

	2018
Company information	
Company Details	
Name	EDILIZIACROBATICA S.p.A
office	20100 MILAN (MI) VIA TURATI, 29
Share capital	772,530
Share capital fully paid	yes
CCIAA (Chamber of Commerce, Industry, Craft and Agriculture) Code	
VAT number	01438360990
Tax ID	01438360990
Economic and Administrative Index No.	MI - 1785877
Legal form	Joint Stock Company
Primary business (ATECO)	43.39.01
Company under liquidation	no
Single Member Company	no
Company subject to management and coordination by third parties	no
Name of the company or body that exercises the direction and coordination:	
Group membership:	yes
Name of parent company	
Country of parent company	
Registration number in the register of cooperatives:	

Balance Sheet

<u>ASSETS</u>	31.12.2018	31.12.2017
A. SUBSCRIBED CAPITAL UNPAID	-	-
B. FIXED ASSETS		
I. Intangible fixed assets		
1) Formation and start-up costs	907,691	29,378
2) Development costs	95,796	151,591
3) Industrial patent rights and rights to use patents of others	90,750	107,125
4) Concessions, licenses, trademarks and similar rights	-	33,926
5) Goodwill	-	-
6) Intangible assets in progress and payments on account	56,871	62,726
7) Others	580,824	360,895
Total intangible fixed assets	1,731,932	745,641
II. Tangible fixed assets		
1) Land and buildings	-	-
2) Plant and machinery	46,438	2,100
3) Other fixtures and fittings, tools and equipment	107,093	3,791

4) Other assets	539,583	216,181
5) Tangible assets in course of construction and payments on account	-	-
Total tangible fixed assets	693,114	222,072
III. Investments		
1) Equity investments in:		
a) subsidiary companies	212,500	167,500
a) associated companies	-	-
c) parent companies	-	-
d) companies under the control of parent companies	-	-
d-bis) other companies	-	-
Total shareholdings	212,500	167,500
2) Loans due from		
a) subsidiary companies		
<i>Due in less than 12 months</i>	-	-
<i>Due in more than 12 months</i>	-	-
Total receivables from subsidiaries	-	-
b) associated companies		
<i>Due in less than 12 months</i>	-	-
<i>Due in more than 12 months</i>	-	-
Total receivables from associated companies	-	-
c) parent companies		
<i>Due in less than 12 months</i>	-	-
<i>Due in more than 12 months</i>	-	-
Total receivables from parent companies	-	-
d) companies under the control of parent companies		
<i>Due in less than 12 months</i>	-	-
<i>Due in more than 12 months</i>	-	-
Total Receivables to companies controlled by the parent companies	-	-
d-bis) other companies		
<i>Due in less than 12 months</i>	-	-
<i>Due in more than 12 months</i>	-	-
Total receivables from others		
3) Other securities	-	50,000
4) financial derivative assets	-	-
Total financial fixed assets	212,500	217,500
TOTAL FIXED ASSETS (B)	2,637,546	1,185,213
C. CURRENT ASSETS		
I. Inventory		
1) Raw materials and consumables	1,494,238	821,366
2) Work in progress and components	-	-
3) Contract work in progress	-	-
4) Finished products and goods for resale	-	-
5) Advances received	-	-
Total inventory	1,494,238	821,366
II. Accounts receivable		
1) Trade receivables		

<i>Due in less than 12 months</i>	8,251,837	5,728,122
<i>Due in more than 12 months</i>	-	-
Total trade receivables	8,251,837	5,728,122
2) Receivables from subsidiary companies		
<i>Due in less than 12 months</i>	1,146,491	569,661
<i>Due in more than 12 months</i>	-	-
Total receivables from subsidiaries	1,146,491	569,661
3) Receivables from associated companies		
<i>Due in less than 12 months</i>	-	-
<i>Due in more than 12 months</i>	-	-
Total receivables from associated companies	-	-
4) Receivables from parent companies		
<i>Due in less than 12 months</i>	-	-
<i>Due in more than 12 months</i>	-	-
Total receivables from associated companies	-	-
5) Receivables from companies under the control of parent companies		
<i>Due in less than 12 months</i>	-	-
<i>Due in more than 12 months</i>	-	-
Total Receivables to companies controlled by the parent companies	-	-
5-bis) Tax receivables		
<i>Due in less than 12 months</i>	2,162,840	1,340,604
<i>Due in more than 12 months</i>	-	-
Total tax receivables	2,162,840	1,340,604
5-ter) Deferred tax assets	96,258	25,384
5-quater) Receivables from others	731,407	421,539
Total accounts receivable	12,388,833	8,085,310
III. Current asset investments		
1) Investments in subsidiary companies	-	-
2) Investments in associated companies	-	-
3) Investments in parent companies	-	-
3-bis) Investments in companies under the control of parent companies	-	-
4) Other investments	-	-
5) Financial derivative assets	-	-
6) Other securities	4,018,517	-
Total current asset investments	4,018,517	-
IV. Total cash and cash equivalents		
1) Bank and postal current accounts	7,902,574	5,583,157
2) Checks to be deposited	-	565
3) Cash on hand	14,371	16,741
Total cash resources	7,916,945	5,600,463
TOTAL CURRENT ASSETS (C)	25,818,533	14,507,139
D. ACCRUED INCOME AND PREPAID EXPENSES	75,463	48,496
TOTAL ASSETS	28,531,542	15,740,848
LIABILITIES	31.12.2018	31.12.2017

A. SHAREHOLDERS' EQUITY		
I – Share capital	772,530	600,000
II – Share premium reserve	5,547,771	-
III – Revaluation reserves	-	-
IV – Legal reserve	120,000	90,917
V – Reserves provided for by the articles of association	-	-
VI – Other reserves, with separate indication	116	116
VII – Reserve for expected hedging transactions	-	-
VIII – Profit (loss) brought forward	1,065,465	282,293
IX – Profit (loss) for the year	2,282,498	812,256
X – Negative reserve for treasury stock owned	-	-
TOTAL NET WEALTH	9,788,380	1,785,582
B. PROVISIONS FOR RISKS AND CHARGES		
1) for pensions and similar provisions	-	-
2) Provisions for taxation, including deferred taxation	41,522	2,592
3) Derivative financial instrument liabilities	-	-
4) Others	-	-
TOTAL PROVISIONS FOR RISKS AND CHARGES	41,522	2,592
C. EMPLOYEE SEVERANCE INDEMNITY .	580,329	336,394
D. PAYABLES		
1) Bonds		
<i>Due in less than 12 months</i>	-	-
<i>Due in more than 12 months</i>	5,000,000	5,000,000
Total Bonds	5,000,000	5,000,000
2) Convertible bonds	-	-
3) Shareholders' loan payables	-	-
4) Amounts owed to banks		
<i>Due in less than 12 months</i>	3,655,949	2,131,196
<i>Due in more than 12 months</i>	1,552,041	859,309
Total amounts owed to banks	5,207,990	2,990,505
5) Amounts owed to other financiers		
<i>Due in less than 12 months</i>	5,923	5,581
<i>Due in more than 12 months</i>	15,493	21,385
Total Payables to other financing creditors	21,416	26,966
6) Advances	725,169	263,939
7) Trade payables		
<i>Due in less than 12 months</i>	3,612,132	1,990,964
<i>Due in more than 12 months</i>	-	-
Total Payables to suppliers	3,612,132	1,990,964
8) Debts represented by bills of exchange	-	-
9) Amounts owed to subsidiary companies		
<i>Due in less than 12 months</i>	175,967	47,276
<i>Due in more than 12 months</i>	-	-
Total to subsidiaries	175,967	47,276

10) Amounts owed to associated companies	-	-
11) Amounts owed to parent companies	-	-
11-bis) Amounts owed to companies under the control of parent companies	-	-
12) Taxation payables		
<i>Due in less than 12 months</i>	1,217,257	1,393,177
<i>Due in more than 12 months</i>	130,288	119,437
Total to tax payables	1,347,545	1,512,614
13) Amounts owed to social security institutions	662,550	355,309
14) Other payables	1,312,937	1,372,652
TOTAL DEBTS	18,065,706	13,560,225
E. ACCRUALS AND DEFERRED INCOME	55,605	56,055
TOTAL LIABILITIES	28,531,542	15,740,848

Profit and loss account

PROFIT AND LOSS ACCOUNT	31.12.2018	31.12.2017
A. SALES		
1) Revenues from sales of goods and services	21,293,936	13,338,941
2) Change in inventory levels of finished goods and work in progress	-	-
3) Variations in contracts in progress	-	-
4) Work performed for internal purposes and capitalized	56,871	-
5) Other revenues and income		
a) grants received during the year	1,030,557	686,387
b) others	112,874	363,678
Total revenues and income	1,143,431	1,050,065
TOTAL SALES (A)	22,494,238	14,389,006
B. COST OF PRODUCTION		
6) For raw materials, consumables and goods for resale	3,058,051	1,896,970
7) For services	5,141,313	3,589,140
8) For use of third party assets	1,265,995	712,162
9) For employees:	-	-
a) wages and salaries	4,644,867	3,618,539
b) social security costs	2,664,379	2,011,061
c) provision for severance indemnity	301,418	257,163
d) pension costs and similar	-	-
e) other costs	1,452,423	409,741
Total personnel expenses	9,063,087	6,296,504

