

ADMISSION DOCUMENT

relating to

ADMISSION TO TRADING ON AIM ITALIA / ALTERNATIVE CAPITAL MARKET, MULTILATERAL TRADING SYSTEM
ORGANIZED AND MANAGED BY BORSA ITALIANA SPA, OF SHARES

EDILIZIACROBATICA SPA

Registered office: Via Turati, 29 20121 Milan (MI)

Share capital: Euro 600,000 subscribed and paid up for Euro 600,000

Register office and registration number: MI-1785877 and VAT number: 01438360990

EDILIZIACROBATICA®

Nominated Adviser and Global Coordinator

Banca Profilo SpA



EMINTAD ITALY SRL



ICCREA BANCAIMPRESA SPA



ADB CORPORATE SPA



This Admission Document has been drawn up in compliance with the AIM Issuers Regulation for the purposes of admission to trading on AIM Italia / Mercato Alternativo del Capitale ("AIM Italia") of the ordinary shares of EdiliziAcrobatica SpA (the "Issuer" or the "Company"), and does not constitute a prospectus pursuant to Legislative Decree no. 58 of 24 February 1998, as subsequently amended and integrated ("Consolidated Finance Act") and Consob Regulation no. 11971 of 14 May 1999, as subsequently amended and integrated.

With a notice published by Borsa Italiana SpA on 15 November 2018, the effective date for the admission of the Issuer's ordinary shares on AIM Italia was established. The start date of trading in the Issuer's shares is expected to be the 19th November 2018.

The Company's shares are not traded on any regulated or unregulated Italian or foreign market and the Company has not submitted an application for admission of the shares to other markets (with the exception of AIM Italia).

AIM Italia is a multilateral trading system dedicated primarily to small and medium-sized enterprises and companies with high growth potential to which a higher level of risk is typically linked than larger issuers or those with consolidated businesses.

The investor must be aware of the risks deriving from investing in this type of issuer and must decide whether to invest only after careful evaluation.

In order to correctly evaluate the financial instruments covered by the Admission Document, it is necessary to carefully examine all the information contained in this document, including Chapter 4 "Risk Factors" of the First Section.

Consob and Borsa Italiana SpA have not examined or approved the contents of this document.

WARNINGS

Neither this Admission Document nor the operation described therein constitutes a public offering of financial instruments nor an admission of financial instruments to a regulated market as defined by the Consolidated Finance Act and Regulation 11971 (as defined below) . Therefore, it is not necessary to draw up a prospectus according to the formats provided for by Community Regulation 809/2004/EC. The publication of this Admission Document must not be authorized by Consob pursuant to Community Directive no.

2003/71/EC or any other rule or regulation governing the drafting and publication of information prospectuses (including articles 94 and 113 of the Consolidated Finance Act).

The Shares resulting from the Capital Increases were offered to qualified investors in Italy and institutional investors abroad close to the admission to trading on AIM Italia, pursuant to and for the purposes of Article 6 of Part II ("Guidelines") of the AIM Issuers' Regulation, as part of a reserved placement, falling within the cases of inapplicability of the provisions regarding the public offer of financial instruments provided for by article 100 of the Consolidated Finance Act and by article 34-ter of Regulation 11971 (as defined below) and, therefore, without offering the Shares to the public.

This Admission Document may not be distributed, either directly or indirectly, in jurisdictions other than Italy and, in particular, in Australia, Canada, Japan and the United States or in any other country in which the offer of the securities mentioned in this Admission Document is not permitted in the absence of specific authorizations from the competent authorities and/or communicated to investors resident in such countries, without prejudice to any exemptions provided for by applicable laws. Publication and distribution of this Admission Document in other jurisdictions may be subject to legal or regulatory restrictions.

Any person who comes into possession of this Admission Document must first verify the existence of such regulations and restrictions and observe such restrictions.

The Shares have not been and will not be registered under the *United States Securities Act* of 1933, as amended, or with any securities regulator of any state in the United States or under the securities laws of Australia , Canada or Japan. The Shares may not be offered, sold or otherwise transferred, directly or indirectly, in Australia, Canada, Japan and the United States nor may they be offered, sold or otherwise transferred, directly or indirectly, for the account or benefit of any citizen or resident of Australia , Canada, Japan or the United States, except where the Company avails itself, at its discretion, of any exemptions provided for by the regulations applicable therein.

Violation of these restrictions may constitute a violation of applicable securities laws in your jurisdiction.

The Company declares that it will use the Italian language for all documents made available to shareholders and for any other information required by the AIM Issuers' Regulations.

BANCA PROFILO SpA, therefore, assumes no responsibility towards any person who, on the basis of this Admission Document, decides at any time to invest in the Company. Please remember that the sole persons indicated in Section One, Chapter 1, and Section Two, Chapter 1, of the Admission Document are responsible towards investors for the completeness and truthfulness of the data and information contained in the Admission Document.

Information for Distributors

For the sole purposes of product *governance* obligations pursuant to: (a) Directive 2014/65/EU relating to markets in financial instruments, as amended (“MiFID II”); (b) of Articles 9 and 10 of Commission Delegated Directive 2017/593 integrating MiFID II, and (c) of the national implementing measures (collectively, the “MiFID II Product Governance Obligations”), and without undertaking any non-contractual, contractual or other liability that may arise in respect of any “producer” (for the purposes of the MiFID II Product Governance Obligations), the Shares have undergone a product approval process, which has determined that said financial instruments are: (i) compatible with a final reference market represented by retail investors and investors who satisfy the requirements to be qualified as professional clients and qualified counterparties, as defined pursuant to MiFID II; and (ii) distributable through all distribution channels permitted under MiFID II (the “Reference Market Assessment”).

Without prejudice to the Reference Market Assessment, the Distributors' attention is drawn to the fact that: the price of the Shares could decrease and investors could therefore lose all or part of their investment; the Shares do not offer any guaranteed return or provide any capital protection; investment in Shares is compatible only with investors who do not require any assured return or capital protection, who (alone or with the assistance of a suitable financial advisor or other advisor) are able to evaluate the benefits and risks of such an investment and have sufficient resources to support any losses that may arise from it.

The Target Market Assessment does not prejudice the requirements inherent to any contractual, legal or regulatory restrictions relating to sales under the Offer. For clarity, it is also specified that the Reference Market Assessment does not constitute: (a) an assessment of suitability or adequacy for the purposes of MiFID II; nor (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any action in respect of, any such Shares. Each Distributor is responsible for conducting its own Target Market Assessment in relation to such Financial Instruments and defining appropriate distribution channels.

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DEFINITIONS

Below is the list of definitions and terms used in the following Admission Document.

These definitions, unless otherwise specified, have the meaning indicated below. Terms defined in the singular are also understood in the plural, and vice versa, where the context requires it.

AIM Italy	AIM Italia/Mercato Alternativo del Capitale, multilateral trading system organized and managed by Borsa Italiana SpA;
Admission	The admission of the Shares to trading on AIM Italia;
Arim Holding	Arim Holding Srl, with registered office in Florence, via Pier Capponi n. 89, registered in the Company Register of Florence at number 06817050484, VAT number 06817050484, owner of the entire share capital of the Issuer;
Capital Increases	The Capital Increase Offer, The Capital Increase Warrants, the Capital Increase of Employees and the Increase of Capital Greenshoe;
Employee Capital Increases	<p>The capital increase approved by the Issuer's meeting on 26 July 2018 for a fee and in a divisible manner, with the exclusion of the option right pursuant to Article 2441, paragraph 5, for a maximum amount of Euro 300,000.00 (three hundred thousand) including premium, by issuing maximum no. 77,000 Ordinary Shares, subsequently adjusted to a maximum no. 100,000, without indication of the nominal value, with regular enjoyment, with free matching n. 1 (one)</p> <p>Warrants every n. 4 (four) subscribed Ordinary Shares, reserved for directors, employees and collaborators of the Company, its subsidiaries and its affiliates; on 2 November 2018 the Board of Directors of the Issuer resolved to determine the amount of the Employee Capital Increase at a maximum of Euro 300,000, without prejudice to the fact that the Offered Capital Increase and the Employee Capital Increase cannot exceed maximum amount of Euro 5,500,000;</p>
Capital Increase Offer	<p>The capital increase approved by the Issuer's meeting on 26 July 2018, for a fee and in a divisible manner, with the exclusion of the option right pursuant to Article 2441, paragraph 5, of the Civil Code, for a maximum amount equal to Euro 10,000,000.00 (ten million) including premium, through the issue of maximum no. 2,300,000 Ordinary Shares without indication of nominal value, with regular entitlement, to service the Offer aimed at the admission of the Ordinary Shares</p> <p>of the Company on AIM Italia, with free matching n. 1</p>

	<p>(one) Warrant for every n. 4 (four) Ordinary Shares subscribed; on 2 November 2018 the Issuer's Board of Directors resolved to</p> <p>determine the amount of the Offered Capital Increase at a maximum of Euro 5,500,000, without prejudice to the fact that the Offered Capital Increase and the Employee Capital Increase cannot exceed the maximum amount of Euro 5,500,000;</p>
Warrant Capital Increase	<p>The capital increase approved by the Issuer's meeting on 26 July 2018, for a maximum amount of Euro 3,800,000, through the issue of a maximum no. 651,750 Conversion Shares without indication of nominal value, with regular entitlement, to be reserved for subscription exclusively to holders of Warrants in</p> <p>reason for the operating relationship described in the Regulation Warrants;</p>
Greenshoe Capital Increase	<p>The capital increase approved by the Issuer's meeting on 26 July 2018, for a maximum overall amount, including share premium, of Euro 1,000,000 (one million), through the issue of a maximum no. 230,000 Ordinary Shares without indication of nominal value, with regular entitlement, with matching</p> <p>free of charge n. 1 (one) Warrant for every n. 4 (four) subscribed Ordinary Shares to be reserved for Qualified Investors and Non-Qualified Investors, provided that, in the latter case, the placement is carried out in such a way that allows the Company to benefit from an exemption from the public offer obligations referred to in to article 100 of the TUF and 34-ter of Regulation 11971, without prejudice to the fact that the overall value cannot in any case exceed Euro 1,000,000.00 (one million). On 2 November 2018, the Issuer's Board of Directors resolved to set the amount of the Greenshoe Capital Increase at a maximum of Euro 500,000;</p>
Shares or Common Stock	<p>The ordinary shares of the Issuer without par value;</p>
Compendium Actions	<p>The maxims n. 651,750 Company Shares, without indication of nominal value, with regular enjoyment, resulting from the <i>Warrant</i> Capital Increase and to serve the exercise of the <i>Warrants</i>;</p>
Italian stock exchange	<p>Borsa Italiana SpA, with registered office in Milan, Piazza degli Affari n. 6;</p>
Board of Statutory Auditors	<p>Indicates the Issuer's board of auditors;</p>

Board of Directors	Indicates the board of directors of the Issuer;
Consob	The National Commission for Companies and the Stock Exchange based in Rome, Via GB Martini n. 3;
Date of the Document Admission	The date of publication of the Admission Document by the Issuer;
Admission Date	Indicates the effective date of admission of the Shares Ordinaries of the Issuer on AIM Italia, established with a specific notice published by the Italian Stock Exchange;
Trading Start Date	Start date of trading of the Issuer's Financial Instruments on AIM Italia
Legislative Decree 39/2010	Legislative Decree 27 January 2010, n. 39 of "Implementation of Directive 2006/43/EC, relating to the statutory audits of annual accounts and consolidated accounts";
Admission Document	This admission document;
EDAC Biella	EDAC Biella Srl, with registered office in Milan, Via Filippo Turati n. 29, a company belonging to the Group as it is controlled by the Issuer;
EDAC Italy	EdiliziAcrobatica Italia Srl, with registered office in Rome, Via Spalato n. 45, 15% of whose share capital is held by Anna Marras;
EDAC Rome Trastevere	EDAC Roma Trastevere Srl, non-operating company, with registered office in Milan, Via Filippo Turati n. 29, a company belonging to the Group as it is controlled by the Issuer;
EDAC Sicily	EDAC Sicilia Srl with registered office in Milan, Via Filippo Turati n. 29, a company belonging to the Group as it is controlled by the Issuer;
EDAC Versilia	EDAC Versilia Srl with registered office in Milan, Via Filippo Turati n. 29, a company belonging to the Group as it is controlled by the Issuer;
EDAC I-Profile	EDAC I-Profile Srl, with registered office in Genoa, Viale Brigate Partigiane n. 18/2, a company controlled by Arim Holding;
Issuer or EDAC or the Company	EdiliziAcrobatica SpA, joint-stock company under Italian law, with registered office in Via Turati, 29 20121 – Milan (MI), tax code, VAT number and registration number in the Milan Company Register 01438360990, no. REA MI – 1785877, share capital equal to Euro 600,000 subscribed for Euro 600,000 fully paid;
Group	The Issuer and the four companies controlled by it;

Non-Qualified Investors	The categories of investors other than Investors Qualified;
Qualified Investors	Italian qualified investors as defined and identified by article 34-ter of Regulation 11971 and foreign institutional investors pursuant to Regulation S of the United States Securities Act of 1933 (with the exclusion of Australia, Canada, Japan and the United States of America) ;
<i>Management</i>	The <i>management</i> of the Issuer;
Monte Titoli	Monte Titoli SpA, with registered office in Milan, Piazza degli Affari n. 6;
Bonds	The Bonds issued by the Company;
Offer	<p>Indicates the subscription offer for a maximum of 2,300,000 Ordinary Shares with no. free matching. 1 (one) <i>warrant</i> for every n. 4 (four) subscribed Ordinary Shares resulting from the Capital Increase Offer, aimed at (i) for a maximum of Euro 10,000,000.00 (ten million) to Qualified Investors; and (ii) for a maximum of Euro 3,000,000.00 (three million) to Non-Qualified Investors, provided that, in the latter case, the offer is made in such a way that allows the Company to benefit from an exemption from the offer obligations to the public referred to in article 100 of the TUF and 34-ter of Regulation 11971, without prejudice to the fact that the overall value of the Offer cannot in any case exceed Euro 10,000,000.00 (ten million).</p> <p>On 2 November 2018, the Issuer's Board of Directors resolved to determine the amount of the Offered Capital Increase at a maximum of Euro 5,500,000, without prejudice to the fact that the Offered Capital Increase and the Employee Capital Increase cannot exceed the maximum amount of Euro 5,500,000.</p>
Related Parties	Indicates the "related parties" as defined in the regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and integrated, containing provisions regarding transactions with related parties;
2018/2021 plan	The document approved by the Issuer's Board of Directors on 12 November 2018;
Profile or Nomad or Global Coordinator	Banca Profilo SpA, with registered office in Milan, via Cerva, 28, tax code, VAT number and registration number in the Milan Company Register 09108700155, registered in the Register of Banks and Banking Groups under no. 5271;
ExtraMOT Bond Loans Pro	The bond loan, for an amount equal to Euro 3,000,000.00 at a nominal interest rate set at 4%, and the bond loan, for an amount equal to Euro

	<p>2,000,000.00 at a nominal interest rate set at 5%, issued by the Issuer on 29 September 2017 and expiring on 29 September 2023, listed on the ExtraMOT Pro professional segment managed by Borsa Italiana;</p>
Price Adjustment Shares or PAS	<p>The n. 1,200,000 Ordinary Shares with the right to vote in the Issuer's meeting owned by Arim Holding, without indication of nominal value and convertible into Ordinary Shares within the terms and in the manner provided for in Article 3 of the Articles of Association, as indicated in the Section First, Chapter 15, Paragraph 15.2.2 of the Document</p> <p>Admission.</p>
National Accounting Standards	<p>Indicates the accounting principles that govern the criteria for drawing up financial statements for Italian companies not listed on regulated markets, issued by the National Council of Chartered Accountants and Accounting Experts and by the Italian Accounting Body.</p>
Regulation 11971	<p>Implementation regulation of Legislative Decree 24 February 1998, n. 58, concerning the regulation of issuers, adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and integrated;</p>
AIM Issuers Regulations	<p>AIM Italia issuer regulations approved by the Stock Exchange Italian and entered into force on 1 March 2012, as subsequently amended and integrated;</p>
Specialist	<p>Indicates Bank Profile;</p>
Auditing firm	<p>Deloitte & Touche SpA, with registered office in Milan, via Tortona n. 25, tax code, VAT number and registration number in the Milan Company Register 03049560166;</p>
Statute	<p>The Articles of Association of the Issuer, adopted by resolution of the Extraordinary Meeting of the Company of 26 July 2018, in force from the Admission Date;</p>
Financial instruments	<p>The Shares and <i>Warrants</i> issued by the Issuer.</p>
Consolidated Law or TUF	<p>Legislative Decree 24 February 1998, n. 58, as subsequently modified and integrated.</p>
<i>Warrants</i>	<p>The "<i>EDAC Warrants 2018-2021</i>" issued by the Issuer pursuant to the resolution of the meeting of 26 July 2018.</p>

GLOSSARY

Below is a list of the main technical terms used in the Admission Document. These terms, unless otherwise specified, have the meaning indicated below.

