lies with the directors.

In order to verify compliance, the Board met with the Sustainability Manager and external consultants who, under the latter's responsibility, are part of the working group participating in the process of preparing the consolidated non-financial statement, acquiring information on the materiality analysis carried out by the Company to define the areas of non-financial disclosure relevant to the EdiliziAcrobatica Group, the involvement of subsidiaries, the procedures and operational tools adopted for the collection of data/information and their subsequent analysis, control and consolidation.

The Board of Directors of the Company approved the Sustainability Report for 2022 on 4 October 2023.

The Board of Statutory Auditors informs that the Board of Directors has appointed the auditing firm Deloitte & Touche S.p.A. as from 12 February 2024 for the analysis of the information and data collection processes for possible sustainability reporting already present within the Group, factual gap analysis on reporting methodologies and approaches between what emerged from the analysis and the requirements of the GRI standards, benchmark analysis.

Supervision of related party transactions

The Board of Statutory Auditors did not find the existence of any atypical and/or unusual transactions with Group companies, third parties or related parties, finding confirmation of this in the indications of the Board of Directors and the independent auditors.

The Directors' Report on Operations contains adequate information on intra-group and related party transactions, all of which are congruent, in the Company's interest and settled at market conditions. The economic impact of transactions with related parties is reported in the notes to the “Related Party Transactions” section of the Company's financial statements; their impact on cash flow is reported directly in the Cash Flow Statement.

With reference to these transactions, the Board of Auditors considers the information provided by the Directors in their Report on Operations and in the Notes to the Financial Statements to be adequate

Omissions and reprehensible facts noted

No complaints pursuant to Article 2408 of the Civil Code, no complaints pursuant to Article 2409 of the Civil Code and no complaints of any kind from third parties were received during the 2023 financial year.

No action was required to correct omissions by the Board of Directors under Art. 2406 of the Civil Code;

We have not made any reports to the board of directors pursuant to art. 15 of Italian Legislative Decree no. 118/2021 or pursuant to art. 25-octies of Italian Legislative Decree no. 14 of 12 January 2019.

We have not received any reports from public creditors pursuant to and for the purposes of art. 25-novies of Italian Legislative Decree no. 14 of 12 January 2019, or pursuant to and for the purposes of art. 30-sexies of Italian Decree-Law no. 152 of 6 November 2021, converted by Italian Law no. 233 of 29 December 2021, as amended.

We also monitored compliance with the obligations arising from the existence of the bond.

The results of the supervisory activity did not identify any omissions or reprehensible facts.

Opinions rendered

During the financial year ended 31 December 2023 and up to the date of preparation of this Report, the Board of Statutory Auditors issued the following favourable opinions:

- appointment of the auditing firm *Deloitte & Touche S.p.A.* for the financial years 2023 to 2031;
- appointment by cooptation of Director Fortunato Seminara, pursuant to Article 2386 of the Civil Code;
- appointment by cooptation of the Chairman Riccardo Banfo, pursuant to Article 2386 of the Civil Code;
- on the allocation of remuneration to directors holding special offices, pursuant to Article 2389 paragraph 3 of the Civil Code.

Self-evaluation

The Board of Statutory Auditors carried out a self-assessment of the independence of its members, as a result of which it confirmed the existence of the requirements required by law; it is hereby acknowledged that no Statutory Auditor had any interest, on his own behalf or on behalf of third parties, in any transaction of the Company during the 2023 financial year.

The Board of Statutory Auditors also carried out, with reference to the financial year 2023, the self-assessment process on the composition and functioning of the Board of Statutory Auditors, the outcome of which was reported to the Board of Directors.

The members of the Board of Statutory Auditors complied with the accumulation of offices provided for in Article 144-terdecies of the Regulation on Issuers.

The Board of Statutory Auditors also verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members in accordance with the criteria set forth by law and the Corporate Governance Code.

The Report on Corporate Governance and Ownership Structure for 2023 gives an account of the conclusions reached by the Directors regarding the confirmation of the adequacy and effectiveness of the organisational, administrative and accounting structure of the Company and its main subsidiaries.

Consolidated financial statements

While the report of the Board of Statutory Auditors on the consolidated financial statements is not required (see article 41 of Italian Legislative Decree 127/1991), it is considered appropriate to apply the rule of conduct 3.8 Supervision with regard to the consolidated financial statements and the management report (the board of statutory auditors monitors compliance with the procedural rules related to the preparation and publication of the consolidated financial statements), and therefore it should be noted that it has verified the general layout used for the consolidated financial statements and the related management report (which was prepared separately for the consolidated financial statements, without making use of the possibility pursuant to article 40, paragraph 2/bis of Italian Legislative Decree 127/91 to prepare a single document for both the individual and consolidated financial statements) and compliance with the laws concerning their preparation.

Proposals concerning the annual financial statements and their approval and matters within the competence of the Board of Statutory Auditors

The Board of Statutory Auditors examined the draft financial statements at 31 December 2023 and reviewed the consolidated financial statements at the same date.

The Board of Statutory Auditors draws attention to the reference to the report of the independent auditing firm *Deloitte & Touche S.p.A*. "*As of the financial statements for the year ending 31 December 2023, the Company has adopted the International Financial Reporting Standards (IFRS) as transposed by the European Union; the Directors, in the notes to the financial statements, report the effects of the transition and the information on the reconciliation statements required by IFRS 1. Our opinion is unqualified in this respect.*"

The Directors consider that there are no issues regarding the Company's and the Group's ability to meet its obligations in the foreseeable future and, in particular, in the next twelve months. On this basis, as well as on the capital structure the Company enjoys, the Directors have assessed that, despite the difficult economic and financial context, there are no significant uncertainties regarding the going concern assumption.

The Board of Statutory Auditors verified compliance with the legal provisions concerning the preparation of the management report and, also in this regard, there are no observations to report.

The financial statements for the year ended 31 December 2023, prepared by the Directors in accordance with the law and duly submitted by them to the Board of Auditors (together with the Management Report and the Notes to the Financial Statements), show a profit for the year of € 4,025 thousand.

The Board of Statutory Auditors, considering also the results of the activities performed by the independent auditors, for the aspects within its competence, finds no reasons to prevent the approval of the financial statements for the year ended 31 December 2023, as drafted and approved by the Board of Directors at its meeting of 27 March 2024, nor the proposal for the allocation of the Net profit for the year as formulated by the Board of Directors.

Genoa, 12 April 2024

The Board of Statutory Auditors

Fabio Coacci

Giorgio Frediani

Francesco Cinaglia

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