10) Depreciation amortization and write-downs		
a) amortization of intangible fixed assets	301,313	295,198
b) depreciation of tangible fixed assets	86,061	37,339
c) write-downs of intangible and tangible fixed assets	-	-
d) write-down of receivables shown under current assets	244,232	137,835
11) Changes in inventory levels of raw materials, consumables and goods for resale	(672,872)	(415,666)
12) Provisions for risks and charges	-	-
13) Other provisions	-	-
14) Other operating costs	432,883	343,812
TOTAL COST OF PRODUCTION (B)	18,920,063	12,893,294
OPERATING MARGIN (A – B)	3,574,175	1,495,712
C. FINANCIAL INCOME AND CHARGES		
15) Income from equity investments	-	51,834
16) Other financial income:		
a) from loans shown under fixed assets	-	-
b) from securities shown under fixed assets other than equity investments	(7,620)	-
c) from securities shown under current assets other than equity investments	-	-
d) other income not included above	-	-
- interest and commission from subsidiary companies	-	-
- interest and commission from associated companies	-	-
- interest and commission from parent companies	-	-
- interest and commission from others and sundry income	(13,121)	(4,184)
17) Interest and other financial charges		
a) to subsidiary companies	-	-
b) to associated companies	-	-
c) to parent companies	-	-
d) others	304,919	96,230
17-bis) gains and losses on exchange	15	-
TOTAL INCOME AND FINANCIAL CHARGES (C)	(284,193)	(40,212)
D. VALUE ADJUSTMENTS OF FINANCIAL ASSETS		
18) Revaluations		
a) of shareholdings	-	-
b) of financial fixed assets other than equity investments	-	-
c) of securities included in current assets other than equity investments	(18,517)	-
d) financial derivatives	-	-
19) Write-downs		
a) of shareholdings	50,000	27,861
b) of financial fixed assets other than equity investments	-	-
c) of securities included in current assets other than equity investments	-	-
d) financial derivatives	-	-
TOTAL ADJUSTMENTS TO FINANCIAL ASSET VALUES (D)	31,483	- 27,861
PROFIT (LOSS) BEFORE TAXATION (A-B+C+D)	3,258,499	1,427,639

20) Current, deferred and advanced corporation tax for the year	(976,001)	(615,383)
21) PROFIT (LOSS) FOR THE YEAR	2,282,498	812,256

Cash flow statement

	31.12.2018	31.12.2017
Cash flow statement, indirect method		
A) Cash flow from operating activities (indirect method)		
Profit (loss) for the year	2,282,498	812,256
Corporation tax	976,001	615,383
Interest charges (income)	304,919	92,046
(Dividends)	-	(51,834)
(Gains) losses deriving from the disposal of assets	-	-
1) Profit (loss) for the year before taxation, interest, dividends and gains/losses on disposals	3,563,418	1,467,851
Adjustments for non-cash elements without a corresponding entry from among net working capital		
Provisions	545,650	394,998
Amortization of intangible fixed assets	387,374	332,537
Write-downs for permanent diminutions in value	-	-
Adjustments to the value of derivative financial instrument assets and liabilities not giving rise to flows of cash	(18,517)	-
Other increasing (decreasing) adjustments for non-cash elements	316,648	27,861
Total adjustments for non-cash elements without a corresponding entry from among net working capital	1,231,155	755,396
2) Cash flow before variations in net working capital	4,794,573	2,223,247
Variations in net working capital		
Decrease/(increase) in inventory	(672,872)	(415,666)
Decrease/(increase) in trade receivables	(2,767,947)	(1,033,257)
Increase/(decrease) in trade payables	1,621,168	901,666
Decrease/(increase) in prepayments and accrued income	(26,967)	(27,798)
Increase/(decrease) in accruals and deferred income	(450)	56,055
Other decreases/(other increases) in net working capital	(2,522,639)	(1,104,997)
Total variations in net working capital	(4,369,707)	(1,623,997)
3) Cash flow after variations in net working capital	424,866	599,250
Other adjustments		
Interest received/(paid)	(291,813)	(92,046)
(Corporation tax payments)	-	(108,788)
Dividends received	51,834	-
(Utilization of provisions)	(18,553)	(195,878)
Other receipts/(payments)	-	-
Total other adjustments	(258,532)	(396,712)
Cash flow from operating activities (A)	166,334	202,538
B) Cash flow from investing activities		
Tangible fixed assets		
(Investments)	(557,103)	(170,339)
Disinvestments	-	-

Intangible fixed assets		
(Investments)	(1,287,604)	(625,101)
Disinvestments	-	-
Investments		
(Investments)	-	(5,000)
Disinvestments	62,620	-
Non-fixed asset investments		
(Investments)	(4,000,000)	-
Disinvestments	-	-
(Purchase of business units net of cash at bank and in hand)	-	-
Disposal of business units net of cash at bank and in hand	-	-
Cash flow from investing activities (B)	- 5,782,087	- 800,440
C) Cash flow from financing activities		
Third party finance		
Increase/(decrease) of short-term debt owed to banks	764,841	255,277
Opening of loans	2,800,000	6,384,491
(Repayment of loans)	(1,352,906)	(436,717)
Own resources		
Increase in share capital for consideration	5,720,301	-
(Share capital buy-back)	-	-
	-	-
Disposal/(purchase) of treasury shares	-	-
(Dividends and payments on account on paid dividends)	-	(720,000)
Cash flow from financing activities (C)	7,932,236	5,483,051
Increase (decrease) in cash at bank and in hand (A ± B ± C)	2,316,483	4,885,149
Effect of exchange rates on cash at bank and in hand		
Cash at bank and in hand at the start of the year		
Bank and postal current accounts	5,583,157	683,590
Cheques to be deposited	565	-
Cash on hand	16,741	31,724
Total cash at bank and in hand at the start of the year	5,600,463	715,314
Portion which is not freely usable		
Cash at bank and in hand at the end of the year		
Bank and postal current accounts	7,902,574	5,583,157
Cheques to be deposited	-	565
Cash on hand	14,371	16,741
Total cash at bank and in hand at the end of the year	7,916,945	5,600,463
Portion which is not freely usable	-	-

Explanatory note

Introduction, notes to the financial statements

The profit entries of the Balance Sheet have been classified according to the relative business destinations. The criteria for the evaluation of each element of the profits is compliant to the criteria provided for by Art. 2426 of the Civil Code and from the national accounting principles of reference. The compulsory indications, provided for by Art. 2427 of the Civil Code, by the other provisions of the Civil Code, and by the accounting principles, together with the information provided for a fully truthful and correct representation, follow the order of the financial items outlined by Art. 2424 of the civil code.

The financial statements as at 31 December 2018 were drawn up in compliance with the civil code, interpreted and supplemented by the accounting principles and criteria developed by the Official Italian Accounting Board (O.I.C.).

The financial statements have been prepared on a going concern basis, as there are no significant uncertainties also based on the provisions of the revised version on 22th of March 2018 of the Accounting Standard O.I.C 11.

The financial statements consist of the balance sheet, the profit and loss account (income statement), and the cash flow statement (drawn up in accordance with the schedules referred to in articles 2424, 2424 bis c.c., to the articles 2425 and 2425 bis c.c. and to the artic. 2425 ter of the civil code) and in these notes to the financial statements

The Explanatory Note has the function of providing the illustration, the analysis and in such cases an integration of the balance sheet data and contains the information required by Art. 2427 and 2427 bis of the civil code, from other provisions of the civil code relating to financial statements and other previous laws. Moreover, the financial statements outline all information considered necessary to give a true and complete representation of the company's position, even if not required by specific provisions of law.

There were no major events occurring after year-end.

The amounts are expressed in Euro, unless specified otherwise.

Exceptional Cases pursuant to article 2423, fifth paragraph, of the Civil Code

During the fiscal year, there were no exceptional circumstances that would have justified the application of that provision.

Change of Accounting Principles

In drawing up the financial statements, no changes in accounting principles have been carried out compared to the previous year.

Correction of relevant errors

There were no significant errors of which correction was necessary in the year 2018.

Issues related to comparability and adaptation

No comparability or adaptation issues with the previous financial year can be identified for the financial year 2018.

Basis of Preparation applied

The accounting principles detailed below have been adapted in line with the modifications, additions and new treatments introduced into the Civil Code by Legislative Decree 139/2015, incorporating the EU accounting directive 34/2013/UE into Italian law. More specifically, the national accounting standards were applied in the version revised by the O.I.C on 22th of December 2016 and taking into account other updates, in particular the OIC 11 principle published on 22th of March 2018.

The most significant accounting criteria adopted in the preparation of the financial statements for the year ended 31 December 2018 pursuant to article 2426 of the Italian Civil Code and pursuant to the above accounting principles were as follows:

Intangible fixed assets -- They were stated at their purchase or production costs, including ancillary expenses and costs directly attributed to the product and systematically amortized for each year on a straight-line basis. The intangible fixed assets were stated with the consent of the Board of Statutory Auditors in the cases prescribed by law.

Formation and start-up costs were amortized for a period of five years with amortization on a straight-line basis. Development costs are amortized over the useful economic life; in exceptional cases when it is not possible to reliable estimate their useful economic life, they are amortized over a period not exceeding five years. Until fully-amortized, dividends may only be distributed to the extent that sufficient available reserves remain to cover the total costs which remain to be amortized.

Research and advertising costs were fully allocated under period costs in the year in which they were incurred.

If, regardless of the depreciation already accounted, there are permanent losses in value, the fixed asset is written-off accordingly. If the conditions for writing-off the assets are no longer applicable in the following years, the original value is restored within the limits of the value that the assets would have had if the adjustment of the value did not take place, except for the goodwill entry and "long-term costs" envisaged in number 5 of article 2426 of the Italian Civil Code.