Clerk	Task entrusted to one of the Group companies which involves the provision of a specific service according to the terms and conditions indicated therein. With reference to the Issuer, the order, if for an amount lower than Euro 20,000, requires the issuing of an order confirmation. The order, if for an amount equal to or greater than Euro 20,000, requires the signing of a procurement contract.
Facility and property management	Facility <i>management</i> mainly refers to everything relating to the management and maintenance of company buildings. Property <i>management</i> mainly refers to everything that pertains to the management and maintenance of real estate properties through support to owners in optimizing profits on real estate investments and preparing programs aimed at increasing added value.
Alternative Indicators of Performance or IAP	Pursuant to the ESMA guidelines of 5 October 2015 (which entered into force on 3 July 2016), alternative performance indicators must be understood as those indicators of financial performance, financial debt or historical or future cash flows, other than those defined or specified in the regulations. applicable on financial reporting. They are usually derived from or based on financial statements prepared in accordance with applicable financial reporting regulations, most often by adding or subtracting amounts from data in the financial statements.
Intervention	Execution of the service and/or services indicated in the order. Each intervention may involve the execution of one or more services.
Extraordinary interventions	Extraordinary maintenance works, unlike ordinary ones, must be approved by the assembly condominium. Extraordinary means an unforeseen situation caused by an unpredictable event.
Lifelines	The lifelines (according to the UNI EN 795 standard) are a set of anchors placed at a height on the roofs to which the operators are attached using harnesses and related lanyards; it can be temporary or stable.
Point or operational headquarters	Offices located in commercial premises with shop window(s) on the street composed of a standardized and recognizable internal and external layout are the places where the commercial activity is actually carried out. The operational offices of the Issuer can be direct (as they are managed directly by the Issuer or through the companies

of the Group) or in franchising.

Referrals

describes the action of directing someone to a certain place or person to ask for information or for support.

Production value

The result deriving from the algebraic sum of the following items: (Revenues from sales and services) + (Other revenues and income, including operating contributions and others). For a more detailed description of the production value, please refer to Section One, Chapter 3, Paragraph 3.1.2.

DOCUMENTS ACCESSIBLE TO THE PUBLIC

The following documents are available to the public at the registered office of the Issuer (Milan, via Turati n. 29), as well as on the website www.ediliziacrobatica.com: _____

1. the Admission Document;
2. the Issuer's Articles of Association;
3. the financial statements of the Issuer as of 31 December 2016 drawn up in accordance with the National Accounting Principles, approved by the Shareholders' Meeting on 23 June 2017, together with the report of the Auditing Firm, issued on 23 June 2017;
4. the consolidated financial statements of the Group as at 31 December 2016 drawn up on a voluntary basis and in accordance with the National Accounting Principles, together with the report of the Auditing Firm issued on 23 June 2017;
5. the financial statements of the Issuer as of 31 December 2017 drawn up in accordance with the National Accounting Principles, approved by the Shareholders' Meeting on 30 April 2018, together with the report of the Auditing Firm, issued on 27 April 2018;
6. the consolidated financial statements of the Group as at 31 December 2017 drawn up in accordance with the National Accounting Principles, approved by the Board of Directors on 30 April 2018, together with the report of the Auditing Firm issued on 27 April 2018;
7. the Issuer's half-yearly report as of 30 June 2018 drawn up in accordance with the National Accounting Principles, approved by the Board of Directors on 28 September 2018;
8. the consolidated half-yearly report of the Group as of 30 June 2018 drawn up in accordance with the National Accounting Principles, approved by the Board of Directors on 28 September 2018, together with the report of the Auditing Firm issued on 31 October 2018.

OTHER INFORMATION

Operation timetable

Date of the Admission Document	[15] November 2018
Admission Date	[15] November 2018
Expected start date of trading	[19] November 2018

Main information on the Issuer's share capital

Nominal share capital as of the Document Date Admission	Euro 600,000.00
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Number of Shares as of the Document Date Admission	6,000,000
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For further information on the Capital Increases, please refer to Section I, Chapter 15, Paragraph 15.1.7 of the Admission Document.

SECTION I

1. INFORMATION RELATING TO THE PERSONS RESPONSIBLE FOR THE ADMISSION DOCUMENT

1.1. Responsible for the admission document

Responsibility for the data and information contained in this Admission Document is assumed by "EdiliziAcrobatica SpA", with registered office in Via Turati, 29 – 20121 Milan (MI), VAT number and registration number in the Milan Company Register 01438360990 , n. REA MI – 1785877, as issuer of the Ordinary Shares and Warrants .

1.2. Declaration of responsibility

The Issuer, as issuer of the Shares and Warrants , declares that, having taken all reasonable care for this purpose, the information contained in the Admission Document is, to the best of its knowledge, in accordance with the facts and does not contain any such omissions to alter its meaning and meaning.

2. STATUTORY AUDITORS

2.1 Auditors of the Issuer

On 14 September 2017 and effective from that day, the Issuer assigned to Deloitte & Touche SpA, upon a reasoned proposal from the board of auditors, the mandate for the statutory audit of the financial statements (financial and consolidated) of the Company respectively at 31 December 2017, 31 December 2018 and 31 December 2019, pursuant to Legislative Decree 27 January 2010 n. 39. This assignment involves the release by the Auditing Company of an "opinion" on each financial statement of the Company pursuant to art. 14 of Legislative Decree 39/2010.

On 27 February 2017, the Issuer's Board of Directors appointed Deloitte & Touche SpA to carry out the voluntary audit of the financial statements and consolidated financial statements as at 31 December 2016.

On 28 September 2018, the Issuer's Board of Directors appointed Deloitte & Touche SpA to carry out the voluntary limited audit of the interim consolidated financial statements for the six-month period ended 30 June 2018.

2.2 Information on relations with the auditing firm

Without prejudice to what is illustrated in Paragraph 2.1 above, up to the Admission Document Date, no revocation of the tasks conferred by the Issuer to the Auditing Firm has occurred nor has the Auditing Firm renounced the tasks conferred on it.

3. SELECTED FINANCIAL INFORMATION

This Chapter reports selected financial information on a consolidated basis relating to the half-yearly data of the Issuer referring to the date of 30 June 2018, the annual data of the Issuer for the financial year ended 31 December 2017 as well as the selected financial information relating to the annual data of the Issuer for the financial year ended 31 December 2016.

It should be noted that the Group has drawn up for the first time, on a voluntary basis, the consolidated financial statements as at 31 December 2016.

The consolidated and annual financial statements as of 31 December 2016 and 2017 and the half-yearly report closed as of 30 June 2018 were therefore subject to audit by Deloitte & Touche SpA which issued its reports, without findings, on 23 June 2017, 27 April 2018 and 31 October 2018 respectively.

The Issuer prepares the financial statements in compliance with the National Accounting Principles in force. They consist of the balance sheet, income statement, changes in equity, cash flow statement and the related explanatory notes.

The selected financial information below should be read in conjunction with the consolidated financial statements of the Issuer closed on 31 December 2017 which report, for comparative purposes, the results of the previous financial year closed on 31 December 2016.

The aforementioned consolidated financial statements and the half-yearly report closed on 30 June 2018 are attached to this Admission Document and are available to the public for consultation at the Issuer's registered office in Milan, via Turati n. 29, as well as on the website www.ediliziacrobatika.com.

3.1.1 Selected economic data of the Issuer for the half-year 2018 in comparison with the half-year of the previous financial year and for the financial year 2017 in comparison with the previous financial year

Below are the main consolidated economic data reclassified for the half-year 2018 in comparison with the half-year of the previous year.

CONTO ECONOMICO CONSOLIDATO RICLASSIFICATO (Valori in Euro migliaia)	1H2018	1H2017
Ricavi delle vendite	10.720	7.146
Altri ricavi	393	487
Valore della produzione	11.113	7.633
Costi per Materie prime	1.426	1.048
Costi per Servizi	2.653	1.960
Costi per Godimento di beni di terzi	612	305
Costi per il Personale	4.473	3.429
Variazione delle rimanenze	(208)	(306)
Altri Oneri	96	252
Costi della produzione al netto di ammortamenti e svalutazioni	9.052	6.688
EBITDA	2.061	945
Ammortamenti e svalutazioni	167	354
EBIT	1.894	591
Proventi e oneri finanziari	(148)	(14)
Risultato ante imposte	1.746	577
Imposte sul reddito	489	289
Risultato Netto	1.257	288
Utile (perdita) esercizio di terzi	44	50
Utile (perdita) di Gruppo	1.213	238
EBITDA % sul Valore della Produzione	18,5%	12,4%
EBIT % sul Valore della Produzione	17,0%	7,7%
Risultato ante imposte % sul Valore della Produzione	15,7%	7,6%
Risultato Netto % sul Valore della Produzione	11,3%	3,8%

Below are the main consolidated economic data reclassified for the 2017 financial year in comparison with the previous financial year.

CONTO ECONOMICO CONSOLIDATO RICLASSIFICATO (Valori in Euro migliaia)	2017	2016
Ricavi delle vendite	16.276	12.470
Altri ricavi	1.079	868
Valore della produzione	17.355	13.338
Costi per Materie prime	2.387	1.794
Costi per Servizi	4.350	2.914
Costi per Godimento di beni di terzi	797	513
Costi per il Personale	7.528	5.202
Variazione delle rimanenze	(552)	(370)
Altri Oneri	380	343
Costi della produzione al netto di ammortamenti e svalutazioni	14.890	10.396
EBITDA	2.465	2.942
Ammortamenti e svalutazioni	512	285
EBIT	1.953	2.657
Proventi e oneri finanziari	(98)	(34)
Risultato ante imposte	1.855	2.623
Imposte sul reddito	774	822
Risultato Netto	1.081	1.801
Utile (perdita) esercizio di terzi	43	(12)
Utile (perdita) di Gruppo	1.038	1.813
EBITDA % sul Valore della Produzione	14,2%	22,1%
EBIT % sul Valore della Produzione	11,3%	19,9%
Risultato ante imposte % sul Valore della Produzione	10,7%	19,7%
Risultato Netto % sul Valore della Produzione	6,2%	13,5%

1) EBITDA indicates the result before financial charges, taxes and depreciation of fixed assets and write-downs of receivables included in current assets. EBITDA therefore represents a proxy for its cash generation, therefore regardless of non-cash elements, such as depreciation of fixed assets. EBITDA thus defined represents the indicator used by the Issuer's directors to monitor and evaluate the performance of the company's business. Since EBITDA is not identified as

accounting measure within the scope of accounting standards, should not be considered an alternative measure for assessing the performance of the Group's operating results. Since the composition of EBITDA is not regulated by the reference accounting standards, the determination criterion applied by the Group may not be homogeneous with that adopted by other companies and therefore may not be comparable with them.

2) EBIT indicates the result before financial charges and taxes for the year. EBIT therefore represents the operating result before the remuneration of both third-party and own capital. EBIT thus defined represents the indicator used by the Issuer's directors to monitor and evaluate the performance of the company's business. Since EBIT is not identified as an accounting measure within the accounting standards, it should not be considered an alternative measure for assessing the performance of the Group's operating results. Since the composition of EBIT is not regulated by the reference accounting principles, the determination criterion applied by the Group may not be homogeneous with that adopted by other companies and therefore may not be comparable with them.

[3.1.2 Analysis of consolidated revenues for the half-year 2018 in comparison with the half-year of the previous financial year and for the financial year 2017 in comparison with the previous financial year](#)

Below is the detail of the composition of the "Production Value" for the 2018 and 2017 semesters:

PRODUCTION VALUE (Values in thousands of Euros)	1H2018	Inc.%	1H2017	Inc.%
1) Revenues from sales and services	10,720	96%	7,146	94%
5) Other revenues and income a) operating grants b) others	393	4%	487	6%
	339	3%	343	4%
	54	1%	144	2%
TOTAL PRODUCTION VALUE (A)	11,113	100%	7,633	100%

Below is the detail of the composition of the "Production Value" for the financial years 2017 and 2016:

VALORE DELLA PRODUZIONE (Valori in Euro migliaia)	2017	Inc. %	2016	Inc. %
1) Ricavi delle vendite e delle prestazioni	16.276	94%	12.470	93%
5) Altri ricavi e proventi	1.079	6%	868	7%
a) contributi in conto esercizio	686	4%	455	4%
b) altri	393	2%	413	3%
TOTALE VALORE DELLA PRODUZIONE (A)	17.355	100%	13.338	100%

For the same reference periods, the detail of the "Production Value" broken down for the different business lines within the Group is shown below.

VALORE DELLA PRODUZIONE PER LINEA DI BUSINESS (Valori in Euro migliaia)	1H2018	Inc. %	1H2017	Inc. %
Ricavi sedi operative dirette	9.706	88%	6.609	87%
Ricavi sedi operative in franchising	1.014	9%	537	7%
Contributi in conto esercizio	339	3%	343	4%
Altri ricavi operativi minori	54	0%	144	2%
TOTALE VALORE DELLA PRODUZIONE (A)	11.113	100%	7.633	100%

VALORE DELLA PRODUZIONE PER LINEA DI BUSINESS (Valori in Euro migliaia)	2017	Inc. %	2016	Inc. %
Ricavi sedi operative dirette	14.761	85%	11.359	86%
Ricavi sedi operative in franchising	1.515	9%	1.111	8%
Contributi in conto esercizio	686	4%	455	3%
Altri ricavi operativi minori	393	2%	413	3%
TOTALE VALORE DELLA PRODUZIONE (A)	17.355	100%	13.338	100%

3.1.3 Cost analysis for the 2018 and 2017 semesters and for the 2017 and 2016 financial years

The main production costs are made up as follows:

COSTI DELLA PRODUZIONE (Valori in Euro migliaia)	1H2018	Inc. %	1H2017	Inc. %
Costi per Materie prime	1.426	16%	1.048	16%
Costi per Servizi	2.653	29%	1.960	29%
Costi per Godimento beni di terzi	612	7%	305	5%
Costi per il Personale	4.473	49%	3.429	51%
Variazione delle Rimanenze	(208)	(2%)	(306)	(5%)
Altri Oneri	96	1%	252	4%
TOTALE COSTI DELLA PRODUZIONE (B)	9.052	100%	6.688	100%

COSTI DELLA PRODUZIONE (Valori in Euro migliaia)	2017	Inc.%	2016	Inc.%
Costi per Materie prime	2.387	14%	1.794	13%
Costi per Servizi	4.350	25%	2.914	22%
Costi per Godimento beni di terzi	797	5%	513	4%
Costi per il Personale	7.528	43%	5.202	39%
Variazione delle Rimanenze	(552)	(3%)	(370)	(3%)
Altri Oneri	380	2%	343	3%
TOTALE COSTI DELLA PRODUZIONE (B)	14.890	100%	10.396	100%
AMMORTAMENTI E SVALUTAZIONI (Valori in Euro migliaia)	1H2018	Inc.%	1H2017	Inc.%
Ammortamenti Imm. Immateriali	122	73%	149	42%
Ammortamenti Imm. Materiali	45	27%	35	10%
Svalutazioni	0	0%	170	48%
TOTALE AMMORTAMENTI E SVALUTAZIONI	167	100%	354	100%
AMMORTAMENTI E SVALUTAZIONI (Valori in Euro migliaia)	2017	Inc.%	2016	Inc.%
Ammortamenti Imm. Immateriali	298	58%	209	73%
Ammortamenti Imm. Materiali	76	15%	76	27%
Svalutazioni	138	27%	-	0%
TOTALE AMMORTAMENTI E SVALUTAZIONI	512	100%	285	100%
PROVENTI E ONERI FINANZIARI (Valori in Euro migliaia)	1H2018	Inc.%	1H2017	Inc.%
Proventi finanziari	22	(15%)	0	0%
Oneri finanziari	(170)	115%	(14)	100%
TOTALE PROVENTI E ONERI FINANZIARI	(148)	100%	(14)	100%
PROVENTI E ONERI FINANZIARI (Valori in Euro migliaia)	2017	Inc.%	2016	Inc.%
Proventi finanziari	4	(4%)	0	0%
Oneri finanziari	(102)	104%	(34)	100%
TOTALE PROVENTI E ONERI FINANZIARI	(98)	100%	(34)	100%

3.1.4 Adjusted EBITDA

Below is the determination of EBITDA starting from the profit for the year recorded at 30 June 2018, 31 December 2017, 30 June 2017 and 31 December 2017. As specified in paragraph 3.1.1, EBITDA represents the indicator used by the Issuer's directors to monitor and evaluate the performance of the company's business.