Tangible fixed assets -- They were stated at their costs of acquisition or internal construction costs, net of depreciation made in the year or in previous years. The cost includes ancillary costs and the share of direct and indirect costs reasonably attributable to the asset which relate to the time of their

manufacture up until the time from when the asset may be used. Tangible fixed assets can be written-up only in the cases in which is required pursuant to special laws or where permitted.

Fixed assets were systematically depreciated every year on a straight-line basis based on the rates set out by tax laws that were considered representative of the residual useful life of the asset. The applicable rates are outlined in the comments section under assets. As for fixed assets brought into service during the year, the rates are reduced at 50% thereby assuming that the acquisitions are equally distributed within the course of the year. Depreciation is also calculated on fixed assets which are temporarily not being used. Land and works of art whose benefit is not exhausted were excluded from the depreciation.

In cases of a permanent diminution in value, independently of the depreciation already accounted for, the asset is written down accordingly; if in subsequent years the causes of the write-down no longer apply the original value is reinstated, limited to the value the asset would have had if the value adjustment had never taken place.

Costs incurred to extend, modernize or improve the structural elements of a tangible fixed assets may be capitalized if they produce a significant and measurable increase in production capacity, safety or useful economic life. If said costs do not produce these effects, they are treated as ordinary maintenance costs and debited in the profit and loss account.

Shareholding and securities (stated under fixed assets) -- Shareholdings and debt securities stated under fixed assets are intended to last permanently in the Company's assets. Shareholdings are valued using the cost method adjusted for permanent losses in value.

The cost method assumes that the book value in the financial statement is calculated based on the acquisition or subscription price, including ancillary costs. The book value of the shareholding, when given the existence of permanent losses in value, is reduced based on its lesser recoverable value which is calculated based on future benefits that are expected to flow to the finances of the participating company.

In the event that the Company is obliged or intends to assume the coverage of losses achieved by the subsidiary (of a non-lasting nature), a liability provision is necessary.

Inventory - Inventory was stated at the lesser value between the cost of acquisition and production and their presumed realizable value inferred from the market trend (article 2426 number 9 of the Italian Civil Code). Acquisition costs means the actual purchase price plus ancillary expenses, except for financial charges.

Receivables -- Receivables are stated in the financial statements according to the amortized cost method, taking into account the time factor and the presumed realizable value. The amortized cost method is not applied when the effects are irrelevant, namely when the costs for the transaction, the commissions paid between the parties and any other difference between the initial value and value upon expiration are irrelevant or if receivables are short term (namely with due dates less than 12 months).

The value of receivables, as determined above, is adjusted where necessary through the use of a bad debt provision, applied directly to the value of the receivables in order to align them with their estimated realizable value. The amount of the write-down at the balance sheet date is equal to the difference between the book value and the value of the estimated future cash flows, reduced by the amounts not expected to be collected.

The value of the write-down in the year is charged to the profit and loss account.

Cash and cash equivalents -- Cash at bank and in hand at year-end are valued at their nominal value. Cash in foreign currency are valued at the exchange rate at year-end.

Prepayments and accrued income - The entry prepayments and accrued income includes costs and revenues for the year that are due in later years and costs and revenues incurred by year-end, but due in later years, calculated based on the accrual basis.

Provisions for risks and charges - Provisions for risks and charges were allocated to cover for losses or debts that are likely or certain where neither the amounts nor the date of occurrence could be determined at year-end. The allocations reflect the best possible estimate based on available data. Risks which may only possibly give rise to a liability are outlined in the comments to the note dealing with provisions, without a provision for risks and charges being booked in the balance sheet. Allocations to provisions for risks and charges are stated as a priority in the cost entries in the profit and loss account for the respective classes (B, C or D). When it is not possible to associate the nature of the provision with one of the abovementioned sections, the provisions for risks and charges are recorded under items B12 and B13 of the profit and loss account.

Employee severance indemnity – The employee severance indemnity provision shows the amounts employees would have the right to receive on termination of their employment as at the balance sheet date. Seniority indemnity making up the above entry, namely the allocation for the year and the annual revaluation of the pre-existing provision, is calculated pursuant to applicable laws. The employee severance indemnity provision is recorded in section C of liabilities, and at item B9 in the profit and loss account.

Payables – Payables are recorded using the amortized cost method, taking account of the time factor. The amortized cost method is not applied to payables when its effects would be immaterial. The effects are considered irrelevant for short term payables (namely those with due dates less than 12 months). For more information on the amortized cost method, refer to the notes under receivables.

Payables for accrued holidays by employees and for deferred salary, including payables to social security entities, are allocated based on the amount that would be due in case the employment contract is terminated on the date of the financial statements.

Financial leasing operations -- Finance lease operations are stated in the financial statements according to the equity method and by accounting the lease payments paid on an accrual basis in the profit and loss account. Additional disclosures required by law (regarding financial lease agreements recorded based on the finance lease method) are provided in a special section on the Notes to the Financial Statements.

Revenues – Revenues for the sale of services are recognized when they mature and/or are delivered.

In particular, the revenues from sales of assets are stated when the significant informal transfer of the property title takes place thereby taking as reference parameter for the substantial transfer, the transfer of risks and benefits.

Revenues from the sale of products and goods or from the provision of services related to operations are stated net of product returns, discounts, allowances or bonuses, as well as taxes directly associated with the sale of the products or the provision of the services.

Transactions with related parties took place at standard market conditions.

Costs - Costs are stated based on the accrual basis of accounting regardless of the collection or payment date, net of product returns, discounts, allowances or bonuses.

Dividends - Dividends are stated in the year in which they are passed by Shareholders' Meeting. Dividends are stated as financial proceeds regardless of the nature of the reserve subject to distribution.

Financial income and charges - Financial income and charges are stated for the year. Costs related to interest on bonds are recorded on an accrual basis.

Corporation taxes for the year - Income taxes were stated based on an estimate of taxable income in compliance with applicable laws while considering applicable exemptions and due tax receivables.

Deferred taxes due or receivable are calculated based on the time differences between the value of the assets and liabilities calculated according to statutory guidelines and corresponding to values recognized for tax purposes. The valuation is made taking account of the estimated tax rates that the company is expected to sustain in the years when the reversal of these differences impacts taxable profit, considering the tax rates in force or that have already been announced at the balance sheet date. They are shown respectively as "provision for deferred taxation" under provisions for risks and charges in liabilities, and under "deferred tax assets" in working capital.

Deferred tax assets are recognized for all deductible temporary differences if, in accordance with the prudence concept, there is reasonable certainty that during the year when the differences reverse there will be taxable profit of a value no lower than the value of the reversing differences.

On the contrary, deferred taxes due are stated on all the taxable time differences.

Deferred taxes for deferred tax provisions were not stated if there were not likely to be distributed to shareholders.

Conversion criteria for items denominated in foreign currency

Non-monetary assets and liabilities expressed originally in a foreign currency are stated in the balance sheet at the exchange rate applicable at the time of their acquisition, namely the initial recording cost.

Assets and liabilities of a monetary nature originally expressed in foreign currency are converted in the financial statements at the spot rate prevailing on the balance sheet date; related gains and losses on exchange are recorded in the profit and loss account, and any net gains are booked to a specific non-distributable reserve until they are realized.

Introduction, active notes to the financial statements

The report is based on a detailed description of the items of the statutory certificate of 31 December 2018.

Introduction, intangible fixed assets

The item "Intangible Fixed Assets" amounts to a total of 1,731,932 euros at 31 December 2018 (745,641 euros at 31 December 2017). The following is its breakdown.

The item "Formation and start-up costs" totalling to 907,691 Euro (29,378 Euro at 31 December 2017) includes long-term costs relating to the incorporation expenses and the costs of transforming the company and the costs associated with listing in the Italian AIM stock market.

The item "Development costs" at the end of the year amounted to € 95,796 (€ 151,591 at 31 December 2017). This item consists of development costs linked to the launch of the development of the franchising network project throughout the country.

The item "Industrial patents and intellectual property rights" totalling Euro 90,750 (Euro 107,125 thousand at 31 December 2017) refers to software usage rights.

The item "Intangible fixed assets in progress and advances" increased by Euro 56,871 based on the costs incurred for the construction and development of seven new direct offices in Italy which, as of December 31, 2018 are not yet operational.

The item Other intangible assets, amounting to €580,824 (€360,895 at 31 December 2017) includes year-end improvements to third-party assets and long-term costs for the issue of bonds.

At 31 December 2018, there were no commitments relating to intangible fixed assets held.

Introduction, Changes in intangible fixed assets

Special schedules outlined in the following pages were prepared for the item in question which indicate the following for each entry: historical costs, previous amortization/depreciation and previous write-downs or write-ups, as well as the changes for the year, the final balance and the total write-ups existing at year-end.

If present, the amount of year's financial charges to the values entered in the assets of the balance sheet is indicated in the special comment note separately for each item.

Analysis of intangible fixed assets transactions (prospectus)

	Formation and start-up costs	Development costs	Industrial patents and intellectual property rights	Concessions, licenses, trademarks and similar rights	Goodwill	Real estate - intangible fixed assets in progress and payments on account	Other intangible fixed assets	Total intangible fixed assets
Value at the beginning of the year								-
Cost	62,226	297,976	414,120	36,020	-	62,726	527,289	1,400,357
Revaluations	-	-	-	-	-	-	-	-
Depreciation and amortization (provision for depreciation)	32,848	146,385	306,995	2,094	-	-	166,394	654,716
Write-downs	-	-	-	-	-	-	-	-
Book value	29,378	151,591	107,125	33,926	-	62,726	360,895	745,641
Changes in the financial year	-	-	-	-	-	-	-	-
Increases for acquisitions	861,159	-	58,324	-	-	56,871	345,175	1,321,529
Reclassifications (of carrying amount)	51,000	1	-	(33,926)	-	(62,726)	11,726	(33,925)
Decreases by alienation and divestments (of the book value)	-	-	-	-	-	-	-	-
Revaluations carried out in the financial year	-	-	-	-	-	-	-	-
Depreciation for the year	33,846	55,796	74,699	-	-	-	136,972	301,313
Write-downs during the year	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Total changes	878,313	(55,795)	(16,375)	(33,926)	-	(5,855)	219,929	986,291
Year-end value								-
Cost	974,385	297,977	472,444	-	-	56,871	884,190	2,685,867
Revaluations	-	-	-	-	-	-	-	-
Depreciation and amortization (provision for depreciation)	66,694	202,181	381,694	-	-	-	303,366	953,935
Write-downs	-	-	-	-	-	-	-	-
Book value	907,691	95,796	90,750	-	-	56,871	580,824	1,731,932

Comments, Changes in intangible fixed assets

The increase in "Formation and start-up costs" of € 861,159 relates to the costs incurred for the listing of the Company on the Italian AIM Stock Exchange market on 19 November 2018.

During the year, there were no increases in the "Development costs", which was, in fact, reduced by Euro 55,795 due to the amortisation calculated over a period of five years.

The most significant increase in the item "Industrial patents and intellectual property rights" mainly relates to the expenses incurred for new features connected to the management software produced internally, amounts to Euro 58,324.

The item "Concessions, licenses, trademarks and rights" has been reduced to zero following a reclassification of the illuminated signs placed outside the tangible fixed assets.

The decrease in "Assets under construction" is attributed to the realisation of the listing project during 2018, as a result of which the related costs were capitalised under "Formation and start-up costs" as shown above. The increase for the year relates to the costs incurred for the construction and development of new direct offices (7, to be precise) within Italy, which, as of 31 December 2018, are not yet operational. The locations referred to are; Milano 4, Alessandria, Perugia, Monza, Torino 3, Chiavari and Bologna Diretta.

The item "Other intangible fixed assets" shows an increase due to the residual expenses incurred by the Company for the management of bonds and due to the improvements made to leased premises for the operational offices located throughout Italy. With reference to the costs related to the bond issue, it should be noted that they were entered under this item and amortised across 5 accounting periods, which is equal to the duration of the loan, as it is believed that there will be future benefits for a period of at least 5 accounting periods.

Introduction, intangible assets

This asset item includes long-term assets forming part of the permanent organisation of the companies. Referring to lasting factors and conditions is not intrinsic to the assets as such, but to their destination. They are usually used as tools for the production of income from ordinary operations and are therefore not intended for sale or conversion with the goal of obtaining the Company's products.

In the presence of tangible fixed assets that the Company intends to allocate for sale, these have been classified separately from tangible fixed assets, i.e. in a specific item of current assets.

Ordinary depreciation shown in the relevant table has been calculated on the basis of rates considered representative of the remaining possibility of using the related tangible assets. The percentages applied are as follows:

- Plant and machinery 15%
- Other fixtures and fittings, tools and equipment 20.00%
- Other assets:
- Electronic machines for the office 20.00%
- Furniture and office equipment 12.00%
- Transport vehicles 25.00%

Introduction, Changes in intangible fixed assets

Special schedules outlined in the following pages were prepared for the item in question which indicate the following for each entry: historical costs, previous amortization/depreciation and previous write-downs or write-ups, as well as the changes for the year, the final balance and the total write-ups existing at year-end.

Analysis of tangible fixed assets transactions (prospectus)

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible fixed assets under construction and payments on account	Total tangible fixed assets
Value at the beginning of the year						
Cost	-	15,966	23,210	498,124	-	537,300
Revaluations						
Depreciation and amortization (provision for depreciation)	-	13,866	19,419	281,943	-	315,228
Write-downs						
Book value	-	2,100	3,791	216,181	-	222,072
Changes in the financial year						
Increases for acquisitions	-	45,991	84,979	392,207	-	523,177
Reclassifications (of carrying amount)	-	-	33,926	-	-	33,926
Decreases by alienation and divestments (of the book value)	-	-	-	-	-	-
Revaluations carried out in the financial year	-	-	-	-	-	-
Depreciation for the year	-	1,653	15,603	68,805	-	86,061
Write-downs during the year	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Total changes	-	44,338	103,302	323,402	-	471,042
Year-end value						
Cost	-	61,957	142,115	890,331	-	1,094,403
Revaluations	-	-	-	-	-	-
Depreciation and amortization (provision for depreciation)	-	15,519	35,022	350,748	-	401,289
Write-downs	-	-	-	-	-	-
Book value	-	46,438	107,093	539,583	-	693,114

Comments, Changes in tangible fixed assets

Reclassifications (of carrying amount)	-	-	-	-	-	-	-	-
Decreases by alienation (of the book value)	-	-	-	-	-	-	-	- 50,000
Revaluations carried out in the financial year	95,000	-	-	-	-	95,000	-	-
Write-downs during the year	50,000	-	-	-	-	50,000	-	-
Other changes	-	-	-	-	-	-	-	-
Total changes	45,000	-	-	-	-	45,000	- 50,000	-
Year-end value								
Cost	167,500	-	-	-	-	167,500	-	-
Revaluations	95,000	-	-	-	-	95,000	-	-
Write-downs	50,000	-	-	-	-	50,000	-	-
Book value	212,500	-	-	-	-	212,500	-	-

Note, movements in financial fixed assets: share investments:

Regarding the changes in financial fixed assets during the term, the main increases and decreases of the fiscal year are explained below.

Regarding the increases for the fiscal year, it should be explained that the book value of the investment in the subsidiary company Edac Biella Srl, increased by Euro 95,000 after the Company's resolution to partially waive the receivables disbursed towards Edac Biella Srl during the fiscal year. This decision aims to capitalise the subsidiary company, taking into account the negative results achieved in 2018 mainly caused by the higher number of interventions other than the normal core business of the Group. Already starting from the last months of 2018, corrective actions have been carrying out to rebalance the economic and equity structure of Edac Biella Srl, which the Directors purpose (and hope) to take effect as from the financial year 2019. As a result, the Directors of the Company have considered not to proceed with write-downs of the book value of the equity investments without considering the effects of the 2018 result as a lasting loss of value, substantially confirming the future results set by the current Business Plan 2019-2021.

Regarding the decreases in the fiscal year, it has to be explained that during the fiscal year, shares in portfolio held at 31 December 2017 were sold for 50,000 euros, generating a capital gain of 7,620 euros stated in the profit and loss account.

In addition, the equity investments in the company Edac Roma Trastevere Srl was fully written down for a value of Euro 50,000 as the Directors have assessed the difference between the book value (carrying amount) and the pro-quota net equity at 31st of December 2018 as a permanent loss of value. This assessment had already been carried out during the drawing up of the Group's Consolidated Financial Statements at 30th of June 2018.

Introduction, details of equity investments in subsidiaries

At 31 December 2018, the Company held "Equity investments in subsidiaries" for a total of € 212,500 (€ 167,500 at 31 December 2017).

Equity investments in subsidiaries are stated at their purchase or incorporation cost, including ancillary expenses, namely costs that are directly attributed to the purchase or incorporation transaction, such as bank brokerage costs and financial expenses, commissions, charges and fees.

Details on the equity investments in subsidiaries owned directly or through a trust company or through a third party (prospectus)

Shareholding in subsidiary	Total				
Name		Edac Biella Srl	Edac Roma Trastevere	Edac Sicilia	Edac Versilia
City, if in Italy, or country if abroad		Milan	Milan	Milan	Milan
Tax ID (for Italian companies)		2603290020	9306770968	9277830965	9228990967
Share capital in euro		50,000	50,000	50,000	50,000
Profits (losses) of previous year in Euro		- 231,058	- 10,279	90,845	69,384
Net equity in Euro		50,199	201	187,995	266,146
Share held in Euro		47,500	50,000	27,500	42,500
Share held in %		95%	100%	55%	85%
Value on financial statement or corresponding credit	212,500	142,500	-	27,500	42,500

Introduction, assets forming part of working capital

Specific details have been prepared for the entry in question, indicated on the following pages, which highlight the nature of each single entry and the related movements for the term.

Introduction, Leftover stock/Inventory

At 31 December 2018, the "Leftover stock/Inventory" amounted to 1,494,238 euros (821,366 euros at December 31, 2017).

The stocks stated in the balance sheet include the inventories (left-over stock) at the Company's warehouses amounting to Euro 247,979 (Euro 138,702 at 31 December 2017) relating to construction materials used for the working activity implementation. Furthermore, the Company states inventories for € 1,246,259 (€ 682,664 at December 31, 2017) relating to goods used in the production and supply of the Company's services, and more specifically are made up of equipment with which each rope operations team must be equipped such as harnesses, ropes and safety equipment.