EBITDA (Valori in Euro migliaia)	1H2018	2017	1H2017	2016
Utile (perdita) dell'esercizio	1.257	1.081	288	1.801
Imposte sul reddito dell'esercizio	489	774	289	822
Proventi e oneri finanziari	148	98	14	34
Ammortamento delle immobilizzazioni immateriali	122	298	149	209
Ammortamento delle immobilizzazioni materiali	45	76	35	76
Svalutazione dei crediti compresi nell'attivo circolante	-	138	170	-
TOTALE EBITDA	2.061	2.465	945	2.942

Adjusted EBITDA is represented by EBITDA net of extraordinary cost and revenue components recorded in 2017 and 2016. EBITDA thus defined represents a further

indicator used by the Issuer's directors to monitor and evaluate the performance of the company's business net of the effect of non-characteristic events that occurred during the financial year.

EBITDA Adjusted (Valori in Euro migliaia)	1H2018	2017	1H2017	2016
EBITDA	2.061	2.465	945	2.942
Proventi di natura straordinaria (a)	-	(106)	(144)	(277)
Oneri di natura straordinaria (b)	-	448	173	337
TOTALE EBITDA Adjusted	2.061	2.807	974	3.002

(a) Extraordinary income refers to contingent assets of the nature extraordinary.

(b) Extraordinary charges refer to contingent liabilities of the nature extraordinary.

Adjusted EBIT is represented by EBIT net of extraordinary cost and revenue components recorded in 2017 and 2016. EBIT thus defined represents a further indicator used by the Issuer's directors to monitor and evaluate the performance of the company activity net of the effect of non-characteristic events that occurred during the financial year

EBIT Adjusted (Valori in Euro migliaia)	1H2018	2017	1H2017	2016
EBIT	1.894	1.953	591	2.657
Proventi di natura straordinaria (a)	-	(106)	(144)	(277)
Oneri di natura straordinaria (b)	-	448	173	337
TOTALE EBIT Adjusted	1.894	2.295	620	2.717

(a) Extraordinary income relates to contingent assets of an extraordinary nature. It should be noted that the extraordinary income relating to the 2016 financial year includes the operating contribution for R&D activities relating to the 2015 financial year. (b) Extraordinary charges relate to contingent liabilities of the nature extraordinary.

[3.1.5 Consolidated balance sheet data for the six months ended 30 June 2018 compared with the values for the financial year ended 31 December 2017 and for the financial year ended 31 December 2017 compared with the values for the financial year ended 31 December 2016](#)

The main financial data of the Group's consolidated assets for the financial years are provided below under exam.

STATO PATRIMONIALE ATTIVO (Valori in Euro migliaia)	30.06.2018	Inc.%	31.12.2017	Inc.%	31.12.2016	Inc.%
Immobilizzazioni Immateriali	819	4%	750	4%	430	5%
Immobilizzazioni Materiali	428	2%	346	2%	188	2%
Immobilizzazioni Finanziarie	0	0%	50	0%	50	1%
TOTALE ATTIVITA' NON CORRENTI	1.247	6%	1.146	7%	668	7%
Rimanenze	1.231	6%	1.024	6%	472	5%
Crediti commerciali	9.344	45%	6.728	40%	5.123	55%
Altri attività correnti	3.001	15%	2.171	13%	2.114	23%
Attività finanziarie non immobilizzate	1.008	5%				
Disponibilità liquide e mezzi equivalenti	4.816	23%	5.757	34%	929	10%
TOTALE ATTIVITA' CORRENTI	19.400	94%	15.680	93%	8.638	93%
TOTALE ATTIVO	20.647	100%	16.826	100%	9.306	100%

The main financial data of the Group's consolidated liabilities for the years in question are provided below.

STATO PATRIMONIALE PASSIVO	30.06.2018	Inc. %	31.12.2017	Inc. %	31.12.2016	Inc. %
(Valori in Euro migliaia)						
PATRIMONIO NETTO	3.342	16%	2.085	12%	1.991	21%
PASSIVITA' NON CORRENTI						
Trattamento di fine rapporto	512	2%	378	2%	169	2%
Fondi per rischi e oneri	2	0%	5	0%	2	0%
Passività finanziarie non correnti	7.320	35%	5.927	35%	221	2%
Debiti tributari non correnti	686	3%	119	1%	-	0%
TOTALE PASSIVITA' NON CORRENTI	8.520	41%	6.429	38%	392	4%
PASSIVITA' CORRENTI						
Passività finanziarie correnti	2.418	12%	2.170	13%	1.657	18%
Debiti commerciali	2.989	14%	2.277	14%	1.462	16%
Debiti tributari correnti	389	2%	1.561	9%	1.602	17%
Altre passività correnti	2.989	14%	2.304	14%	2.202	24%
TOTALE PASSIVITA' CORRENTI	8.785	43%	8.312	49%	6.923	75%
TOTALE PASSIVO	20.647	100%	16.826	100%	9.306	100%

Below are the main reclassified financial data for the six months ended 30 June 2018 in comparison with the financial year ended 31 December 2017 and for the financial year ended 31 December 2017 in comparison with the financial year ended 31 December 2016.

Stato Patrimoniale Riclassificato	30.06.2018	31.12.2017	31.12.2016
(Valori in Euro migliaia)			
Crediti commerciali	9.344	6.728	5.123
Rimanenze	1.231	1.024	472
Debiti commerciali	(2.989)	(2.277)	(1.462)
CCN Operativo	7.586	5.475	4.133
Altri crediti correnti	3.001	2.171	2.114
Altri debiti correnti	(2.989)	(2.304)	(2.202)
Debiti tributari	(389)	(1.561)	(1.602)
Capitale Circolante Netto	7.209	3.781	2.443
Immobilizzazioni immateriali	819	750	430
Immobilizzazioni materiali	428	346	188
Attività finanziarie	0	50	50
Attivo immobilizzato	1.247	1.146	668
Trattamento di fine rapporto	(512)	(378)	(169)
Fondo imposte differite	(2)	(5)	(2)
Debiti tributari a lungo termine	(686)	(119)	0
Capitale Investito Netto	7.256	4.425	2.940
Patrimonio Netto	3.342	2.085	1.991
Disponibilità liquide e mezzi equivalenti	4.816	5.757	929
Attività finanziarie non immobilizzate	1.008	-	-
Passività finanziarie correnti	(2.418)	(2.170)	(1.657)
Passività finanziarie non correnti	(7.320)	(5.927)	(221)
Posizione Finanziaria Netta	(3.914)	(2.340)	(949)
Patrimonio Netto e Indebitamento Finanziario Netto	(572)	(255)	1.042
Posizione Finanziaria Netta a breve termine	3.406	3.587	(728)

3.1.6 Net working capital

The following table shows the composition of net working capital at 30 June 2018 compared with the values at 31 December 2017 and at 31 December 2017 compared with the values at 31 December 2016.

(Valori in Euro migliaia)	30.06.2018	31.12.2017	31.12.2016
ATTIVITA' CORRENTI			
Rimanenze	1.231	1.024	472
Crediti a breve termine	11.956	8.865	7.222
Ratei e risconti attivi	389	34	15
PASSIVITA' CORRENTI			
Debiti a breve termine	(6.308)	(6.083)	(5.248)
Ratei e risconti passivi	(59)	(59)	(18)
Capitale Circolante Netto	7.209	3.781	2.443

Warehouse inventories are made up of the goods that contribute to the production of the services provided by the Group, and more specifically they are made up of the equipment with which each team of rope operators must be equipped such as harnesses, ropes and safety equipment and of the inventories of building materials, used for carrying out the work. At 30 June 2018, inventories amounted to Euro 1,231 thousand (Euro 1,024 thousand at 31 December 2017) made up of Euro 1,005 thousand relating to equipment used by rope operators and Euro 226 thousand relating to building materials used to carry out the works. At 31 December 2017, inventories amounted to Euro 1,024 thousand (Euro 472 for the previous year) made up of Euro 872 thousand relating to equipment used by rope operators and Euro 152 thousand relating to building materials used to carry out the works.

The following table illustrates the inventories at the dates under examination. The increase in inventories at 30 June 2018 compared to 31 December 2017 is mainly attributable to the increase in inventories relating to the Rope Operator KIT. In fact, compared to the previous year there was an increase in the number of rope operators which increased by 34 units, in the number of areas which increased by 2 units and in the number of equipment within the KIT to deal with the regulations in workplace safety issue.

RIMANENZE (Valori in Euro migliaia)	30.06.2018	Inc. %	31.12.2017	Inc. %	31.12.2016	Inc. %
KIT Operatore su corda	1.005	82%	872	85%	398	84%
Magazzino edile	226	18%	152	15%	74	16%
TOTALE RIMANENZE	1.231	100%	1.024	100%	472	100%

Short-term receivables as of June 30, 2018 are made up as follows:

- Trade receivables for Euro 9,344 thousand recorded net of the provision for bad debts equal to Euro 170 thousand;
- Tax receivables and deferred tax assets for Euro 1,857 thousand. The tax receivables item mainly refers to credits for current taxes and advance payments amounting to Euro 293 thousand, to withholdings incurred amounting to Euro 440 thousand and to the tax credit for research and development activities pursuant to art. 3 of Legislative Decree 23 December 2013 n. 145 and subsequent amendments for Euro 1,026 thousand.
- Receivables from others for Euro 755 thousand. The item receivables from others is mainly composed of advances to third party suppliers for Euro 157 thousand, receivables from social security and welfare institutions for Euro 459 thousand, security deposits for Euro 69 thousand and receivables from third parties for Euro 65 thousand.

Short-term payables at 30 June 2018 are made up of trade payables of Euro 2,989 thousand, Euro 389 thousand of tax payables, Euro 2,930 thousand for other current payables made up as follows:

- Advances for Euro 601 thousand relating to advances received from customers of the Parent Company;
- Payables to social security and welfare institutions for Euro 736 thousand;
- Other payables relating to debts to personnel for Euro 752 thousand, to debts to shareholders for profits to be paid for Euro 826 thousand (remaining portion of dividends still to be paid to the previous owner EdiliziAcrobatica Italia Srl), to debts to third parties for Euro 15 thousand.

Short-term receivables at 31 December 2017 are made up as follows:

- Trade receivables for Euro 6,728 thousand recorded net of the provision for bad debts equal to Euro 170 thousand (Euro 5,123 thousand net of the provision for bad debts equal to Euro 150 thousand as at 31 December 2016);
- Tax credits and deferred tax assets for Euro 1,621 (Euro 1,464 thousand for the previous year). The tax receivables item mainly refers to credits for withholding taxes incurred for Euro 787 thousand and to the tax credit for research and development activities as required by the art. 3 of Legislative Decree 23 December 2013 n. 145 and subsequent amendments for Euro 720 thousand;
- Receivables from others for Euro 496 thousand (Euro 597 thousand at 31 December 2016). The item Receivables from others is made up of Euro 151 thousand of advances to suppliers, Euro 244 thousand of receivables from social security and welfare institutions, Euro 62 thousand of various security deposits, Euro 39 thousand of receivables from third parties.
- Receivables from members for payments still due for Euro 20 thousand (Euro 8 thousand at 31st December 2016).

Short-term payables at 31 December 2017 are made up of trade payables of Euro 2,277 thousand (Euro 1,462 thousand at 31 December 2016), Euro 1,561 thousand of tax payables (Euro 1,602 thousand for the previous year), Euro 2,245 thousand for other current payables (Euro 2,184 thousand as at 31 December 2016) made up as follows:

- Advances for Euro 264 thousand relating to advances received from customers of the Parent Company;
- Payables to social security and welfare institutions for Euro 494 thousand (Euro 611 thousand as of 31 December 2016);
- Other payables relating to debts to staff for Euro 637 thousand (Euro 476 thousand at 31 December 2016), debts to shareholders for profits to be paid for Euro 830 thousand (Euro 546 thousand at 31 December 2016), debts to third parties for Euro 20 thousand (Euro 12 thousand at 31 December 2016).

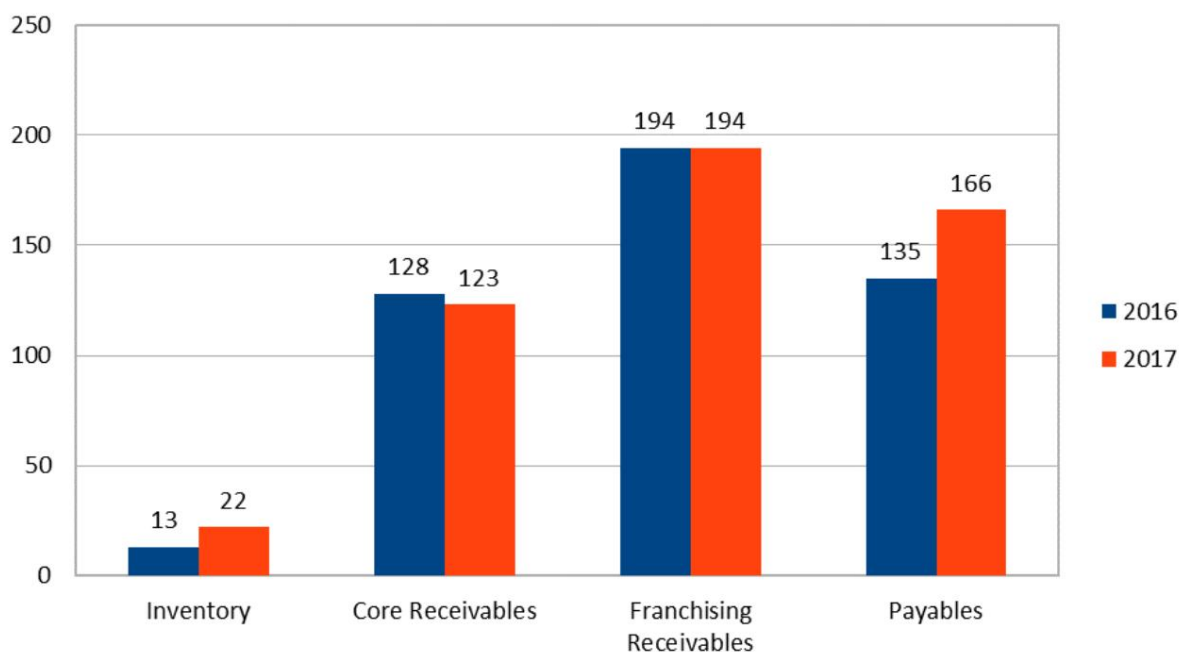
The following table shows the *Cash Conversion Cycle* data for the *Final Year* 2016 and 2017 regarding Warehouse, Receivables from Core Customers, Receivables from Franchisees and Payables from Suppliers.

The warehouse had a rotation of 22 days in 2017 compared to 13 in 2016.

Receivables from Core Customers had a rotation of 123 days in 2017 compared to 128 in 2016

Receivables from Franchisees rotated for 194 days in 2017 and the same in 2016.

Payables to suppliers had a turnover of 166 days in 2017 and 135 in 2016.



3.1.7 Tangible assets, intangible assets and financial assets

Below is the breakdown of fixed assets at 30 June 2018 in comparison with the financial year ended 31 December 2017 and at 31 December 2017 in comparison with the financial year ended 31 December 2016.

Immobilizzazioni (Valori in Euro migliaia)	30.06.2018	31.12.2017	31.12.2016
I - Immobilizzazioni immateriali			
1) Costi di impianto e di ampliamento	28	34	41
2) Costi di sviluppo	124	152	207
3) Diritti di brevetto industriale e diritti di utilizzazione delle opere dell'ingegno	95	107	112
4) Concessioni, licenze, marchi e diritti simili	5	33	8
5) Avviamento	-	-	-
6) Immobilizzazioni in corso e acconti	206	62	-
7) Altre	361	362	62
Totale immobilizzazioni immateriali	819	750	430
II - Immobilizzazioni materiali			
2) Impianti e macchinario	7	6	1
3) Attrezzature industriali e commerciali	31	4	10
4) Altri beni	390	336	177
Totale immobilizzazioni materiali	428	346	188
III - Immobilizzazioni finanziarie			
3) Altri titoli	-	50	50
Totale immobilizzazioni finanziarie	-	50	50
Totale immobilizzazioni	1.247	1.146	668

The increases in the half-year relating to the item intangible assets are equal to Euro 226 thousand, mainly referable to the item "Assets in progress and advances" for Euro 143

thousands which includes the capitalizations of the semester for the costs related to the Admission, these costs will begin the normal amortization process once the IPO is concluded.

The increases in the half-year relating to the item tangible assets are equal to Euro 80 thousand, mainly referable to the item "Other assets" which includes the value of the assets received under financial leasing.

3.1.8 Non-current liabilities

PASSIVITA' NON CORRENTI (Valori in Euro migliaia)	30.06.2018	Inc. %	31.12.2017	Inc. %	31.12.2016	Inc. %
Trattamento di fine rapporto	512	2%	378	2%	169	2%
Fondi per rischi e oneri	2	0%	5	0%	2	0%
Passività finanziarie non correnti	7.320	35%	5.927	35%	221	2%
Debiti tributari non correnti	686	3%	119	1%	-	0%
TOTALE PASSIVITA' NON CORRENTI	8.520	41%	6.429	38%	392	4%

Non-current financial liabilities at 30 June 2018 are made up as follows:

- Bonds for Euro 5,000 thousand;
- Payables to banks for financing relating to unsecured mortgages for Euro 2,248 thousand;
- Payables to other financiers for Euro 72 thousand;

Non-current financial liabilities at 31 December 2017 are made up as follows:

- Bonds for Euro 5,000 thousand;
- Payables to banks for financing relating to unsecured mortgages for Euro 859 thousand (Euro 187 as at 31 December 2016);
- Payables to other financiers for Euro 68 thousand (Euro 34 thousand at 31 December 2016);

3.1.9 Net Worth

The following table shows the net equity at 30 June 2018 compared with the values of the financial year ended 31 December 2017 and at 31 December 2017 compared with the net equity values of the previous financial year:

Patrimonio Netto (Valori in Euro migliaia)	30.06.2018	31.12.2017	31.12.2016
I – Capitale	600	600	510
IV - Riserva legale	120	91	5
VI - Altre riserve, distintamente indicate	-	-	90
VIII - Utili (perdite) portati a nuovo	1.282	273	(463)
IX - Utile (perdita) dell'esercizio di Gruppo	1.213	1.038	1.813
Totale Patrimonio netto consolidato del Gruppo	3.215	2.002	1.955
Capitale e riserve di terzi	83	40	48
Utile (Perdita) dell'esercizio di pertinenza di Terzi	44	43	(12)
Totale Patrimonio netto consolidato del Gruppo e di Terzi	3.342	2.085	1.991

The 2017 movements in consolidated shareholders' equity are shown below:

Descrizione (Valori in Euro migliaia)	Capitale sociale	Riserva legale	Altre riserve	Utili (Perdite a nuovo)	Utili (Perdita) di Gruppo	Totale patrimonio netto di Gruppo	Capitale e riserve di Terzi	Totale patrimonio netto di Gruppo e Terzi
Saldi 31/12/2016	510	5	90	(463)	1.813	1.955	36	1.991
Destinazione risultato 2016		86		1.727	(1.813)	-	-	-
Aumento di capitale	90		(90)					
Utile dell'esercizio del Gruppo					1.038	1.038	-	1.038
Altre variazioni				(991)		(991)	5	(986)
Utile di pertinenza di terzi						0	42	42
Saldi 31/12/2017	600	91	0	273	1.038	2.002	83	2.085

The item "Other Changes" equal to Euro 986 thousand is made up as follows:

- Dividends equal to Euro (1,004) thousand;
- Coverage of Edac Sicilia Srl losses equal to Euro 51 thousand;
- Write-down of loan receivable from Edac Sicilia for Euro (28) thousand;
- Effect of consolidated retained earnings for the acquisition of 10% of Edac Trastevere Srl for Euro (5) thousand.

The changes in consolidated equity in the first half of 2018 are shown below:

Descrizione (Valori in Euro migliaia)	Capitale sociale	Riserva legale	Altre riserve	Utili (Perdite a nuovo)	Utili (Perdita) di Gruppo	Totale patrimonio netto di Gruppo	Capitale e riserve di Terzi	Totale patrimonio netto di Gruppo e Terzi
Saldi 31/12/2017	600	91	0	273	1.038	2.002	83	2.085
Destinazione risultato 2017		29		1.009	(1.038)			
Aumento di capitale								
Utile dell'esercizio del Gruppo					1.213	1.213		1.213
Altre variazioni								
Utile di pertinenza di terzi							44	44
Saldi 30/06/2018	600	120	0	1.282	1.213	3.215	127	3.342

3.1.10 Net financial debt

The net financial debt at 31 December 2016, 31 December 2017 and 30 June 2018 is shown in the following table:

Posizione Finanziaria Netta (Valori in Euro migliaia)	30.06.2018	31.12.2017	31.12.2016
(A) Cassa	4.816	5.757	929
(D) Liquidità (A)	4.816	5.757	929
E. Crediti finanziari correnti	1.008	-	-
F. Debiti bancari correnti	(2.409)	(2.131)	(1.610)
H. Altri debiti finanziari correnti	(9)	(39)	(47)
I. Indebitamento finanziario correnti (F)+(H)	(2.418)	(2.170)	(1.657)
J. Indebitamento finanziario corrente netto (I)-(E)-(D)	3.406	3.587	(728)
K. Debiti bancari non correnti	(2.248)	(859)	(187)
L. Obbligazioni emesse	(5.000)	(5.000)	0
M. Altri debiti non correnti	(72)	(68)	(34)
N. Indebitamento finanziario non corrente (K)+(L)+(M)	(7.320)	(5.927)	(221)
O. Indebitamento finanziario netto (J)+(N)	(3.914)	(2.340)	(949)

Current financial receivables at 30 June 2018 amount to Euro 1,008 thousand relating to the investment made by the Issuer on 27 February 2018 in a capitalization financial product

"Aviva value solution UBI Edition 2017". The Directors of the Issuer carried out this operation with a view to temporarily using liquidity; the same instrument in fact grants a redemption option starting from 27 February 2019. With reference to that date, the Directors will therefore be able to evaluate whether to maintain available cash or reinvest in other short-term financial instruments based on corporate needs.

The adjusted net financial debt at 30 June 2018, 31 December 2017 and 31 December 2016 is shown below.

Posizione Finanziaria Netta Adjusted	30.06.2018	31.12.2017	31.12.2016
(Valori in Euro migliaia)			
Posizione finanziaria Netta	(3.914)	(2.340)	(949)
Debiti tributari ante 2018		(537)	(411)
Crediti tributari per costi R&D n-1	720	34	235
Posizione finanziaria Netta Adjusted	(3.194)	(2.843)	(1.125)

Tax debts before 2018 include the taxes relating to the financial years 2015, 2016 and 2017 paid between February and March 2018 through F24.

The details are given below:

Imposte	Anno di riferimento	Importo
IRAP	2015	3
IRAP	2016	90
IRES	2016	45
IVA	2016	249
IVA	2017	126
RITENUTE SU DIVIDENDI	2016	24
Totale		537

Tax credits for R&D costs include operating grants deriving from R&D activities not used as compensation at the dates of the financial years ended 30 June 2018, 31 December 2017 and 31 December 2016.

3.1.11 Selected Issuer data relating to 2017 cash flows

The main cash flows for the 2017 financial year are shown in the following table:

	2017
A) Flussi finanziari derivanti dall'attività operativa	
1) Utile (perdita) dell'esercizio prima d'imposte sul reddito, interessi, dividendi e plus/minusvalenze da cessione	1.953
<i>Totale rettifiche per elementi non monetari che non hanno avuto contropartita nel CCN</i>	811
2) Flusso finanziario prima delle variazioni del CCN	2.764
3) Flusso finanziario dopo le variazioni del CCN	605
<i>Altre rettifiche</i>	(436)
Flusso finanziario dell'attività operativa (A)	169
B) Flussi finanziari derivanti dall'attività d'investimento	(852)
C) Flussi finanziari derivanti dall'attività di finanziamento	5.511
Incremento (decremento) delle disponibilità liquide (A ± B ± C)	4.828
Totale disponibilità liquide a inizio esercizio	929
Totale disponibilità liquide a fine esercizio	5.757

The main cash flows for the first half of 2018 are shown in the following table:

	1H2018
A) Flussi finanziari derivanti dall'attività operativa	
1) Utile (perdita) dell'esercizio prima d'imposte sul reddito, interessi, dividendi e plus/minusvalenze da cessione	1.894
<i>Totale rettifiche per elementi non monetari che non hanno avuto contropartita nel CCN</i>	331
2) Flusso finanziario prima delle variazioni del CCN	2.224
3) Flusso finanziario dopo le variazioni del CCN	(1.339)
<i>Altre rettifiche</i>	(11)
Flusso finanziario dell'attività operativa (A)	(1.350)
B) Flussi finanziari derivanti dall'attività d'investimento	(1.257)
C) Flussi finanziari derivanti dall'attività di finanziamento	1.666
Incremento (decremento) delle disponibilità liquide (A ± B ± C)	(941)
Totale disponibilità liquide a inizio esercizio	5.757
Totale disponibilità liquide a fine esercizio	4.816

4. RISK FACTORS

Investing in Shares involves a high degree of risk and presents the risk elements typical of an investment in shares traded on an unregulated market. Consequently, before deciding to make an investment in the Shares, potential investors are invited to carefully evaluate the risks described below, together with all the information contained in the Admission Document.

In order to correctly evaluate the Financial Instruments covered by the Admission Document, it is necessary to evaluate the specific risk factors relating to the Issuer and the Group, the sector of activity in which they operate and the Admission. The risk factors described in this Chapter 4 "*Risk Factors*" must be read together with the other information contained in the Admission Document. The occurrence of the circumstances described in one of the following risk factors could negatively impact the business and the economic, equity and financial situation of the Company and/or the Group, on their prospects and on the price of the Shares and the shareholders could lose all or partly their investment. Such negative effects on the Company, on the Group and on the Shares could also occur if events were to occur, currently unknown to the Company, such as to expose it to further risks or uncertainties or if the risk factors currently considered insignificant became so due to supervening circumstances.

References to Sections, Chapters and Paragraphs refer to the Sections, Chapters and Paragraphs of this Admission Document.

4.1. Risk factors relating to the Issuer and the Group

4.1.1. Risks linked to the Issuer's dependence on key figures and concentration of delegations held by certain individuals

The activity, results and development of the Issuer depend significantly on the presence within the *Management* of Riccardo Iovino, Founder and CEO of the Issuer, and of Anna Marras, administrator with powers for the management of the Issuer's human resources, who have played and continue to play, through experience and know-*how*, a decisive role in the management of the activities, in the definition of the entrepreneurial strategies and in the corporate culture focused on professional growth and training, and which have contributed significantly to the development and growth of the Issuer.

Although the Issuer believes it has equipped itself with an operational and managerial organization chart capable of ensuring the continuity of activities and the execution of orders, thanks to the operational process consolidated over time and formalized through job descriptions and procedures, it is however not possible to exclude that the less than the professional contribution of these key figures, in possession of consolidated experience and having a decisive role in the management of the Issuer's business, and their failure to promptly replace them with adequate management could lead to a reduction in the medium-long term of the competitive capacity of the Issuer, influencing the growth objectives with negative effects on the economic, equity and financial situation of the Issuer and/or the Group.

4.1.2. Risks associated with the implementation of development strategies and future programs

The Group intends to continue its growth and development strategy, as described in Section One, Chapter 6, par. 6.1.8, in order to increase and consolidate its competitive positioning in the reference market. This strategy envisages, among other things, (i) the strengthening of its presence in the Italian market through the opening of new direct offices and new *franchising*, (ii) the consolidation of the Group's image and *brand awareness*, (iii))
The

strengthening its organizational structure and (iv) the development of the Group at an international level through external growth, in order to diversify customers and markets.

If the Group is not able to implement its growth strategy in whole or in part or is not able to implement it within the expected times and/or ways, or if the basic assumptions on which the company's strategy Group is founded, this could have a negative impact on the business and prospects, as well as on the economic, equity and financial situation of the Issuer and the Group.

In particular, the Issuer may not be able to pursue the growth and commercial expansion objectives set through the expansion of its franchising network ; in fact, although it has already been implemented and launched, the history and *track record* of the Issuer and, more generally, of the construction sector in the *franchising* sector are still very recent and little tested.

Furthermore, it cannot be excluded that, for reasons unrelated to the Issuer and resulting for example from the performance of the construction sector and the uncertainties of the macroeconomic framework, the Issuer encounters of the difficulties in expanding its *franchising* network due to the scarcity of operators interested in becoming part of it.

Therefore it is not possible to exclude the risk that in the future it will be found that the creation of a *franchising* network is not efficient or in any case not suitable for the type of *business* of the Issuer, who should thus identify a different *business* development method . This could consequently entail, in addition to a waste of resources, the incurring of costs relating both to the implementation of the new development strategy and to the dismantling of the franchising network *with* possible negative repercussions on the activity and prospects, as well as on the economic, financial and financial position of the Issuer and/or the Group.

As regards the external growth strategy, the actual implementation of the acquisition operations will depend on the opportunities that arise on the market from time to time, as well as on the possibility of carrying them out under satisfactory conditions. Difficulties potentially connected to such operations, such as delays in completing them as well as any difficulties encountered in the integration processes, unexpected costs and liabilities or the possible inability to obtain operational benefits or synergies from the operations carried out, as well as any management complexities and risks relating to general economic, social and political conditions of different countries, including for example differences in tax and legal regimes, limitations on foreign investments, could have negative effects on the business and prospects, as well as on the economic, equity and financial situation of the Issuer and/or the Group.

Furthermore, the growth and development of the Group, recorded over the years, together with the investment strategies that the Group intends to adopt, will lead to a necessary increase in investments also in human capital compared to the current organizational structure. In this context, the Group will have to structure the organizational model and internal procedures, in order to respond promptly and effectively to the needs generated by the high growth rates and expansion of the Group.

4.1.3. Risks related to the availability of manpower

The Group is exposed to risks deriving from possible increases in the *turnover* rates of specialized manpower and from possible difficulties in finding specialized manpower to an extent sufficient to satisfy the trend in demand for services addressed to the Group.

In particular, the Group, in finding its resources, carefully selects candidates preferring those who demonstrate greater experience and competence in the construction sector, as it is not in fact required, during the selection, that they possess previous skills

for working according to the double safety rope technique. The candidates, after having been selected on the basis of their experience and skills in the construction sector and an aptitude test, are subjected to a training phase as a result of which they acquire the knowledge and skills necessary to carry out the activity through double safety rope technique.

Although the Issuer constantly receives applications from experts in the construction sector, it cannot however be ruled out that the Issuer, especially in the event that a significant number of its specialized employees leave the Group, may find it difficult to find operators willing to work with the double safety rope technique rather than through a more common scaffolding or which can employ them at qualitative and economic conditions similar to those currently applied, with consequent negative effects on the economic, equity and financial situation of the Issuer and/or the Group .

4.1.4. Risks associated with the transition to International Accounting Standards

As of the Admission Document Date, the Group draws up the financial statements, the consolidated financial statements and its interim financial statements in accordance with the National Accounting Principles.

As of the date of the Admission Document, the Issuer has taken action to evaluate the possibility of drawing up the financial statements, the consolidated financial statements and its interim accounting situations according to the International Accounting Principles. The adoption of these principles could determine effects, even significant ones, on the consistency of the assets, the net equity, the results of the income statement, since it would entail some changes in the preparation of the financial statements, the consolidated financial statements or the interim accounting situations, which could concern, among other things, the accounting of amortization, goodwill, purchase and sale options in the context of acquisition transactions, stock option plans, revenues and severance pay. Such changes could reflect the equity, economic and financial situation of the Issuer or the Group differently compared to the past or make it difficult to compare with the accounting data relating to previous years prepared according to the Italian Accounting Principles.

4.1.5. Risks relating to failure to maintain the growth rate

The Group's activity, over the last few years, has rapidly and significantly expanded, making the exercise of the same activity more complex, as the management of high growth rates implies the ability, on the part of the Issuer and the Group, to effectively and promptly adapt the organizational structure and internal processes of the Group, in order to respond to the needs generated by growth, including, inter alia, that of *identifying* common strategies and objectives.

In particular, it should be noted that as at 31 December 2017 the value of the Group's production was equal to approximately Euro 17,355 thousand with an increase of 30% compared to that achieved as at 31 December 2016 equal to approximately Euro 13,338 thousand and an EBITDA margin calculated with respect to the Value of Production equal to 14.2% at 31 December 2017 compared to that achieved at 31 December 2016 equal to 22.1%. Furthermore, it should be noted that the Group had 49 operating offices as at 31 December 2017 compared to the 30 present as at 31 December 2016; at 31 December 2017 the Group had 217 employees compared to 147 in the previous year. As of the Admission Document Date, the Group has 63 operational offices and 310 employees.

If the Group is not able to adequately manage the growth process, there could be significant negative effects on the economic, equity and financial situation of the Issuer and/or the Group. Furthermore, despite growth rates having been recorded in recent years

significant, the Group is, in fact, not able to ensure the maintenance of these levels of growth and profitability in the future.