Analysis of the stock variations (prospectus)

	Raw materials, ancillaries and consumables	Work in progress and semi-finished products	Work in progress on order	Finished products and goods	Advances received	Total Inventory
Value at the beginning of the year	821,366					821,366
Change during the year	672,872					672,872
Year-end value	1,494,238					1,494,238

Comment, inventories

The increase in comparison to the previous fiscal year amounting to Euro 672,872 is attributable for Euro 563,595 to "On-rope kit operator" equipment due to the increase in the number of on-rope workers which rose from 149 to 260 workers. Furthermore, in order to comply with the regulations on safety at work, the unit value of the Kit compared to 2017 remained unchanged at Euro 3,500. Besides, it should be noted that during the fiscal year the Parent Company purchased 221 "pedestrian tunnels" for a unit value of Euro 380 which contributed to the increase in the value of inventories for an amount equal to Euro 83,980. Even the warehouse of products used in "Building works" attributable to the main suppliers underwent an increase compared to the previous year in proportion to the increase in the number of operations conducted.

Introduction, Current assets: receivables

The entry in question amounts to a total of 12,388,833 euros as of December 31, 2018 (8,085,310 thousand euros at December 31, 2017) and primarily consists of trade receivables from third-party customers and receivables from group companies (Euro 8,251,837 and Euro respectively) 1,146,491) - net of a bad debt provision amounting to € 414,232 (€ 170,000 at December 31, 2017), tax receivables (€ 2,162,840), deferred tax assets (€ 96,258) and other receivables (€ 731,407 thousand).

"Trade receivables from clients" due within the financial year are for the receivables deriving from standard sales activities and are principally due from national clients. For these receivables, which are expected to be recovered under normal commercial terms, the Company has not used the amortized cost valuation method.

The increase in the "Bad Debts Provision" during the financial year is caused by the allocation carried out during the year to adjust the value of the receivables to their estimated realizable value partially offset by the use in the year against uncollectable (no longer payable) or partially cashed receivables. In the following table is shown the change of the provision

	31.12.2018	31.12.2017
Initial balance	170,000	150,000
Accrual made during the financial year	244,232	137,835
Usage	0	- 117,835
Final balance	414,232	170,000

Current receivables (in the working capital) consist of amounts due from Group companies for a total amounting to € 1,146,491 (€ 569,661 thousand at December 31, 2017); the main balances are towards the company Edac Versilia S.r.l. for Euro 403,402, towards the company Edac Biella S.r.l. for Euro 486,421, towards the Edac Sicilia Srl for Euro 193,949 and for Edac Roma Trastevere Srl for Euro. 62,718. For additional comments on these transactions, please refer to the Management Report.

The entry "Tax receivables" primarily consists of the receivables for withholding taxes amounting to € 936,573, tax credit for Research and Development amounting to € 801,742, increase in tax credit for Advertising Investments amounting to € 65,429 and the IRES receivable concerning the previous fiscal year for Euro 196,000 as well as the training 4.0 receivable for Euro 163,386.

With regard to the Research and Development Tax Credit, the following is specified:

in these financial statements, was entered under assets among tax receivables, and in the revenue section of the profit and loss account under entry A 5 - other income -the tax credit for research and development activities referred to by art. 3 of Italian Ministerial Decree 23 December 2013, no. 145 and subsequent amendments, concerning the research projects that the company initiated in 2015 and which terminated by the end of 2018, except for additional future research projects.

In addition to the said receivable, the following were included in the balance sheet:

- Receivables in increased Advertising investments provided for by article 57-bis of the decree-law 24 April 2017, no 50, converted with changes by law of 21 June 2017, no. 96, and changed by article 4 of the decree-law 16 October 2017, no. 148, converted with changes by law of 4 December 2017, no. 172
- Training 4.0 tax credit provided for in Art. 1, paragraphs 46 - 56, Law of 27 December 2017, no. 205

These receivables, which do not contain any amounts receivable beyond the following fiscal year, are all collectable and subsequently no value adjustments have been carried out on them.

Deferred tax assets amounting to € 96,258 relate to the temporary differences between the profit according to Civil Law requirements and the taxable income; these receivables have been allocated since on the basis of the Business Plan 2019-2021, approved by the board of directors on 2 November 2018, there is a reasonable certainty that the Company will produce sufficient taxable income in future financial years for their recovery.

The "Receivables from others" entry consists of 266,365 euros of advances to suppliers, 89,932 euros for guarantee deposits, 311,765 euros for receivables to social security institutions and 63,344 euros for receivables to third parties.

Introduction, change and due dates of receivables under current assets

The most significant changes that occurred during the financial year concerning the receivables registered under current assets are indicated in the following relevant statement of changes for the year:

Analysis of variations and due dates of receivables recorded as current assets (prospectus)

	Receivables from customers under current assets	Receivables from subsidiaries under current assets	Receivables from associated companies under current assets	Receivables from parent companies recorded under current assets	Receivables from companies subject to control by parent companies recorded under current assets	Tax receivables recorded under current assets	Assets for prepaid taxes recorded under current assets	Receivables from others recorded under current assets	Total receivables recorded under current assets
Value at the beginning of the year	5,728,122	569,661	-	-	-	1,340,604	25,384	421,539	8,085,310
Change during the year	2,523,715	576,830	-	-	-	822,236	70,874	309,868	4,303,523
Year-end value	8,251,837	1,146,491	-	-	-	2,162,840	96,258	731,407	12,388,833
Part due within the year	8,251,837	1,146,491	-	-	-	2,162,840	-	731,407	12,292,575
Part due after the year	-	-	-	-	-	-	-	-	-
Of which with residual duration of more than 5 years	-	-	-	-	-	-	-	-	-

Comment, changes and due dates of receivables under current assets

The increase in trade receivables from third party clients compared to the previous fiscal year of Euro 2,523,715 has to be correlated, first and foremost, to the increase in sales registered during the financial year. The company has implemented a receivables' management system by establishing a specific department that involves assistance from a person alongside the Credit Manager aiming to focus on recovering invoices that have recently expired or are due to expire.

The increase in receivables from subsidiaries compared to the previous financial year for a total amount of € 576,830 is caused by the increase in purchases of materials and services due to the increase in the activities/transactions of Edac Versilia S.r.l. and Edac Sicilia S.r.l. that the said companies purchase directly from Edilziacrobatica S.p.A.

Introduction, receivables recorded under current assets divided by geographical area

The division of receivables by geographical area is not provided as it is insignificant.

Introduction. changes in financial activities which do not constitute fixed assets

The financial activities which do not constitute fixed assets amount to Euro 4,018,517 and re linked with two investments carried out by the Parent Company in capitalization financial products in the course of the financial year. More specifically, EdilziAcrobatica SpA carried out investments in the following financial instruments:

- "Aviva soluzione valore UBI Edition 2017 (Aviva value solution UBI Edition 2017) ", the contract was signed on February 27, 2018 for a value of Euro 1,000,000;
- "Eurovita Valore Private (Eurovita Private Value)", the contract was signed on December 13, 2018 for a value of € 3,000,000.

The Directors have carried out these investments by using a temporary use of liquidity approach. Indeed, the first instrument grants a purchase option already in effect from February 27, 2019, while the second instrument can be settled by the end of 2019.

The valuation is made at acquisition cost, adjusted by a revaluation of €18,517 to reflect the higher realizable value at 31 December 2018.

Analysis of changes in financial activities which do not constitute fixed assets (prospectus)

	Equity investments not held as fixed assets in subsidiaries	Equity investments not held as fixed assets in associated companies	Equity investments not held as fixed assets in parent companies	Equity investments not held as fixed assets in companies under the control of parent companies	Other Investments not held as fixed assets	Financial derivative assets not held as fixed assets	Other assets not held as fixed assets	Investments for centralised treasury management	Total financial assets that do not constitute fixed assets
Value at the beginning of the year	-	-	-	-	-	-	-	-	-
Changes in the financial year	-	-	-	-	-	-	4,018,517	-	4,018,517
Year-end value	-	-	-	-	-	-	4,018,517	-	4,018,517

Introduction, changes in liquid availability (cash and cash equivalents)

"Cash and cash equivalents" amount to a total of € 7,916,945 (€ 5,600,463 thousand at December 31, 2017) and principally consist of bank current accounts for € 7,902,574 and cash for € 14,371.

Analysis of variations in cash assets availability (prospectus)

	Bank and postal current accounts	Cheques on hand	Cash and other securities in hand	Total liquid funds
Value at the beginning of the year	5,583,157	565	16,741	5,600,463
Change during the year	2,319,417	- 565	- 2,370	2,316,482
Year-end value	7,902,574	-	14,371	7,916,945

Comment, changes in liquid availability (cash and cash equivalents)

The increase in "Cash and cash equivalents" results from the difference between positive and negative cash flows, more specifically the positive cash flows were positively influenced by the funding due to the Listing on the AIM market of the Italian Stock Exchange and the new mortgages outstanding in the course of the financial year while negative cash flows are caused mainly due to the investments carried out during the financial year focused on the business development within the Italian territory.

Introduction, information on in accruals and prepaid expenses

The entry in question includes prepaid expenses for € 75,463 arising from insurance premiums, mortgage and rent preliminary assessment fees.

Analysis of changes in accruals and prepaid expenses (prospectus)

	Accrued income	Deferred charges	Total accrued income and deferred charges
Value at the beginning of the year	-	48,496	48,496
Change during the year	-	26,967	26,967
Year-end value	-	75,463	75,463

Introduction, notes to the financial statements on liabilities

With regard to the closing financial year, comments on the main entries of shareholders' equity and liabilities are reported below.

Introduction, shareholders' equity

The movements of the entries part of the net shareholders' equity of the last two financial years are provided below.

Before proceeding with the explanation of the shareholders' equity entries, it should be noted that on 19 November 2018 the Group completed the Listing procedure on the AIM market of the Italian Stock Exchange. As a result of the listing operation, the Capital Stock of the Parent Company as of 31 December 2018 amounts to Euro 772,530 divided into 7,725,301 ordinary shares.