4.1.6. Risks connected to financial indebtedness, the future financial needs of the Group and compliance with the commitments undertaken in the regulations of the ExtraMOT Pro Bond Loans

Respectively, as of 30 June 2018, 31 December 2017 and 31 December 2016, the total consolidated financial debt of the Group can be summarized as follows:

Posizione Finanziaria Netta (Valori in Euro migliaia)	30.06.2018	31.12.2017	31.12.2016
(A) Cassa	4.816	5.757	929
(D) Liquidità (A)	4.816	5.757	929
E. Crediti finanziari correnti	1.008	-	-
F. Debiti bancari correnti	(2.409)	(2.131)	(1.610)
H. Altri debiti finanziari correnti	(9)	(39)	(47)
I. Indebitamento finanziario correnti (F)+(H)	(2.418)	(2.170)	(1.657)
J. Indebitamento finanziario corrente netto (I)-(E)-(D)	3.406	3.587	(728)
K. Debiti bancari non correnti	(2.248)	(859)	(187)
L. Obbligazioni emesse	(5.000)	(5.000)	0
M. Altri debiti non correnti	(72)	(68)	(34)
N. Indebitamento finanziario non corrente (K)+(L)+(M)	(7.320)	(5.927)	(221)
O. Indebitamento finanziario netto (J)+(N)	(3.914)	(2.340)	(949)

Source: Management accounts

Posizione Finanziaria Netta Adjusted (Valori in Euro migliaia)	30.06.2018	31.12.2017	31.12.2016
Posizione finanziaria Netta	(3.914)	(2.340)	(949)
Debiti tributari ante 2018		(537)	(411)
Crediti tributari per costi R&D n-1	720	34	235
Posizione finanziaria Netta Adjusted	(3.194)	(2.843)	(1.125)

Source: Management accounts

It should be noted that the regulations of the ExtraMOT Pro Bond Loans provide, among other things, *cross default clauses*, *financial covenants* and obligations of prior authorization and/or disclosure for extraordinary and/or corporate operations and/or organizational changes (for example, by way of example only: acquisitions, mergers, splits, transformations, issues, statutory amendments) as well as cases of compulsory early repayment, among other things, upon the occurrence of certain events defined as relevant or significantly prejudicial in the contracts and regulations themselves.

If the Issuer is in default of the payment obligations provided for by the regulations of the ExtraMOT Pro Bond Loans, or does not comply with the aforementioned *financial covenants* or further *covenants*, or if it carries out operations that require the prior authorization and/or information of the counterparties without obtain such authorizations and/or prior information, such circumstances could cause, depending on the case, the resolution, withdrawal or forfeiture of the benefit of the term and determine early repayment obligations and, in particular, in the case of violation of *financial covenants*, the worsening of the economic conditions applied.

In the event that, upon the occurrence of the relevant conditions, the subscribers of the Bond Loans ExtraMOT Pro decide to make use of the aforementioned termination clauses or to make use of the right

to withdraw freely or request early repayment of the borrowed sums, the Company may have to repay such bond loans on a date earlier than the contractually agreed one and/or may suffer increases in terms of economic conditions of any refinancing, with potential negative effects on its economic, equity and financial situation and/or on the other companies of the Group .

For further information relating to ExtraMOT Pro Bond Loans, please refer to Section One Chapter 16, Paragraph 16.1, of the Admission Document.

Furthermore, the revocation or non-renewal of short-term credit lines, as well as the difficulty in finding financial resources on the banking/financial market to meet one's cash needs, also due to a worsening of the economic-financial conditions and

financial *performance* , could in the future: (i) make the Issuer and the Group more vulnerable in the presence of unfavorable economic conditions in the market or in the sectors in which they operate; (ii) reduce the availability of cash flows for carrying out current operating activities; (iii) limit or delay the ability of the Issuer and the Group to obtain additional funds – or to obtain them on more unfavorable terms – to finance, among other things, future business opportunities; and (iv) limit the ability to plan and react to changes in the market in which the Group

Opera.

Although the financing contracts currently implemented by the Issuer and the Group companies do not contain *cross default* clauses nor do they contain more onerous financial *covenants* than those generally provided for in standard financing contracts, which, if not respected, could cause damage to the Issuer and/or Group companies, it cannot be ruled out that in the future the Issuer may negotiate and obtain the financing necessary for the development of its business or for the refinancing of those expiring which provide for cross default clauses or *which* contain more onerous *covenants* .

Although the Group, as of the Admission Document Date, believes it has substantially fulfilled its obligations and has not received any objections from the financing banks, it cannot be ruled out that in the future the Group may not be able to obtain the financial resources necessary to fulfill the repayment commitments or is unable to comply with, or is accused of currently failing to comply with, the *covenants* with consequent obligation to immediately repay the remaining parts of the loans. The occurrence of such events could have a negative effect on the equity, economic and financial situation of the Company and the Group.

Furthermore, in order to support its development programs envisaged in the 2018/2021 Plan, the Issuer may need to access new financing with a consequent increase in its financial debt.

There is also no guarantee that in the future the Issuer will be able to negotiate and obtain the financing necessary for the development of its development programs envisaged in the 2018/2021 Plan, with the methods, terms and conditions obtained by the same up to the date of the Admission Document. Consequently, any increases in terms of economic conditions of the new loans, any future reduction in credit capacity towards the banking system could have negative effects on the economic, equity and financial situation and the operating results of the Issuer and/or limit its growth capacity.

4.1.7. Risks associated with delays in carrying out the works

The Issuer's orders provide for the maximum number of working days to be used in order to carry out the works envisaged therein; these estimates are determined by the Group's commercial figures.

Each order below 20,000 Euros is followed by the issue of an order confirmation drawn up by the Company and countersigned by the customer; each order exceeding 20,000 Euros leads to the signing of a procurement contract.

Within the order confirmation, there are no penalties to be paid by the Issuer and/or the Group in the event of delay on the part of the latter in the execution of the orders.

On the contrary, the standard procurement contract stipulated by the Company and the other companies of the Group provides penalties for the case of delay in the execution of the order. The penalty is identified as a lump sum to be paid to the customer for each day of delay which can vary from a minimum of approximately Euro 40 per day to a maximum of approximately Euro 150 per day, thus causing economic and financial damage to the same and to the Group.

Furthermore, it is possible that any delays and/or additional work resulting from (i) the delay of the Issuer in the execution of the order and/or (ii) the fact that, in cross-examination, the parties agree on the need for further work for the achievement of the final result referred to in the order, determine, with reference to such orders, the onset of costs greater than those estimated by the Issuer, thus causing economic and financial damage to the same

and to the Group.

Furthermore, considering that the construction activities take place *outdoors*, it is also possible that the orders, which should have been carried out during the days in which bad weather was recorded, are carried out taking a greater number of days than expected, thus determining an increase in costs for the Issuer, which, in fact, in these cases, although not is required to pay penalties in favor of the customer, but is required to pay its employees the compensation relating to both the days of actual work and the days of bad weather.

Although in this last circumstance the competent Building Fund for each specific territory affected by bad weather intervenes, which reimburses the Issuer a percentage equal to approximately 80% of the labor cost for each worker stopped due to bad weather, the The Issuer is in any case required to pay its workers the full compensation.

Climatic phenomena, incorrect forecasts on the timing of completion of the works, as well as other circumstances that are capable of influencing the regular performance of the activities of the Issuer and the Group may, therefore, have a significant impact on the capacity of the Issuer and the Companies of the Group to fulfill the orders within the expected times and within the limits of the estimated costs, with negative effects on the economic, equity and financial situation of the Issuer and/or Group.

4.1.8. Reputational risks

The success of the Company and the Group is significantly linked to the perception of its brand and image on the market thanks to the presence of *points*, both through direct offices and through *franchisees*, as well as by virtue of the quality in the execution of the services offered and the satisfaction of the customers. themselves by customers.

There is no guarantee that the Group's promotion strategy, adopted to date through (i) the presence of *points in the territory*, which represent the main channel for finding customers, (ii) the high quality in the execution of services offered and (iii) *marketing* and communication activities (including events at children's hospitals), may in the future make it possible to achieve the expected objectives of spreading awareness of the brand among customers and

of the image as well as the expected objectives of attention towards the Group by the *media* with negative effects on the economic, equity and financial situation of the Issuer.

If in the future the Group is not able, through the current *network* of branded points and *marketing* and communication activities, to ensure *brand awareness* of its brand - for example due to (i) the confusing nature of the name of the Issuer with that of other companies active in the same sector, (ii) the inability to convey the distinctive values of the brand to the market or (iii) the dissemination by third parties of partial or untrue or defamatory information

- there could be a contraction in orders and, consequently, in revenues, with negative effects on the reputation and economic, equity and financial situation of the Company and/or the Group.

In particular, the reputational level of the Group depends on its ability to maintain the high quality level of the works carried out unchanged. From this point of view, however, there is no guarantee that the Group will be able to guarantee the same quality levels in the future, since, for example, events such as:

- i) accidents at work of the Group's personnel, due both to the non-compliance by the personnel with the procedures adopted by the Issuer and to their inadequacy and to external factors, including unfavorable climatic conditions or actions of third parties;
- ii) accidents or damage caused by Group employees to third parties during the execution of a clerk;
- iii) incorrect technical assessments by the commercial *team* and/or errors on site and/or misconduct by the operational team.

The occurrence of one of these events could lead to negative effects on the activity and prospects of the Issuer and/or the Group with possible requests for compensation and with prejudicial effects on the image, reputation and economic, equity and financial situation of the Company and the Group.

4.1.9. Risks related to the non-protectability of the Group's operating model and industrial secrets

Although the Issuer has taken steps to request the registration of certain patents relating to the support structures that can be used in the execution of the works through the double safety rope technique, the operating model and the industrial secrets of the Issuer and the Group do not appear, at the Date of the Admission Document, susceptible to protection, as it is not possible to patent and/or register the *know-how* and the operating and management methods of the entire process by the Group.

The Group bases its strength precisely on the *know-how* of the *team* and, therefore, is exposed, without any specific legal protection, to the disclosure and/or diffusion and/or use of information, corporate and commercial secrets and the *know-how* acquired over the course of its multi-year activity.

Other market operators could well benefit from such information, corporate and commercial secrets and *know-how*, with a consequent negative impact on the economic, equity and financial situation of the Issuer and/or the Group.

4.1.10. Risks related to the joint and several liability of the franchisor

As of 31 December 2017, the Issuer has n. 22 commercial affiliation agreements (the "*Franchising Agreements*").

As a result of these contracts, the Issuer grants its *franchisees*, limited to the duration of the Franchising Contract , a non-exclusive license to use the trademark, the use of its knowledge relating to the double safety rope technique (the so-called *know-how*), the use of consultancy and training services, the use of a search and selection service for collaborators, administrative services (including invoicing and general accounting), IT support for the use of management software as well as guidelines on the type of equipment, on the *point*'s sign and on the materials useful for the work, all this exclusively within the territory agreed between the parties.

With regard to *franchising* contracts , the relevant jurisprudence has repeatedly expressed itself in the sense of also considering the *franchisor* (i.e. the Issuer) liable, jointly and severally with the *franchisee*, if there is a high degree of integration of the *franchisee* with the system set up by the *franchisor* such that third parties who come into contact with the *franchisee* can be induced, without fault, to trust that they are dealing directly with the *franchisor* or with one of its branches.

This trust engendered in the customer is protected by virtue of the principle of legal appearance, by virtue of which, when there are circumstances objectively such as to suggest the existence of the apparent situation, whoever brought those circumstances into being is responsible towards whoever , without guilt, considers the situation to really exist. The appearance can be generated in the third party both by active or omission behaviors of the *franchisor* and by active or passive behaviors of the *franchisee*.

Theoretically, the risk for the Issuer of being called upon to compensate for any damage caused by the actions of the *franchisees* cannot therefore be excluded, without prejudice to the fact that (i) the injured party must prove that he or she has relied, without fault, in the apparent situation and (ii) the Issuer will still be able to take action against the *franchisee* who caused the damage.

For this purpose, in fact, the *Franchising Agreements* stipulated by the Issuer provide that the *franchisee* holds the Issuer harmless and harmless from any request or claim made against the latter in any capacity by third parties (including the franchisee's staff *and* its customers) for facts, acts and omissions committed in any capacity by the *franchisee*.

In any case, despite the contractual provisions, the case could arise in which the *franchisee* is not able to satisfy the Issuer's claims for compensation, with consequent negative repercussions on the economic, equity and financial situation of the Issuer and/or the Group.

4.1.11. Risks associated with employment contracts

It should be noted that the Group has various collaborative relationships in place with individuals who carry out their functions under consultancy and/or collaboration contracts on an independent basis and not under subordinate employment contracts. In fact, as of 31 December 2017, the Group is part of n. 40 consultancy contracts with its technicians and sales managers. Taking into account that these subjects are permanently included within the structure of the Issuer and the other companies of the Group, the possibility cannot be excluded that they and/or the competent authorities contest the existence of subordinate employment relationships, with the consequent obligation for the Issuer and/or the Group companies involved to pay the salary and contribution differences - in addition to the related sanctions and interests - as well as to apply the law and regulations to the relationships sector collective bargaining regarding subordinate employment relationships, including that relating to dismissal.

Furthermore, it should be noted that on 7 November 2018 a point of the Company was the subject of an inspection by officials of the Territorial Labor Inspectorate of Rome; in the context

of which, according to the minutes, the subjects present were indicated as personnel not resulting from the mandatory documentation; as a result of this access, the Company deposited the documentation regarding the employment relationships and the safety and health in the workplace of the point's staff at the Labor Inspectorate office; the procedure with the aforementioned body is currently pending and therefore it cannot be excluded that, at the conclusion of the verification process, the Company may be subject, with reference to the inspected point, to the suspension of the activity, to sanctions, or to requests for requalification of the working relationships. Finally, it is not possible to exclude that what described above also happens at other points, with negative effects on the economic, equity and financial situation of the Issuer and/or the Group

4.1.12. Risks associated with suppliers

As of the Admission Document Date, the Issuer does not make use of strategic suppliers, but rather turns without distinction to suppliers who are equivalent and interchangeable (both in terms of products and in terms of prices charged and other contractual conditions). The Issuer, with a view to optimizing supplies both in terms of timing and discounts, is however evaluating the possibility of negotiating framework agreements with some suppliers.

Although the Issuer believes it can replace any suppliers who should fail without generating delays or inefficiencies either in the procurement of materials from other suppliers or in the execution of orders, it is not possible to exclude that in the future some of the suppliers will become strategic and that, in any case, the possible cessation of collaboration with some of them may determine negative consequences on the financial, economic and equity performance and on the operating results of the Issuer.

Furthermore, as regards the training activity, which constitutes, according to the *Management*, one of the success factors of the Issuer and the Group, the Issuer has entrusted the execution of this activity to the company Edac I-Profile, with which has stipulated a contract for the provision of consultancy services, such as, for example, training, through inter-company courses, and personnel selection; this contract lasts until 31 December 2018 and is tacitly renewable from year to year, unless cancelled. For further information, please refer to Section One, Chapter 14, Paragraph 14.1.

It cannot be ruled out that upon the natural expiry of the contract, or previously, in the event of early termination, the inability to find equally valid training companies on the market quickly could lead to negative effects on the economic, equity and financial situation and on the business. of the Issuer and/or the Group.

4.1.13. Risks associated with the distribution of dividends

It should be noted that the Issuer has not approved the distribution of dividends for the financial year ended 31 December 2017.

It should also be noted that in the previous three financial years the Issuer has resolved to distribute dividends for the following amounts: (i) with reference to the financial year ended 31 December 2016, total dividends of Euro 1,000,000 were distributed; (ii) with reference to the financial year ended 31 December 2015, total dividends of Euro 900,000 were distributed and (iii) with reference to the financial year ended 31 December 2014, total dividends of Euro were distributed 350,000.

The Issuer has undertaken towards the subscribers of the ExtraMOT Pro Bond Loans, not to distribute reserves, with the exception of the profit reserve resulting from the financial statements as at 31 December 2016, the distribution of which - to be carried out according to the limitations set out in the

settlement of the ExtraMOT Pro Bond Loans - has not, as of the Admission Document Date, been carried out.

It should also be noted that, pursuant to the regulations of the ExtraMOT Pro Bond Loans, the Issuer has also undertaken to limit the distribution of profits to shareholders; in particular:

- a) until March 29, 2019, (i) not distribute dividends if the post-distribution NFP/EBITDA ratio is greater than 2.00 and (ii) not distribute dividends for an amount exceeding 50% of the Excess Cash Flow, i.e. the Free Cash Flow net of Debt Service, if the relationship NFP/EBITDA is less than 2.00;
- b) starting from 30 March 2019 (i) not distribute dividends in the event that the relationship between NFP/EBITDA, post-distribution, is greater than 2.00; and (ii) not distribute dividends for amounts exceeding the *Excess Cash Flow* percentages indicated in the Bond Loans regulations ExtraMOT Pro, reported below, depending on the Ratio between NFP/EBITDA, post-distribution, resulting on the Calculation Date, i.e. on 31 December of each year starting from 31 December 2017, referring to the relevant financial year:

NFP/EBITDA	Excess Cash Flow (%)
2.00 \ddot{y} x > 1.50	50.0
1.50 \ddot{y} x > 1.00	60.0
x \ddot{y} 1.00	70.0

It is therefore not possible to exclude that the Issuer may, even in the face of operating profits, not proceed with the distribution of dividends in future financial years.

The exception to the limitation on the distribution of profits illustrated above is, however, the reserves constituted by the profits resulting from the financial statements as at 31 December 2016 (approved by the Issuer's shareholders' meeting on 23 June 2017) which may be distributed under the conditions set out in the regulations of the ExtraMOT Pro Bond Loans.

As of 31 December 2017, the ratio between NFP/EBITDA, calculated according to the regulation of the ExtraMOT Pro Bond Loans, was equal to 1.43. It is not possible, however, to exclude that this relationship may worsen in the future with consequent limitation of the Company's distributable profits.

For a more detailed description of the regulations of the ExtraMOT Pro Bond Loans, please refer to Section One, Chapter 16, Paragraph 16.1 of this Admission Document; It should also be noted that the full text of the regulations of the ExtraMOT Pro Bond Loans is published on the Issuer's website www.ediliziacrobatica.com.

4.1.14. Risks connected to contracts entered into between Related Parties

The Issuer and its investee companies have concluded and maintain, and within the scope of their operations could continue to conclude and maintain, relationships of a commercial and financial with Related Parties, identified on the basis of the principles established by Accounting Standard IAS 24.

The transactions carried out with Group companies and Related Parties cannot be classified as either atypical or unusual, instead falling within the ordinary course of business of the Group companies.

The Issuer believes that the conditions provided for by the concluded contracts and the related conditions actually practiced with respect to relations with Related Parties are in line with normal current market conditions. However, there is no guarantee that, if such transactions had been concluded between, or with, third parties, they would have negotiated or stipulated the relevant contracts, or carried out the transactions themselves, under the same terms and conditions. Furthermore, there is no guarantee that any future transactions with related parties will be concluded by the Issuer under conditions of market.

The incidence of the costs of transactions with Related Parties on the costs at 30 June 2018 was equal to 3% on a consolidated basis and at 31 December 2017 it was equal to 3% on a consolidated basis.

The table below shows the total amount in thousands of Euros of transactions that took place with related parties during the first half of 2018:

Controparte	Debiti (€/000)	Costi (€/000)
Edac Italia	215	300
Edac I Profile	57	8
Totale	272	308

The total amount, in thousands of Euros, of the transactions that took place with related parties during the 2017 financial year is shown below in tabular form:

Controparte	Debiti (€/000)	Costi (€/000)
Edac Italia	210	480
Edac I Profile	40	27
Totale	250	507

The Company has implemented adequate *corporate governance* safeguards in this regard, having the Board of Directors approved, on 2 November 2018, the "Procedure for Transactions with Related Parties" in compliance with the provisions of the AIM Regulation whose entry into force is expected on the Date of Commencement of Negotiations.

For information on transactions with related parties, see Section One, Chapter 14.

4.1.15. Risks associated with tax incentives for investments in Innovative SMEs and the loss of Innovative SME requirements

Obtaining the qualification of Innovative SME requires the possession and maintenance of specific requirements set out in article 4 of the Legislative Decree of 24 January 2015, n. 3. Pursuant to this article, it is envisaged that subjects (whether natural or legal persons) who satisfy specific characteristics and who invest in an Innovative SME are entitled to certain tax benefits.

Although the Company, on 15 December 2017, obtained the qualification of Innovative SME and the related registration in the specific special section of the competent Company Register, it cannot be ruled out that in the future one or more of the requirements established by law and that the Issuer can therefore no longer be considered an Innovative SME.

In addition, although the Issuer is currently able to sustain the required volumes of spending on research, development and innovation (as defined in the relevant legislation) functional to maintaining the aforementioned qualification of Innovative SME and has qualified personnel for this purpose, it cannot be ruled out that (i) as a result of the growth of the Issuer, said expenditure volumes may have to be increased, even significantly, or that (ii) any changes to the standards or regulatory criteria currently in force, as well as the occurrence of unforeseeable or exceptional circumstances, may oblige the Company to incur extraordinary expenses and entail

adjustment costs with a consequent negative effect on the activity and on the economic, equity and financial situation of the Issuer and/or the Group.

Lastly, with reference to the tax incentives for investors in the Issuer's capital with particular reference to some provisions contained in law no. 232 of 11 December 2016 (so-called 2017 Stability Law), it is underlined that to date they are not usable and that it is not certain that they will become so in the future, as the European Commission has not yet issued the relevant decision in this regard. the compatibility of such measures with the Community rules on State aid.

It is therefore not possible to exclude that this circumstance, in addition to the loss of the qualification of innovative SME, may lead to the failure, delayed usability or loss of the aforementioned tax benefits in favor of the Issuer's investors as well as the failure, delayed usability or loss of all the benefits or tax incentives of the Issuer relating to its qualification as an innovative SME, with a consequent negative effect on the activity and on the economic, equity and financial situation of the Issuer.

For further information regarding the legislative and regulatory process relating to Incentives for Innovative SMEs, please refer to Section One, Chapter 6, Paragraph 6.6.

4.1.17. Risks associated with credit losses and late payments and the characteristics of commercial agreements

At 30 June 2018, the Group recorded an amount of receivables from customers of Euro 9,344 thousand and at 31 December 2017 of Euro 6,728 thousand (Euro 5,123 thousand at 31 December 2016).

At 30 June 2018 the provision for bad debts amounted to Euro 170 thousand and at 31 December 2017 it amounted to Euro 170 thousand (Euro 150 thousand at 31 December 2016).

The following table shows the detail relating to the status of the Group's receivables still to be collected as of 30 June 2018 and 31 December 2017:

Dettaglio Scaduti al 30/06/2018	Euro migliaia	Dettaglio Scaduti al 31/12/2017	Euro migliaia	Delta
Scaduti 0 - 30 gg	909	Scaduti 0 - 31 gg	1.042	(133)
Scaduti 31 - 60 gg	500	Scaduti 31 - 60 gg	437	63
Scaduti 61- 90 gg	374	Scaduti 61- 90 gg	429	(55)
Scaduti 91 - 120 gg	255	Scaduti 91 - 120 gg	245	10
Scaduti 121 - 180 gg	504	Scaduti 121 - 180 gg	537	(33)
Scaduti 181 - 365 gg	1.114	Scaduti 181 - 365 gg	759	355
Scaduti oltre 366 gg	1.659	Scaduti oltre 366 gg	1.314	345
Totale	5.315	Totale	4.763	552

Source: Management accounts

Below is the reconciliation table of the customer schedule as of 30 June 2018 and 31 December 2017 with the balance of trade receivables as of 30 June 2018 and 31 December 2017:

Riconciliazione 30/06/2018	Euro migliaia	Riconciliazione 31/12/2017	Euro migliaia	Delta
Crediti a scadere	1.422	A scadere	700	722
Fatture da emettere	2.799	Fatture da emettere	1.461	1.338
Note di credito da emettere	(32)	Note di credito da emettere	(32)	-
Crediti minori non ricompresi nel partitario clienti	10	Crediti minori non ricompresi nel partitario clienti	6	4
Fondo svalutazione crediti	(170)	Fondo svalutazione crediti	(170)	-
Totale	4.029	Totale	1.965	1.342

Below is the detail relating to the Group's average collection times as of 31 December 2017 and 31 December 2016:

Voice	31/12/2017	31/12/2016
Average days of collection <i>(trade receivables / (Revenue) x 360)</i>	149	148

Source: Management accounts

The Issuer believes that the structural characteristics and reliability of the customers, as well as the type of agreements signed (which provide for advance payments equal to 30% of the total amount within 5 days from the start of the works and 70% of the total amount at payment title related to the progress of the works or upon completion of the works themselves, depending on the duration of the order) are to be included among the typical elements of the reference market.

As of 31 December 2017, although (i) the amount of each order is generally not higher than Euro 5,383, (ii) the clientele is fragmented and diversified and (iii) an *ex ante* evaluation system of the customer's solvency provided has been implemented by Cerved Group SpA, any non-payment by a significant number of the Company's customers, any delay in payments or termination of existing relationships could determine a significant impact on the financial, economic and equity performance and on operating results of the Issuer and/or the Group.

Furthermore, it cannot be ruled out that in the future a lesser diversification of customers, together with a worsening of the average collection times of receivables from customers, may have negative consequences on the financial, economic and equity performance and on the operating results of the Issuer and/or or the Group.

Finally, it should be noted that, although the provision for bad debts is considered adequate for the actual risk of credit losses, it cannot be ruled out that in the future there will be positions characterized by difficult debt collection and with recovery times exceeding the historical average and/or that credit losses may be higher than the amount set aside at the date of this Admission Document, with consequent negative effects on the economic, equity and financial situation of the Issuer and/or the Group.

4.1.17. Risks associated with insurance coverage

The activity of the Issuer and the Group is subject to the typical risks of the sectors in which it operates. These risks consist, among other things, in the possibility of damage being caused to one's employees and/or third parties and/or property, which is difficult to predict and/or quantify in advance.

Although the Issuer believes it has insurance policies in place suitable to cover any damages, such as damages deriving from civil liability towards third parties and civil liability towards its employees, which may occur during the execution of the activity, it cannot be ruled out that events occur that for any reason are not covered by the aforementioned insurance policies or that the related damages are of an amount exceeding the coverage itself; in such circumstances the Issuer would be required to bear the related costs with consequent negative effects on the economic, equity and financial situation of the Issuer and/or the Group.

4.1.18. Risks associated with judicial proceedings

In consideration of the Group's activity, it could in the future be part of litigation proceedings initiated by third parties, and in particular by customers with whom it has commercial relationships regulated by the agreements stipulated, which could entail charges and liabilities with possible negative effects, even significant, on the economic, equity and/or financial situation of the Issuer and/or the Group.

On the Date of the Admission Document, legal judicial proceedings (civil and criminal, also pursuant to of Legislative Decree no. 81/2008) and tax payable by the Group are, in the opinion of the Issuer, to be considered physiological in relation to the activity carried out, the operational dimensions of the Group itself, the risks implicit in the activity carried out by the same and, in any case, such as not to determine negative impacts on the economic, equity and/or financial situation of the Group and, therefore, it has not allocated provisions to the provision for risks and charges.

In any case, it is not possible to exclude that lawsuits involving significant amounts may be instituted in the future which could, therefore, in the event of the loss of the Issuer or one of the Group companies, have a negative impact, including reputational, on the economic situation, equity and financial position of the Issuer and/or the Group.

4.1.19 Risks related to the corporate governance system and the deferred application of certain statutory provisions

The Issuer has adopted the Articles of Association which will come into force with the admission to trading on AIM Italia of the Company's Shares. This Statute provides for a *governance* system inspired by some principles established in the TUF. In particular, it provides:

- appointment of the Board of Directors via list vote;
- appointment of at least one director meeting the independence requirements established by art. 147-ter, paragraph 4, TUF;
- right to propose additions to the agenda (art. 126-bis TUF);
- appointment of a person dedicated to the management of continuous communication with the market (so-called *Investor Relator*), who is responsible for ensuring adequate information flows relating to the most significant corporate events.

It should be noted that the Board of Directors of the Issuer in office on the Admission Document Date was appointed before the Admission and will expire on the date of the Shareholders' Meeting which will be called to approve the financial statements for the financial year ending 31 December 2019. Therefore, only from that moment will the provisions regarding list voting contained in the Bylaws apply.

4.1.20 Risks related to the failure to implement the organisation, management and control model pursuant to Legislative Decree 231/2001

Legislative Decree 231/2001 introduced into the Italian legal system the regime of administrative liability for entities, for certain crimes committed in their interest or to their advantage, by subjects holding top positions or by persons subject to the management or to their supervision.

As of the Admission Document Date, the Issuer has not adopted the organization and management model envisaged by Legislative Decree 231/2001. Although the Issuer has started the studies necessary to implement the organizational model required by law and intends to adopt this model within 18 months from the Admission Date, the Issuer could be exposed to the risk, not covered by specific and specific insurance policies, of any pecuniary sanctions or disqualifications from the activity provided for by the legislation on the administrative liability of entities, with consequent negative effects on the economic, equity and financial situation and on the activity of the Issuer and/or the Group.

4.1.21 Risks relating to non-renewal of certifications (ISO 9001, OHSAS 18001)

The Group currently holds ISO 9001 and OHSAS 18001 certifications which represent, in some cases, essential prerequisites for participation in some orders.

The Group cannot guarantee that the aforementioned certifications will be maintained in the future, or that it will not be necessary to incur costs that cannot currently be foreseen for the purposes of maintaining them, or that further certifications necessary for carrying out the activity will be obtained, with consequent negative effects on the activity and on the economic, equity and financial situation of the Issuer and/or the Group.

4.1.22 Risks relating to the collection, storage and processing of personal data

In carrying out its business, the Group comes into possession, collects and processes personal data of customers, customers of *franchisees* or potential customers and its employees with the obligation to comply with current laws and regulations.

The personal data of these subjects are stored and managed in information and physical archives at the Issuer's headquarters. Although the Group adopts internal procedures and measures aimed at regulating access to data by its staff and their processing in order to prevent unauthorized access and processing, it is not possible to completely exclude the risk that the data is damaged or lost, or stolen, disclosed or processed for purposes other than those made known to the respective interested parties or authorized by them.

The occurrence of such circumstances could (i) have a negative impact on the activity of the Issuer and/or the Group, also in reputational terms, as well as (ii) lead to the imposition by the Guarantor Authority for the Protection of Personal Data of administrative and criminal sanctions, borne by the Issuer and/or the Group, with consequent possible negative effects on the business and on the economic, equity and financial situation of the same.

In the event of a change in the applicable regulations (including at community level), the activity of the Issuer and/or the Group could suffer an economically significant impact, due to possible costs that the Issuer could have to bear for adapting to the new legislation.

In this regard, it should be noted that on 24 May 2016 the new Regulation (EU) 2016/679 on the processing of personal data came into force, aimed at aligning the regulatory framework on the protection of personal data for all states members of the European Union. In particular, the

the aforementioned regulation introduced important changes to the processes to be adopted to guarantee the protection of personal data (including the new figure of the *data protection officer*, obligations to communicate particular data breaches and data portability), increasing the level of protection of natural persons and tightening, among other things, the sanctions applicable to the owner and any person responsible for data processing, in case of violations of the provisions of the regulation. This regulation became definitively applicable starting from 25 May 2018.

It should be noted that the Issuer, with the help of external consultants, has started activities to adapt its internal policies to the new European regulations so as to adopt all measures aimed at regulating access to data by its staff and the their processing in order to prevent unauthorized access and processing, however, the risk cannot be excluded that the data in the future damaged or lost, or stolen, disclosed or processed for purposes other than those made known to the respective interested parties or authorized by them.

Furthermore, also due to the novelty of the aforementioned legislation, it is not possible to exclude that in the regulatory compliance activity incorrect assessments were carried out in the interpretation and/or transposition of the regulations and therefore in the Group's adaptation to the themselves.

The occurrence of such circumstances could (i) have a negative impact on the activity of the Issuer and/or the Group, as well as (ii) lead to the imposition by the Guarantor Authority for the Protection of Personal Data of sanctions, administrative and penalties, borne by the Issuer and/or the Group, with consequent possible negative effects on the business and on the economic, equity and financial situation of the same.

Furthermore, it cannot be ruled out that, pending this regulatory compliance process, the Company finds itself in a situation of temporary non-compliance with the provisions of the aforementioned regulation and, therefore, is subject to enforcement by the Data Protection Authority. Personal administrative and criminal sanctions, borne by the Issuer and/or the Group, with consequent possible negative effects on the business and on the economic, equity and financial situation of the same.

Finally, in the event of a further change in the applicable regulations (also at community level), the activity of the Issuer and/or the Group could suffer an economically significant impact, due to possible costs that the Issuer could have to bear for the adaptation to the new legislation.

4.1.23 Risks associated with the use of the tax credit for research and development

With the issuing of the Ministerial Decree of 27 May 2015, the implementing provisions of the tax credit for research and development activities referred to in article 1, paragraph 35, of law no. 190 of 23 December 2014, Stability Law for the year 2015 (i.e. those expenses defined as fundamental research, industrial research and experimental development), as well as the methods of verification and control of the effectiveness of the expenses incurred starting from the period of tax subsequent to the one in progress on 31 December 2014, the causes of forfeiture and revocation of the tax benefit, the methods of repayment of the tax credit unduly used.