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

The admission to listing took place following a placement of 1,725,300 ordinary shares, as per resolution of the Board of Directors of November 15, 2018, of which:

- i. 1,499,850 ordinary shares, arising from the capital increase reserved for the market, without the nominal value at a subscription price of Euro 3.33 of which Euro 3.23 as share-premium. The capital increase was carried out for an amount equal to Euro 4,994,500.50, of which Euro 149,985 to be attributed to share capital and Euro 4,844,515.5 as share premium;
- ii. 75,600 ordinary shares, arising from the capital increase reserved for employees and directors, without the nominal value at a subscription price of Euro 3 of which Euro 2.9 as share-premium. The capital increase was carried out for an amount equal to Euro 226,800, of which Euro 7,560 to be attributed to share capital and Euro 219,240 as share premium;
- iii. 149,850 ordinary shares, corresponding to approximately 8.7% of the offer, resulting from the green-shoe capital increase, without the nominal value at a subscription price of Euro 3.33, of which Euro 3.23. as share-premium. The capital increase was carried out for an amount equal to Euro 499,000.5, of which Euro 14,985 to be attributed to share capital and Euro 484,015.5 as share premium;

Introduction, changes in net shareholders' equity entries

Below our remarks on the major components of net shareholders' equity and their respective changes.

Analysis of changes in the entries making up the net wealth (prospectus)

	Capital	Share premium reserve	Legal reserve	Extraordinary reserve	Contributions to increase share capital	Total other reserves	Profit (loss) carried forward	Profit (Loss) for the year	Total shareholders' equity
Value at the beginning of the year	600,000	-	90,917	116	-	116	282,293	812,256	1,785,582
Allocation of the pre-transferring year's result	-	-	29,083	-	-	-	783,173	812,256	-
Allocation of dividends	-	-	-	-	-	-	-	-	-
Other uses	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-
Increases	172,530	5,547,771	-	-	-	-	-	-	5,720,301
Decreases	-	-	-	-	-	-	1	-	-
Reclassifications	-	-	-	-	-	-	-	-	1
Result for the financial year	-	-	-	-	-	-	-	2,282,498	2,282,498
Year-end value	772,530	5,547,771	120,000	116	-	116	1,065,465	2,282,498	9,788,380

Comments, changes in net shareholders' equity entries

Share Capital

The share capital following the Listing process on the AIM market of the Italian Stock Exchange is fully subscribed and paid up as of 31 December 2018 and amounts to Euro 772,530, represented by 7,725,300 ordinary shares

Reserves

Legal reserve: the reserve stated in the balance sheet amounts to Euro 120,000 and is increased compared to the previous financial year (Euro 90.917) due to the allocation of profits in financial year 2017 as per the shareholders' resolution of April 30, 2018.

Profits carried forward

At December 31, 2018, profits carried forward amounted to € 1,065,465, and during the shareholders' meeting held on April 30, 2018 it was resolved to allocate the portion of the net income for the year not transferred to reserves as profits carried forward amounting to 783,173 euros.

Profit for the year

The financial year 2018 was concluded with a profit amounted to € 2,282,498.

Introduction, Availability and utilization of shareholders' equity

The items corresponding to the shareholders' equity are broken down by origin, possibility of use, distribution and use in the previous two financial years

Origin, potential use and distribution of the net wealth entries (prospectus)

	Amount	Origin / nature	Possibility of use	Share available
Capital	772,530			-
Share premium reserve	5,547,771	Capital	A,B	5,547,771
Revaluation reserve	-			-
Legal reserve	120,000	Profits	A,B,C	120,000
Reserves provided for by the articles of association	-			-
Other reserves	-			-
Extraordinary reserve	116	Profits	A.B.C	116
Reserve as exempted under Art. 2423 of the Italian Civil Code	-			-
Reserve for shares of the parent company	-			-
Reserve from revaluation of share investments	-			-
Contributions to increase share capital	-			-
Payments on account of future capital increase	-			-
Payments in the capital account	-			-
Payments to cover losses	-			-
Reserve from share capital reduction	-			-
Reserve merger surplus	-			-
Reserve for unrealised profits on foreign exchange	-			-
Reserve for adjustment of current profits	-			-
Various other reserves	-			-
Total other reserves	116			116
Reserve for expected hedging transactions	-			-
Profits carried forward	1,065,465	Profits	A.B.C	1,065,465
Negative reserve for own shares in portfolio	-			-
Total	7,505,882			373,326
Non-distributable quota				
Residual distributable share				

Legend: A: for share capital increase B: to cover for losses C: for distribution to shareholders D: other statutory restrictions E: other

Introduction, Information on provisions for risks and charges

At 31 December 2018, provisions for risks and charges totalled € 41,522 (€ 2,592 at 31 December 2017). In particular, this entry comprises exclusively the allocation a provision for deferred taxes that arises from the temporary differences between profit according to the provisions of civil law and taxable profit generated by the annual calculation of the taxes concerning the fiscal year.

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

	Provision for retirement benefits and similar obligations	Provision for taxes, including deferred taxes	Passive derivative financial instruments	Other provisions	Total provisions for risks and charges
Start-up value	-	2,592	-	-	2,592
Changes in the financial year					-
Allocation for the year		41,522			41,522
Utilization during the year		2,592			2,592
Other changes					-
Total changes	-	38,930	-	-	38,930
Year-end value	-	41,522	-	-	41,522

Comments, Information on provisions for risks and charges

The "Deferred taxation provision" consist of the provision for deferred taxes set aside for items whose tax burden has been deferred over several years.

During the accounting period, the provision set aside in the previous year was fully used up following the payment of dividends by Edac Versilia S.r.l and Edac Roma Trastevere S.r.l. At the same time, the increase in the provision for taxes results in the temporary differences in the calculation of the IRES deriving from the possibility of fully deducting the amounts paid for consultancy relating to the issuance of bonds on the ExtraMOT market.

Introduction, Information on Employees' leaving indemnity

The provision for employee termination indemnity amounts to € 580,329 (€ 336,394 at 31 December 2017), determined in accordance with the provisions of art. 2120 of the civil code, highlights the following movements:

	Employee termination indemnities
Value at the beginning of the year	336,394
Changes in the financial year	
Allocation for the year	298,350
Utilization during the year	- 50,188
Other changes	- 4,227
Total changes	243,935
Year-end value	580,329

Comments, Information on Employees' leaving indemnity

The provision represents the effective debt of the company at 31 December 2018 to employees on the payroll at that date, net of advances paid.

Introduction, Payables

Payables are valued at their nominal value.

Introduction, Changes in payables and due dates

We comment as follows on the maturity, composition and movements in the year of the elements that make up this grouping:

Analysis of variations and due date of payables (prospectus)

	Bonds	Bank payables	Creditors - other financing institutions	Accounts	Payables towards suppliers	Subsidiary company creditors	Payables towards the parent company	Payables towards companies the control of the parent companies	Tax payables	Payables towards pension and social security institutions	Other payables	Total payables
Value at the beginning of the year	5,000,000	2,990,505	26,966	263,939	1,990,964	47,276	-	-	1,512,614	355,309	1,372,652	13,560,225
Change during the year	-	2,217,485	-5,550	461,230	1,621,168	128,691	-	-	-165,069	307,241	-59,715	4,505,481
Year-end value	5,000,000	5,207,990	21,416	725,169	3,612,132	175,967	-	-	1,347,545	662,550	1,312,937	18,065,706
Part due within the year	-	3,655,949	5,23	25,69	3,612,132	175,967	-	-	1,217,258	662,550	1,312,937	11,367,885
Part due after the year	5,000,000	1,552,041	15,493	-	-	-	-	-	130,287	-	-	6,697,821
Of which with residual duration of more than 5 years	-	-	-	-	-	-	-	-	-	-	-	-

Comments, Changes in payables and due dates

The "Bond debts" consist of two bond loans for the amount of € 5,000,000.

With the notarized resolution dated 21 September 2017, registered in the Milan Trade Register on 28 September 2017, the Board of Directors of the Company approved the following two bond issues, to be listed on the professional segment of the ExtraMOT Market:

1. bond issue named "EdiliziAcrobatica S.p.A. 4% 2017 - 2023" consisting of 30 bonds with a nominal value of Euro 100 thousand each, for a nominal amount of Euro 3,000,000, ISIN code IT0005283475;
2. bond issue named "EdiliziAcrobatica S.p.A. 5% 2017 - 2023" consisting of 20 bonds each with a nominal value of € 100,000 for a total nominal value of € 2,000,000, code ISIN T0005283467.

On 28 September 2017, ICCREA BANCA IMPRESA S.p.A., subscribed to all the bonds issued by the Company.

These are two amortising loans with 30 months of pre-amortisation and will be repaid at par in seven instalments starting from the payment date that falls on 29 September 2020. The bonds bear interest at the fixed annual gross nominal rate of 4% and 5% respectively, from the date of entitlement until the first of the following occurs:

- the maturity date;

and

- the early repayment date, in the event that the bond holders exercise the right to early repayment;

The amount for each coupon is determined by multiplying the nominal value remaining of each bond by the interest rate.

As at 31.12.2018 the Company verified compliance with the Covenants set out in the agreement signed with ICCREA BANCA IMPRESA S.p.A.

"Payables to banks" refers for € 2,415,550 to ordinary credit lines with leading banks with which the Company has concluded agreements regulated at rates in line with the market and for € 2,783,470 to financing contracts aimed at the investments necessary for strengthening productive activity. The residual amount with respect to the total sum of the item comprises payables pertinent to the company credit cards in the possession of each individual Area Manager.