Since the subjective scope of application of the tax credit for research and development activities includes all companies - regardless of their legal form, the sector in which they operate as well as the accounting regime adopted and their size - which have carried out investments in research activities and development starting from the tax period following the one in progress as of 31 December 2014 and up to the one in progress as of 31 December 2020, the Issuer has obtained and,

presumably, if it continues to incur expenses for research and development activities, it will obtain benefits relating to investments made in the period between 2015 and 2020.

As of 31 December 2017, the tax credit recognized to the Issuer amounts to Euro 720 thousand of which Euro 686 thousand relating to the tax benefit for the 2017 financial year deriving from Research and Development activity, pursuant to art. 3 of Legislative Decree 23 December 2013 n. 145, modified by paragraph 35, art. 1 of Law 23 December 2014 n. 190. of 2017 and Euro 34 thousand relating to the tax benefit of the 2016 financial year not fully offset as of 31 December 2017. It should be noted that the tax return was presented on 31 October 2018. This tax credit was indicated in the tax return income and did not contribute to the formation of the income or the IRAP tax base.

In light of the foregoing, it is not possible to exclude that in the future, if the Issuer no longer accumulates this tax credit and, in any case, after 2020, when the legislation ceases to be applicable, the impossibility of using this tax credit may have effects on the future margins of the Issuer and/or the Group.

4.1.24 Risks related to the non-contestability of the Issuer

As of the Admission Document Date, Arim Holding is the full owner of a stake equal to approximately 91.50% of the Issuer's share capital and the sole owner of a stake equal to approximately 8.50% of the Issuer.

In particular, following the execution of the Offered Capital Increase, the Employee Capital Increase, the *Greenshoe* Capital Increase and excluding the *Price Adjustment Shares*, 73.6% of the Issuer's share capital will be owned by Arim Holding. Therefore, even following the Issuer's admission to trading on AIM Italia, Arim Holding will continue to hold legal control of the Company and, therefore, the Issuer will not be contestable.

As long as Arim Holding continues to hold the absolute majority of the Issuer's share capital, it will be able to determine the resolutions of the ordinary meeting, including the resolutions on the appointment of the majority of the members of the Board of Directors and the Board of Statutory Auditors and on the distribution of dividends. Furthermore, even following the Placement, the presence of a concentrated shareholding structure and a controlling shareholder could prevent, delay or in any case discourage a change of control of the Issuer, denying the latter's shareholders the possibility of benefiting from the generally associated premium to a change of control of a company. This circumstance could have a negative impact, in particular, on the market price of the Issuer's shares.

4.1.25 Risks associated with declarations of pre-eminence, estimates and internal calculations

The Admission Document contains declarations of pre-eminence, as well as assessments and estimates on the size and characteristics of the market in which the Issuer and the Group operate and on their competitive positioning. Said estimates and assessments are formulated, unless otherwise specified by the Issuer, on the basis of available data (the sources of which are indicated from time to time in this Admission Document), specific knowledge of the sector to which they belong or own experience, but, due to the lack of certain and homogeneous data, constitute in any case the result of processing carried out by the Issuer of the aforementioned data and factors, with the consequent degree of subjectivity and the inevitable margin of uncertainty that derives from it.

It is therefore not possible to predict whether these estimates, assessments and declarations - although coming from data and information deemed reliable by *management* - will be maintained or confirmed.

The performance of the sector in which the Issuer and the Group operates could be different from

that contemplated in such statements due to known and unknown risks, uncertainties and other factors, whether or not set forth, among other things, in this Admission Document.

4.1.26 Risks related to possible conflicts of interest of the Issuer's Directors

As of the Admission Document Date, the CEO of the Issuer, Riccardo Iovino, is the sole director and majority shareholder of Arim Holding, the sole shareholder of the Issuer. The Dr. Iovino is also president of the board of directors of the Group companies: EDAC Biella, EDC Versilia, EDAC Sicilia and EDAC Roma Trastevere. The Dr.

Finally, Iovino also holds the position of advisor to the administrative body of the Related Party EDAC Italia.

It should be noted that Simonetta Simoni, president of the Board of Directors, appears to be the beneficiary, with voting rights, of a stake equal to 8.5% of the Issuer's share capital as of the Admission Document Date. Simonetta Simoni also holds the position of board member of the Related Party EDAC Italia.

As of the Admission Document Date, Anna Marras, director with delegated powers of the Issuer, holds a minority stake in Arim Holding, sole shareholder of the Issuer. Anna Marras is also the sole director of the company EDAC I-Profile, of which Arim Holding holds a majority shareholding, finally Anna Marras is the president of the board of directors of the Related Party EDAC Italia, of which she also holds a minority shareholding .

In light of the above, it cannot therefore be excluded that the Issuer's decisions may be influenced, in a manner prejudicial to the Issuer itself, by the consideration of competing or conflicting interests.

For further information, please refer to Section One, Chapter 14 of the Admission Document.

4.1.27 Tax risks

The Issuer is subject to the taxation system provided for by Italian fiscal and tax legislation.

Any unfavorable changes to such legislation, as well as any change of orientation on the part of the Italian tax authorities or jurisprudence with reference to the application or interpretation of fiscal and tax legislation could lead to possible negative consequences on the economic, equity and financial situation of the Issuer and/or or the Group. Although the Issuer believes it has applied and will diligently apply the fiscal and tax legislation, in consideration of the complexity and continuous change of the aforementioned legislation, as well as its interpretation, it cannot be excluded that the financial administration or jurisprudence may in the future arrive at interpretations, or take positions, in conflict with those adopted by the Issuer in carrying out its business, with possible negative consequences on the economic, equity and financial situation of the Issuer and/or the Group.

As of the Admission Document Date, there are no pending judgments before the Tax Commissions (Provincial or Regional).

However, it should be noted that from the extract of the roles processed by the information system of the Revenue Collection Agency, as of the Date of the Admission Document, payment orders of a fiscal nature for a total of Euro 276,565 have been issued to the Issuer. These folders were subject to facilitated definition: (i) pursuant to Legislative Decree no. 193/2016, converted with amendments by Law no. 225/2016 with reduction of the amounts claimed to Euro 42,485 out of a total of Euro 95,164 and (ii) pursuant to Legislative Decree no. 148/2017 converted with amendments by Law no.

172/2017 with reduction of the amounts claimed to Euro 111,431 out of a total of Euro 181,401. As of the Admission Document Date, the remaining unexpired debt is equal to Euro 43,994. In the event of failure or insufficient or late payment of the installments, the definition does not produce effects and the statute of limitations and forfeiture periods for the recovery of the tax burdens subject to the facilitated definition begin to run again. In this case, the payments made are acquired as an advance on the total amount due following the assignment of the load and do not determine the extinction of the residual debt, of which the collection agent continues the recovery activity and the whose payment cannot be paid in installments pursuant to article 19 of the decree of the President of the Republic of 29 September 1973, n. 602. In this remote eventuality the Issuer would find itself having to pay the residual debt in addition to sanctions in a single solution without this producing, due to the amount, possible negative effects on the economic, equity and financial situation.

The Issuer also has in progress some installment plans functional to the payment of tax debts which emerged following the notification by the Revenue Agency of irregularities following the automated control of tax declarations pursuant to art. 36bis Presidential Decree 600/1973. As of the Admission Document Date, the remaining unexpired debt is equal to Euro 200,647. In the event of failure or insufficient or late payment of the installments, the residual debt would be registered and the tax burden thus transferred to the collection agent for the purposes of recovery activity and the payment of which, if the conditions are met, can be paid in installments pursuant to the Article 19 of the decree of the President of the Republic of 29 September 1973, n. 602, therefore without substantial negative effects on the economic, equity and financial situation.

Having said this, it is noted that, with reference to the financial year ended 31 December 2017, the Issuer proceeded to record the amount of Euro 290,547 under the income statement item 20) entitled "taxes relating to previous years" as well as under the balance sheet 12) entitled "tax debts" the amount of Euro 1,512,614, which reflects the best estimate of the risks and tax debts referring to previous years (including, but not limited to, the payment orders referred to above) as well as always under item 20) of the income statement, current taxes relating to this financial year for Euro 347,628.

[4.1.28 Risks connected to the management control system and internal control](#)

As of the Admission Document Date, the Company has implemented a management control system characterized by automated data collection and processing processes for which development interventions consistent with the growth of the Issuer and the Group are necessary.

As of the Admission Document Date, the Company has an ongoing project to improve the reporting system used, through progressive integration and automation of the same, thus reducing the risk of error and increasing the timeliness of the information flow. It should be noted that in the event of failure to complete the process aimed at making the reporting system more operational, the same could be subject to the risk of errors in data entry, with the consequent possibility that management receives incorrect information regarding problems potentially relevant or such as to require intervention in a short time.

The system developed by the Company is able to reduce the risk of error and allows timely processing of data and information flows. Any development interventions may be carried out consistently with the growth of the Issuer and the Group. Furthermore, the implementation of the data processing and information flow system will also be useful for the purposes of processing annual and intra-annual accounting situations.

The Issuer also believes that, considering the activity carried out by the Company as of the Admission Document Date, the reporting system is adequate so that the administrative body can form an appropriate judgment in relation to the net financial position and prospects of the Issuer and of the Group, as well as allowing the correct monitoring of revenues and margins.

4.2. Risk factors relating to the market in which the Issuer operates

4.2.1. Risks related to the regulation of the business sectors in which the Group operates

The Group's activity is exposed to changes in the regulatory framework relating, among other things, to the regulation of public works, tax and labor law regulations, construction and urban planning, fire prevention and safety in the workplace. Often the legal, administrative and regulatory provisions relating to the aforementioned aspects present particular profiles of complexity and fragmentation and, in some cases, they are interpreted by the competent authorities in a contradictory or in any case unpredictable manner. These circumstances can give rise to difficulties and uncertainties for companies operating in the sector and lead to disputes.

In particular, in Title IV of Legislative Decree no. 81/2008, relating to temporary and mobile construction sites, and precisely in Chapter II, the rules on work at heights such as those provided by the Issuer are contained. In this regard, the articles of greatest interest for the purposes of the Issuer's activity are:

- the articles 105 and 106 which respectively list the activities subject to and the activities excluded from the application of the rules of Chapter II of Title IV;
- ii. the art. 107 which provides the definition of working at height;
- iii. the art. 111 which reports the obligations of employers in the use of equipment for work at height, including work at height using ropes;
- iv. the art. 115 which provides information on protection systems against falls from heights; And
- v. the art. 116 which reports the obligations of employers regarding the use of access and positioning systems using ropes.

The art. 111 of Legislative Decree no. 81/2008 which lists some principles regarding the choice of the method of working with ropes as a means of access to workplaces at height, requiring the employer to choose this means of access after a careful risk analysis. However, the legislator does not indicate objective criteria, of an unequivocal nature, by virtue of which the employer must or must not choose a specific safety device, collective (scaffolding) or individual (ropes) but limits itself, as mentioned, to the statement of some general principles and criteria including, in paragraph 4, also "*[...] the short duration of employment [...]*"; consequently it is left to the discretion of the operator to evaluate from time to time the work to be carried out and the relative conditions of the place where it must be carried out.

In consideration of the provisions of the art. 111 of Legislative Decree no. 81/2008, it cannot be ruled out that some categories of particularly important orders cannot be carried out using the rope work technique. In fact, although roped services present clear advantages in terms of time, safety for workers and efficiency and are rapidly expanding in the national panorama of services in the construction sector, at the moment there are no guidelines in jurisprudence that have clarified in detail the prerequisites and circumstances for the use of these techniques in the construction sector.

The discovery of violations of laws, regulations or policies or changes in said provisions or related interpretation criteria could have the effect of delaying the execution of the works or

to increase their costs, exposing the Group companies to the risk of penalties, sanctions, civil or criminal proceedings or other unforeseen charges, with possible substantially negative effects on the Group's equity, economic and financial situation.

Each of these risks may result in requests for compensation for damages and/or sanctions which, in addition to causing possible delays in the execution of the works, are likely to cause damage to the image and reputation of the Group. Furthermore, the applicable regulatory provisions may be subject to strengthening measures or other types of modification as a result of European standards or international agreements and the costs linked to compliance with them may, in certain cases, be considerable.

Although the Group has adopted behavioral procedures (the so-called *vademecum*) and continues to make significant investments aimed at ensuring the protection of its workers and, more generally, compliance with the regulations mentioned above, any acts considered as a violation of the aforementioned regulations or changes therein or requests from the competent authorities to adopt additional measures could lead to substantially negative effects on the Group's equity, economic and financial situation.

4.2.2. Risks related to health and safety in the workplace

In consideration of the Group's characteristic activity, and by virtue of the fact that construction site areas are, by definition, dangerous places for the safety of those who work there or who access them, it is not possible to exclude, even using the most effective and precautionary safety and accident prevention measures, that during the execution of the works commissioned to the Issuer and/or the Group companies, accidents occur which cause the death or injury of people, the suspension of activities, damage to property of others and damage or loss of the Group's equipment and/or structures and that the Issuer is required to compensate those who have suffered damage and/or injuries with any liability, including of a criminal nature.

The Group uses insurance coverage against the main operational risks linked to its activities, including those connected to health and safety in the workplace. Such coverage is subject, as a rule, to limitations, such as deductibles and maximum limits.

The occurrence of damage that is not fully covered or only partially covered by the policy, or the inability or failure of an insurer to meet its insurance obligations, could have a material adverse impact on the business and prospects as well as on the economic, equity and financial situation of the Group.

4.2.3. Risks related to the high degree of competitiveness

The Issuer's reference sector, with particular regard to the execution of construction works, is characterized by a high degree of competitiveness, due to an ever-increasing presence in the market of both large operators and small operators.

Although the Group boasts, as of the Admission Document Date, a significant position on the Italian market in the construction sub-sector carried out with the double safety rope technique, it cannot be ruled out that the possible intensification of the level of competition in this sector of reference has a negative impact on the competitive positioning and income prospects with possible negative effects on the economic, equity and financial situation of the Issuer and/or the Group.

4.2.4. Risk relating to the geographical area of reference

To date, the Group's activity develops exclusively in Italy both through direct operating offices and through the franchising network. At the same time, the Issuer is pursuing a strategy for the expansion of its commercial activity abroad aimed, among other things, at the opening of new operational offices in strategic countries and at external growth through the acquisition of targets

foreign companies operating in the same sector. Also for reasons related to the macroeconomic scenario and/or the applicable workplace safety regulations, it is possible that the Issuer's activity concerning construction services carried out with the double safety rope technique cannot be effectively provided in some geographical areas with the consequence that it cannot be ruled out that the expansion strategy will not achieve the set objectives.

The Group's activity could therefore be influenced, on the one hand, by changes in the domestic macroeconomic scenario and/or, on the other, by the impossibility of expanding its business in geographical areas (including foreign countries) considered strategic for growth of the Issuer, with possible negative effects on the economic, equity and financial situation of the Group itself.

4.2.5. Risks connected to the evolution of building architecture

The Issuer's activity mainly concerns the renovation, restoration and maintenance of traditional buildings built in masonry or reinforced concrete, which, therefore, precisely due to the construction materials used, require various interventions such as, for example, the demolition or restoration of facade plaster, sealing cracks, painting and restoring fronts, balconies and cornices.

To date, it is possible to find a trend towards the construction of buildings with different materials such as, in particular, glass and/or steel and it is not, in any case, possible to exclude that the methods of building construction evolve over time and that an ever-increasing number of buildings are being built with alternative materials to traditional ones.

If such an eventuality were to occur and if the Issuer was unable to update and evolve its service offering compatibly with the new construction methods, it cannot be ruled out that the Group could be exposed to the potential risk of a contraction in demand from customers. customers and consequently the Group's margins may suffer a reduction with consequent negative effects on the economic, equity and financial situation and on the activity of the Issuer itself.

4.2.6. Risks relating to climate and other atmospheric events

The Issuer carries out a predominantly *outdoor* activity which is, therefore, for this reason, subject to the influence of climatic conditions such as, for example, snow, rain, hail, as well as natural disasters such as earthquakes and floods. It is, in fact, clear that, above all for safety reasons but also for maintaining quality in the execution of the work, on days of bad weather, the Issuer's employees find themselves unable to carry out their work, with consequent possible cancellation of orders and/or slowdown in their execution and postponement of subsequent interventions scheduled in the Issuer's operating calendar.

Given the foregoing, it is not possible to exclude the risk that particularly adverse climatic conditions could lead to lower profitability for the Issuer, with negative effects on the economic, equity and financial situation of the Group.

4.2.7. Risks associated with the performance of the building renovation sector

The sector in which the Group operates is subject to economic cycles, outside the control of the Issuer, the negative trend of which could have negative consequences on the equity, economic and financial situation of the Issuer and/or the Group.