"Payables to other lenders" comprises a loan for a company vehicle.

"Advances" includes advances received from customers for provision of services not yet performed.

"Trade payables" comprises business transactions under regular payment terms, all due within the year.

The Company has not used the amortised cost method for these payables.

The increase for the year, i.e. € 1,621,168, is due to the increase in business volumes. In fact, the company does not possess any significant debts towards suppliers that have expired beyond the year.

"Payables to subsidiaries" refers to Edac Versilia S.r.l. for € 124,883, Edac Roma Trastevere S.r.l. for € 8,196 thousand, Edac Sicilia S.r.l. for € 7,996, and Edac Biella S.r.l. for € 34,892. They mainly refer to the personnel of the Subsidiaries seconded to Areas of the Parent Company.

The "Tax payables" balance relates to the IRAP / IRES payable for the year, decreased by the advances paid/offset in the months of June and November. In addition, there are some open debt positions relating to the VAT debt and for withholding taxes to be paid with expiry on 16 January 2019.

"Payables to pension and social security institutions" comprises contributions to be paid to INPS (€ 299,163), INAIL (€ 166,709), Cassa Edile (Special Construction Workers' Fund) (€ 191,832), supplementary pension funds (€ 4,846), regularly paid during the first part of the 2019 financial year, in line with the scheduled deadlines.

"Other payables" refers for € 489,500 to the portion of dividends deliberated by the Shareholders' Meeting on 20/07/2017 and not yet distributed towards EdiliziAcrobatica Italia S.r.l., for € 743,439 to debts to employees for duties accrued in December 2018 and paid in January 2019, and for € 79,998 to payables to third parties.

Introduction, geographical breakdown of payables by geographic area

A table showing the breakdown of payables by geographical area has not been provided, in that the Company operates almost exclusively in the Italian market and this breakdown would not be significant.

Introduction, information on accrued liabilities and deferred income

Pursuant to article 2424 bis, par. 6 of the Civil Code, this item refers to costs for the period payable in future years and proceeds collected before the balance sheet date but relating to future years.

This item includes accrued liabilities for € 55.605 as follows:

Analysis of changes in accrued liabilities and deferred income (table)

	Accrued expenses	Deferred income	Total accrued expenses and deferred income
Value at the beginning of the year	56,055	-	56,055
Change during the year	- 450	-	- 450
Year-end value	55,605	-	55,605

Comment, information on accrued liabilities and deferred income

The balance as at 31 December 2018 differs slightly from the previous year; the amount of € 55,605 is attributable to the portion of interest expense for the year relating to bonds.

There are no accruals and deferrals with a duration exceeding five years as at 31 December 2018.

Introduction, explanatory notes to the income statement

Prior to analysing the individual items, please note that the comments on the overall costs and revenues are, pursuant to the first paragraph of Article 2428 Civil Code, in the Directors' report.

Introduction, production value

The production value amounts to € 22,494,238 (€ 14,389,006 as at 31 December 2017).

Income from the sale and services for € 21,293,936 are recognized net of returns, discounts, allowances and premiums, as well as taxes directly related to the sale of goods and the supply of services.

Item A5) "Other revenues and income" includes the following cases:

	31.12.2018	31.12.2017
Income from secondary activities	107,833	35,853
Contingent and liabilities	1,051	303,692
Other non-financial revenues and income	3,990	24,133
Contributions to the Profit and Loss Account	1,030,557	686,387
Total	1,143,431	1,050,065

Introduction, breakdown of income from sales and services by category of activity

Below is a breakdown of revenues by category of activity:

Details on income from sales and services divided by category of activity (table)

VALUE OF PRODUCTION PER BUSINESS LINE	31.12.2018
Gross production (sites)	18,324,394
Fee Franchising	643,094
Royalties	1,506,089
Severances	239,747
Raw material sales (franchising)	415,716
Other	164,895
TOTAL SALES (A)	21,293,936

Comment, breakdown of income from sales and services by category of activity

In terms of gross production, there is an increase in the volume of revenues deriving from sites of € 7,117,882 from 2017 to 2018 with a transfer of direct operating areas from 22 to 36 and an average gross production value per area in 2018 up to € 509,011 in line with that of 2017 for € 509,387. The value aligns with that of the previous year, due to the fact that many new operational areas in 2017 considered start-up areas during 2018 have begun to reach levels of maturity and stabilization in terms of sales and deliveries but, at the same time, as many new Start Up areas have been established that still feature a marginal level of sales and delivered goods. Revenues from franchising fees increased compared to the previous year, in that 9 agreements were concluded (7 in 2017). The royalties have more than doubled again this year, as it occurred between 2016 and 2017, i.e. increasing from € 731,710 to € 1,506,089 thanks to the fact that the new franchisees have reached a 2018 production of € 8,529,374. Revenue from Secondment of workers decreased by € 262,566, the nature of this decrease can be identified as a better rationalization and planning in terms of the entry of operating resources within the franchising.

Franchisees have started to produce at full capacity and the same sales for materials to affiliates have increased thanks to the centralization of purchases of material for production that allows to obtain a greater discount on the purchase price from the main suppliers at national level. Finally, other revenues recorded a substantial increase due to the re-invoicing of franchising of services under contract.

Introduction, breakdown of income from sales and services by geographic area

A table showing the breakdown of revenues by geographical area has not been provided, in that the Company operates almost exclusively in the Italian market and this breakdown would not be significant.

Comment, production costs

"Production costs" amounted to € 18,920,063 (€ 12,893,294 as at 31 December 2017).

Raw material, ancillary and consumables costs, of € 3,058,051 (€ 1,896,970 as at 31 December 2017), are recognized net of returns, discounts, allowances and bonuses. This item comprises mainly costs for the purchase of harnesses, equipment and materials for the operating teams.

Item B7) of € 5,141,313 (€ 3,589,140 as at 31 December 2017) includes costs deriving from the acquisition of services during regular business. This item comprises mainly consultancy costs relating to administrative staff (€ 419,444), costs for commercial, legal and safety-related consultancy (€ 997,776), purchases of services for temporary and party-supplied work (€ 111,103), expense reimbursement pertinent to workers, collaborators, coordinators and administrators (€ 732,318), labour costs at the construction sites (€ 258,288), waste disposal costs (€ 137,195), insurance costs (€ 67,801), training courses (€ 138,828) and advertising and marketing expenses (€ 563,195)

Item B8) includes for € 1,265,995 (€ 712,162 as at 31 December 2017) the costs for leased assets. This item comprises fees for the rental of the buildings of the direct operating offices for € 467,827, fees for software licenses for € 116,807, leasing fees for € 25,751, vehicle rental fees for € 371,381, rental fees for site and office equipment, for € 169,314 and € 9,917, respectively, other rental fees for € 104,998.

These costs increased by 78% compared to the previous year, due mainly to the increase in costs strictly linked to the opening of new operating areas. Rental fees for company vehicles and trucks, and rental fees for Points located throughout Italy.

Item B9) of € 9,063,087 (€ 6,296,504 thousand as at 31 December 2017) includes costs incurred during the year for employees, including assignment employees.

In detail, item B9a) records wages and salaries, including accrued and unpaid sums related to additional monthly salaries and holidays accrued and not taken, including withholdings for taxes and social security contributions payable by the employee; item B9b) records the charges to be borne by the company, item B9c) records the provisions made in the period for employee severance indemnity, item B9d) records the provisions to supplementary pension funds other than the severance indemnity.

Item B9e) of € 1,452,423 comprises costs for assignment employees, travel compensation, and company bonuses to Workers.

Amortisation and depreciation of intangible and tangible fixed assets was carried out on a straight-line basis according to the rates defined by the Italian Accounting Standards.

Item B10d) "Write-downs of current loans and receivables and cash equivalents" refers to write-downs of trade credits posted to working capital for € 244,232.

Item B14 "Other operating costs" amounts to EUR 432,883 and includes all those types of costs that do not fall under the previous items, but are part of normal business operations.

Introduction, financial income and charges

The net financial income amounted to a positive figure, namely EUR 39,258.

In Class C, there were the positive and negative elements of the profit and loss account of the financial year related to the financial activity of the company.

The item Other financial income consists of EUR 7,620 due to a capital gain from the sale of equity securities in the portfolio.

The financial charges include interest on bank loans and bonds amounting to EUR 304,919.

Remarks, value adjustments of financial assets and liabilities

The item includes EUR 18,517, a revaluation linked to the Aviva Insurance policy taken out by the Company and included in the current assets

Introduction, allocation of interests and other financial charges by type of debt

The balance of "Interest and other financial charges" for the financial year that ended on 31 December 2018 was EUR 304,919 (EUR 96,230 on 31 December 2017).

Below is the allocation of interest and other financial charges by type of debt.

Allocation of interests and other financial charges by type of debt (table)

	Bonds	Amounts owed to banks	Other	Total
Interest and other financial charges	219,550	64,694	20,674	304,919

Remarks, allocation of interests and other financial charges by type of debt

The variation shown as compared to the previous financial year, amounting to EUR 208,689, is attributable to the quota of interest for the financial year related to bonds and to the opening of new unsecured loans during the financial year.

Remarks, value adjustments to financial assets

The balance of the "Value adjustments to financial assets" amounts to EUR 50,000.

Item D19a) "Investment write-downs" amounted to EUR 50,000 on 31 December 2018 and included the total write-down of the investment in Edac Roma Trastevere S.r.l., which was subjected to liquidation on 6 December 2018 and recorded in the balance sheet for 2017 under Fixed assets.

Introduction, current, deferred and prepaid taxes

The company allocated taxes for the financial year based on the tax laws in force in the country of origin. The current taxes refer to taxes pertaining to the financial year as resulted from the tax returns; the taxes pertaining to previous financial years include direct taxes from the previous financial years, including interest and penalties, and refer also to the positive (or negative) difference between the amount due following the settlement of a dispute or an assessment with respect to the value of the fund set aside in the previous financial years. Finally, the deferred and prepaid taxes refer to the positive or negative income elements that are subject to taxation or deduction respectively in financial years other than those of the statutory accounts.

Current taxes	31.12.2018
Current IRES (tax on company revenue)	774,301

Current IRAP (Italian regional tax on productive activities)	270,904
Deferred taxes	-
Deferred IRES	38,930
Deferred IRAP	-
Prepaid taxes	-
Advanced IRES	- 70,874
Advanced IRAP	-
Imposed penalties relating to previous years	27,378
Taxation relating to prior periods	- 64,638
Total	976,001

The theoretical tax rate calculated based on the composition of the taxable income for IRES purposes is equal to 24%. The reconciliation to the effective tax rate is shown below:

Effective IRES tax rate reconciliation	
Profit before taxation	3,258,499
Theoretical tax charge (%)	24%
Theoretical IRES amount	782,040
Permanent differences	- 236,262
Temporary differences	204,018
Taxable income	3,226,255
Actual IRES amount	774,301
Effective tax charge (%)	23.76%

The theoretical tax rate calculated based on the composition of the taxable income for IRAP purposes is equal to 3.90%. The reconciliation to the effective tax rate is shown below:

Effective IRAP tax rate reconciliation	
EBIT	3,574,175
Costs not relevant for IRAP	9,307,319
Theoretical value of production	12,881,494
Theoretical tax charge (%)	3.90%
Theoretical IRES amount	502,378
Permanent differences	- 6,310,343
Temporary differences	
Value of production	6,571,151
Actual IRAP amount	270,904
Effective tax charge (%)	4.12%

Deferred and prepaid taxes

This item includes the impact of deferred taxation on these financial statements. This is due to the temporary differences between the values attributed to an asset or liability in accordance with statutory criteria and the corresponding values recognised for tax purposes.

The company determined the deferred taxation with exclusive reference to IRES, since there were no temporary variations in IRAP.

The prepaid and deferred taxes were calculated using the following rates, respectively:

Rates	Fy n+1	Other
IRES	24%	24%

Below is reported, where applicable, the information provided for by article 2427 no. 14 of the Civil Code, or:

- the description of the timing differences that imposed the recognition of prepaid taxes, specifying the rate applied and the changes compared to the previous financial year, the amounts credited or debited in the profit and loss account or in the net shareholders' equity;
- the amount of prepaid taxes recorded in the balance sheet relating to losses in the financial year or in previous financial years and the reasons for their recording, the amount not yet recorded and the reasons for not recording it;
- the items excluded from the calculation and the reasons for such exclusion.

Recognition of deferred and prepaid taxes and consequential effects:

IRES	
A) Temporary differences	
Total deductible temporary variations	- 401,077
Total taxable temporary variations	173,006
Net temporary differences	- 228,071
B) Tax effects	
Deferred (prepaid) tax provision at the beginning of the accounting year	- 22,792
Deferred (prepaid) taxes of the accounting year	- 31,945
Deferred (prepaid) tax provision at the end of the accounting year	- 54,737

Below are detailed the deductible temporary variations:

Description	Amount on close of the previous financial year	Variation occurring during the financial year	Amount on close of the financial year	IRES rate	IRES tax impact	IRAP Rate	IRAP tax impact
Unpaid Compensation for Directors	-	21,666	21,666	24	5,200	-	-
Investment write-downs	-	77,861	77,861	24	18,687	-	-
Bad debts write-down	105,767	- 195,783	301,550	24	72,372	-	-

Below are detailed the taxable temporary variations:

Description	Amount on close of the previous financial year	Variation occurring during the financial year	Amount on close of the financial year	IRES rate	IRES tax impact	IRAP Rate	IRAP tax impact
Bond issuance	-	173,006	173,006	24	41,521	-	-
Dividends	2,592	- 2,592	-	24	-	-	-

Introduction, notes to the financial statement, other information

Introduction, employment data

The mean number of staff throughout the financial year 2018 divided by category is as follows.

Mean number of employees by category (table)

	Executives	Middle Management	Office workers	Workers	Other employees	Total Employees
Average number	-	-	35	187	-	222

Introduction, remuneration of directors and statutory auditors

In the financial year 2018, the total emoluments paid to Directors and Statutory Auditors was of EUR 105.666, broken down as follows:

- EUR 81,666 remuneration of Directors;
- EUR 24,000 remuneration of Statutory Auditors.

Introduction, remuneration of legal auditors or auditing company

The full consideration for the statutory audit of the financial statements for 2018 is of EUR 15,000 corresponding to the total amount of the fees due to the legal auditing company for the statutory audit of the annual accounts.

	Statutory audit of annual accounts	Total auditing fees for auditing firm
Value	15,000	15,000

Introduction, categories of shares issued by the company

On 19 November 2018, the company was listed in the AIM segment of the Italian Stock Exchange. For the listing process, the company issued 7,449,850 ordinary shares and 149,850 Greenshoe Options.

The admission to listing took place following the placement of 1,725,300 newly issued ordinary shares, for a value of EUR 5,720,301 of which:

- no. 1,499,850 ordinary shares from the capital increase reserved to the market;
- no. 75,600 ordinary shares from the capital increase reserved to staff and management;
- no. 149,850 ordinary shares, accounting for around 8.7% of the share plan, from the Greenshoe capital increase.

Following the full exercise of the Greenshoe Option on 20 December 2018, the free float is of 21.27% and the share capital of the Company is represented by 7,725,300 shares, held as follows:

Shareholders	Number of shares	Percentage of the share capital
Arim Holding S.r.l.	6,006,300	77.75%
Staff and Management	75,600	0.98%
Market	1,643,400	21.27%
Total shares	7,725,300	100.00%

Introduction, securities issued by the company

At the same time as the listing process, the company placed 431,325 Warrants (1 for every 4 shares).

Analysis of the securities issued by the company (Table)

	Dividend-right shares	Convertible bonds	Warrants	Option	Other securities or similar
Number	-	-	431,325	-	-
Rights granted	-	-	-	-	-

Introduction, commitments, guarantees and contingent liabilities not shown in the balance sheet

The details of the commitments, guarantees and contingent liabilities not recorded in the balance sheet as at 31 December 2018 are presented below.

Remarks, commitments, guarantees and contingent liabilities not shown in the balance sheet

Sureties and guarantees

There are no sureties and guarantees on 31/12/2018

Sureties

The main sureties, as shown in the table at the end of the financial statements, are in favour of banks and amount to a total of EUR 160,000. These amount to EUR 160,000 in favour of Banco BPM Spa, related to credit lines granted by the banking system to the Edilziacrobatica Spa Group.

Beneficiary	Guarantor	Debtor	Value Guarantee	Guaranteed amount
Banco BPM Spa	Edilziacrobatica Spa	Edac Biella Srl	80,000	43
Banco BPM Spa	Edilziacrobatica Spa	Edac Versilia Srl	80,000	-

Total**160,000****43****Commitments to lease instalments due**

The commitments to financial lease instalments due amount to a total of EUR 56,174 and represent the total value of the instalments due, to be paid to the leasing companies and including the value of the fees payable stipulated by contracts (as the company's intention is to purchase the asset at the end of the contract) and excluding the instalments already paid.

Disclosure concerning the relations with related parties

The table below shows the balance sheet and income statement transactions with related parties for the financial year that ended on 31 December 2018:

	Accounts receivable	Income	Debts	Costs
Edac I-Profile Srl	114	114	55,899	23,075
Ediliziacrobatica Italia Srl	3,904	600	112,124	583,302

Distribution of the result for the financial year (article 2427 paragraph 1 number 22-e of the Civil Code)

The Board of Directors proposes to allocate the profits for the year in the amount of EUR 2,282,498 as follows:

- a part corresponding to EUR 34,506 to the legal reserve fund; amount with which the existing legal reserve reaches the limit of one fifth of the share capital, and the difference, to retained earnings.

Remarks, Information pursuant to article 1, paragraph 125 of the Law of 4 August 2017 no. 124

Law no. 124/2017 stipulates the obligation to provide information on subsidies, contributions, paid positions and economic advantages of any kind received from Italian public authorities. In this regard, it should be noted that in 2018 EdiliziAcrobatica S.p.A. did not receive any form of subsidy, contribution, paid position or other economic advantage from Italian public authorities. It is mentioned that the income:

- generated by services provided to persons belonging to public authorities, as part of the company's core business and governed by contracts for the provision of paid services, and

- tax concessions available to all the companies meeting certain conditions on the basis of general pre-determined criteria, which, moreover, are the subject of specific declarations (see the Document CNDCEC March 2019)

are not deemed relevant for the purposes of the disclosure obligations provided for by Law no. 124/2017.

Remarks, explanatory note

These financial statements, composed of: Balance Sheet, Income Statement, Explanatory Note and Cash Flow Statement, represent in a true and fair manner the financial position of the company, as well as the result for the financial year, and correspond to the amounts shown in the accounting records.

Milan, 28 March 2019

On behalf of the Board of Directors,

Riccardo Iovino (Director)