In particular, the Group carries out its activity in the building renovation sector in the segment concerning works carried out with the double safety rope technique, without the use of scaffolding. This sector (i.e. that of building renovations and, more generally, extraordinary maintenance of properties), despite being part of the building and construction sector, which - as is known - has suffered a significant market decline, has in recent years achieved anti-cyclical results.

Maintenance interventions on the building heritage have, in fact, assumed an increasingly significant weight within the construction sector, and, in particular, an important contribution has been made by investments relating to extraordinary maintenance interventions aimed at the redevelopment of the heritage private housing.

This positive dynamic has, therefore, contributed to supporting the levels of activity recorded overall in the construction sector.

The foregoing is confirmed by the research "First report on building recovery in Italy" (Scenari Immobiliari) and by "A new building against the crisis" (Symbola), which report a constant growth in investments in renovation works which in 2016 reached a value equal to approximately Euro 69.4 billion. For information on the Issuer's reference market, see Section One, Paragraph 6.2.

This positive trend was also maintained thanks to the tax breaks provided for families carrying out building renovations, combined with the reduced VAT rate of 10%.

Although, therefore, at the moment the activities of the Issuer and the Group are characterized by a positive trend, it cannot be ruled out that a crisis may also occur in this area of the construction sector in the future with consequent negative effects on the activity and prospects. of growth as well as on the economic, equity and financial situation of the Issuer and/or the Group.

[4.2.8. Risks related to the impact of any uncertainties in the macroeconomic framework](#)

In the context of the general conditions of the economy, the economic, equity and financial situation of the Issuer is necessarily influenced by the various factors that make up the framework macroeconomic.

Over the last few years, the financial markets have been characterized by particularly marked volatility which has had serious repercussions on banking and financial institutions and, more generally, on the entire economy. The significant and widespread deterioration of market conditions was accentuated by a serious and general difficulty in accessing credit, both for consumers and businesses, and led to a lack of liquidity (with consequent increase in the cost of financing) which had repercussions on industrial development and employment.

Although governments and monetary authorities have responded to this situation with far-reaching interventions, it is not possible to predict if and when the economy will return to pre-crisis levels. If this situation of marked weakness and uncertainty were to significantly prolong or worsen in the markets in which the Issuer operates, the Issuer's business, strategies and prospects could be negatively affected with a consequent negative impact on the economic, equity and financial situation and on the operating results, as well as on the Group's prospects.

The occurrence of events relating to these risks as well as significant changes in the macroeconomic, political, fiscal or legislative framework could have a negative impact on the Group's business and economic, equity and financial situation.

4.2.9. Environmental risks linked to the Issuer's activity

The Issuer's activities are subject to environmental rules and regulations.

In compliance with the obligations established by legislation regarding environmental protection, the Issuer makes the necessary investments to guarantee safe and responsible management of waste and waste materials.

Although the Issuer believes it complies with the applicable regulations, it cannot be excluded that it will have to incur extraordinary expenses for actions brought against it due to issues in question and/or is required to make significant investments to comply with the obligations established by the relevant legislation , with a consequent negative impact on the economic, equity and/or financial situation of the Issuer itself.

4.3. Risk factors relating to the financial instruments covered by the offer

4.3.1. Risks associated with trading on AIM Italia

The Financial Instruments were admitted to trading on AIM Italia, the multilateral trading system dedicated primarily to small and medium-sized enterprises and companies with high growth potential which are typically associated with a higher level of risk than larger issuers or those with consolidated *businesses*. As of the Admission Document Date, a limited number of companies were listed on AIM Italia. Admission to trading on AIM Italia therefore poses some risks including: (i) an investment in financial instruments traded on AIM Italia may involve a higher risk than that in financial instruments listed on a regulated market and there is no guarantee for the future regarding the success and liquidity in the Financial Instruments market; and (ii) Consob and Borsa Italiana have not examined or approved the Admission Document. It must also be taken into consideration that AIM Italia is not a regulated market and that the rules envisaged for companies listed on a regulated market and in particular the rules on *corporate governance* envisaged by the Consolidated Finance Act do not apply to companies admitted to AIM Italia. , without prejudice to some limited exceptions, such as for example the rules applicable to issuers of financial instruments widely distributed among the public provided for by the Consolidated Law on Finance, where the legal conditions are met, and some rules relating to takeover bids which are referred to in the Company's Articles of Association pursuant to the AIM Issuers' Regulations.

4.3.2. Risks related to market liquidity and the possible volatility of the price of the Issuer's Financial Instruments

As of the Admission Document Date, the Issuer's Financial Instruments are not listed or negotiable on any regulated market or multilateral trading system and, after admission to AIM Italia, they will not be listed on a regulated market. Although the Financial Instruments will be traded on AIM Italia, it is not possible to guarantee that an active and liquid market for them will be formed or maintained. In fact, disinvestment difficulties could arise with potential negative effects on the price at which the Financial Instruments can be sold. No guarantees can be given on the possibility of concluding negotiations on the Issuer's Financial Instruments as sales requests may not find adequate and timely purchase counter-proposals and purchase requests may not find adequate and timely sales counter-proposals. Furthermore, following the Admission, the market price of the Securities may fluctuate significantly in relation to a number of factors (including a possible sale of a substantial number of shares by shareholders who have made a temporary commitment not to sell the Shares themselves, upon expiry of the term of effectiveness of the aforementioned commitments), some of which are beyond the control of the Issuer, and may, therefore, not reflect the operating results of the Company.

4.3.3. Risks connected to the possibility of revocation and suspension from trading of the Issuer's Financial Instruments

Pursuant to the AIM Issuers Regulation, Borsa Italiana may order the revocation of the Issuer's Financial Instruments from trading in cases where:

- the. within two months from the date of suspension from trading due to the absence of the Nomad, the Issuer does not replace it;
- ii. the Financial Instruments have been suspended from trading for at least six months;

- iii. the revocation is approved by many shareholders representing at least 90% of the votes of the shareholders gathered at the meeting.

4.3.4. Risks associated with stabilization activities

From the start date of trading of the Issuer's Shares and up to 30 (thirty) days following that date, the Specialist may carry out stabilization activities on the Shares in compliance with current legislation. This activity could lead to a market price higher than that which would otherwise occur. Furthermore, there are no guarantees that the stabilization activity will actually be carried out or that, even if undertaken, it cannot be interrupted at any time.

moment.

4.3.5. Risks connected to the non-contestability of the Issuer

As of the Admission Document Date, the Issuer is legally controlled by Arim Holding pursuant to article 2359, paragraph 1, no. 1) of the Civil Code and is therefore not contestable.

Following the Offered Capital Increase, the Employee Capital Increase and the *Greenshoe Capital Increase*, Arim Holding will hold a stake equal to 77.7% of the Issuer's share capital. Furthermore, assuming full exercise of the Warrants by the market, Arim Holding will still hold a stake equal to 73.6% of the Issuer's share capital.

Due to the foregoing, Arim Holding may have a decisive role in the adoption of the resolutions of the assembly, such as, for example, the approval of the financial statements, the appointment and revocation of the administrative body and the control body, changes to the share capital and changes to the bylaws.

For further information, please refer to Section One, Chapter 13 of the Admission Document.

4.3.6. Risks related to conflicts of interest of the Nomad and Global Coordinator

Banca Profilo, which holds the role of *Nominated Adviser* pursuant to the *Nominated Advisers Regulation* for the admission to trading of the Company's Shares on AIM Italia, could find itself in a situation of conflict of interest as it could in the future provide *advisory* and *equity research* on an ongoing basis in favor of the Issuer or other companies forming part of the Issuer's Group.

Banca Profilo, which also holds the role of *Global Coordinator* for the admission to trading of the Shares, finds itself in a situation of conflict of interest as it will receive commissions in relation to the aforementioned role assumed in the context of the Offer. It should also be noted that Banca Profilo could provide *investment banking* services as well as *lending* and other services to the Group in the future.

4.3.7. Risks connected to the constraints on the unavailability of the Shares assumed by the Issuer's shareholders

Arim Holding, with registered office in Florence, Via Pier Capponi 89, tax code and VAT number 06817050484, who on the Admission Date holds the entire share capital of the Issuer, Mrs. Simonetta Simoni, holder of the right of usufruct on a shareholding equal to 8.5% of the Issuer's share capital, together with Mr. . Riccardo Iovino and Ms. Anna Marras, as shareholders of Arim Holding, have undertaken lock-up commitments containing prohibitions on acts of disposal of their Shares for a period of 24 months starting from the date of the start of trading. Upon expiry of the aforementioned lock-up commitments, there is no guarantee that they will not proceed with the sale, even partially, of the Shares with consequent potential negative impact on the price performance of the Shares themselves.

For further information, please refer to Section Two, Chapter 5, Paragraph 5.3, of the Admission Document.

4.3.8. Risks connected to the performance of prices based on the Issuer's investments

The Issuer's results will depend on the performance of the investments it makes.

These investments, taking into account the type of activity carried out by the Group, are characterized by high levels of uncertainty, difficult predictability and not always objective evaluability a priori.

There is no guarantee that the Group will be able to convey to the market the correct interpretation of the risk - opportunity relationship of the investments made and their progressive performance, with consequent negative effects on the price performance of the Financial Instruments.

4.3.9. Risks connected to the *Warrants* and the related liquidity of the *Warrants* and Conversion Shares

The *Warrants* will be assigned free of charge to the subscribers and purchasers of the Ordinary Shares at the time of the Offer as well as to the purchasers of the Ordinary Shares that will be purchased in the context of the Greenshoe Capital Increase and the Employee Capital Increase, in the ratio of no. 1

Warrants every n. 4 Shares subscribed.

The holders of the *Warrants* will have the right to subscribe to the Conversion Shares, in the ratio of 1 Compendium Action for each n. 1 *Warrant* held, under the terms and conditions set out in the "EDAC Warrant 2018-2021" regulation reported in the Appendix to this Advisory Document Admission.

Warrant holders will also be able to liquidate their investment by selling on the market, following their listing. In the same way, the Conversion Shares received following the exercise of the *Warrants may be liquidated*.

Both financial instruments could present common and generalized liquidity problems, regardless of the Issuer and the amount of the financial instruments themselves, as sales requests may not find adequate and timely counterparts.

Please note that, in the event of failure to exercise the *Warrants* by the deadline for exercise, they will lose their validity. *Warrant* holders who have not subscribed for Conversion Shares within this deadline will suffer a dilution of the stake held by them in the Issuer if, on the other hand, the *Warrants* are exercised by one or more of the other holders. For further information, please refer to the "*Warrant* EDAC Group 2018-2021" regulation reported in the Appendix to this Admission Document.

4.3.11. Risks associated with Price Adjustment Shares

The Company has adopted a mechanism as a result of which, in the event of its failure to achieve certain profitability objectives for the financial year ending 31 December 2018, the number of Company shares held by the majority shareholder, Arim Holding, will be reduced and, consequently, the percentage share of the Company's share capital held by shareholders other than Arim Holding will increase.

As of the Admission Document Date, Arim Holding is the owner of n. 1,200,000 *Price Adjustment Shares*. Such shares, in the event of failure by the Company to achieve the profitability objectives indicated below, will be, in whole or in part, cancelled, thus resulting in a reduction in the number of Company shares held by Arim Holding. Conversely, if the profitability objectives are achieved, the *Price Adjustment Shares* will be converted, in whole or in part, into ordinary shares, as described in more detail below.

It should be noted that the profitability objective does not constitute in any way a forecast of the future economic and financial performance of the Issuer and the Group. It represents exclusively an abstract and potentially achievable objective, identified within the agreed economic relief mechanism.

The conversion of the *Price Adjustment Shares* into ordinary shares and/or their cancellation will be determined using a formula based on the value of the consolidated EBITDA recorded in the financial year ended 31 December 2018.

The achievement (or failure to achieve) of the profitability objectives, as well as the conversion or cancellation of the *Price Adjustment Shares* will be identified by resolution of the Board of Directors. In particular, the exact number of *Price Adjustment Shares* converted into ordinary shares will be ascertained by the Board of Directors within 5 (five) days from the approval by the ordinary meeting of the financial statements as at 31 December 2018, through the drafting of a specific prospectus and with the help of the Auditing Firm, also called upon to issue a report in compliance with international auditing standards and in particular with ISR 4400. In this regard, the potential conflict of interest of the Company's Board of Directors (which will be called upon, *inter alia*, (i) to identify the EBITDA as at 31 December 2018 on the basis of which the 2018 EBITDA TARGET will be calculated as well as (ii) to identify the specific number of *Price Adjustment Shares* which will be converted into ordinary shares or cancelled), which is made up of members partly designated by Arim Holding, which will suffer a reduction in the number of Company Shares held by it in the event of cancellation of the *Price Adjustment Shares* (see art. 3 of the Statute).

It is specified that the *Price Adjustment Shares*, pursuant to the provisions of article 3 of the Articles of Association, (i) confer the right to vote in the meeting resolutions both in ordinary and extraordinary sessions, (ii) will not be admitted to negotiations on the AIM Italia and (iii) are non-transferable. For further information on the conversion mechanism, please refer to Section One, Chapter 15, Paragraph 15.2.2 of the Admission Document.

Finally, it should be noted that any failure to achieve the profitability objective set out in the Articles of Association will result in a percentage change in the number of shares with voting rights of the Arim Holding shareholder based on the conversion ratio (for further information, please refer to Section One, Chapter 13, Paragraph 13.2 of the Admission Document).

It should be noted that in the event of maximum conversion of the *Price Adjustment Shares* into ordinary shares of the Company, upon occurrence of the conditions set out in the Articles of Association, the free float will be equal to 30.7%.

5. ISSUER INFORMATION

5.1. Introduction

The Company was established in Genoa (GE) in 2004 and subsequently, on 25 January 2008, moved its registered office to Milan.

The Company's object is the execution of construction works, renovation, rehabilitation of civil, industrial, commercial and rural properties, excavations and road works, construction of light and heavy prefabricated buildings, with refractory and insulating materials, coverings, electrical systems (including radio links), plumbing, air conditioning and heating systems, installation of fixed and mobile furnishings.

The implementation of the aforementioned activities is carried out without the use of scaffolding, but through the double safety rope technique.

5.1.1. Legal and commercial name of the Issuer

The legal and commercial name of the Issuer is "EdiliziAcrobatica SpA".

5.1.2. Place of registration of the Issuer and its registration number

The Issuer is registered with the Company Registry Office of Milan under no. 01438360990, REA MI - 1785877.

5.1.3. Registration date and duration of the Issuer

EdiliziAcrobatica SpA was established in Genoa (GE) on 20 January 2004 and subsequently, on 25 January 2008, transferred its registered office to Milan.

The duration of the Company is envisaged by the Statute until 31/12/2050.

Pursuant to art. 1.3 of the Statute, the Company may be extended or dissolved early by resolution of the shareholders' meeting.

5.1.4. Registered office and legal form of the Issuer, legislation under which it operates, country of incorporation, as well as address and telephone number of the registered office

The Issuer established in Italy in the form of a "*Limited liability company*" and transformed by deed dated 16 December 2016, deed by Dr. Martina Salvini, n. 204 of the repertoire in *joint-stock companies*, operates according to Italian legislation.

The Company has its registered office in Via Turati, 29 - 20121 Milan (MI), (telephone number +39 0289829786) and administrative headquarters in Via delle Brigate Partigiane, 18/2 – 16129 Genoa.

5.1.5. Important facts in the evolution of the Issuer's business

In 1994 the founder of the Company, the Genoese *skipper* Riccardo Iovino, realized that the techniques used to work on the masts of sailing boats could also be adopted in the construction sector.

After observing what was already happening in France, in which a series of safety techniques on ropes used for the routine maintenance of the Eiffel Tower were taking hold, Riccardo Iovino decided to try firsthand the effectiveness of the method, applying it to the construction height of all types of light interventions, such as the replacement of gutters and downspouts, the installation of flues, the application of anti-pigeons, as well as small partial renovation interventions of elevations, terraces or cornices.

Some phases of the Group's history are summarized below with particular attention to events cornerstones that have characterized the Group's expansion in the reference market.

1994	Vision of the founder Riccardo Iovino
2004	Constitution of the Issuer
2006	First EDAC point in Milan
2007	Development of the commercial team and HR internalisation
2008	Transfer of the registered office to Milan
2011	Distribution of the brand throughout the national territory
2012	Opening of EDAC point in Rome
2013	EDAC achieves revenues of approximately Euro 4M and has 26 operating teams
2015	<ul style="list-style-type: none"> • Start of the franchising chain • Establishment of the 4 subsidiary companies and opening of an EDAC point in Florence
2016	<ul style="list-style-type: none"> • Transformation from a limited liability company to a joint stock company e capital increase • EDAC achieves revenues of approximately Euro 13.4M and has 66 operating teams • Opening of a further 7 franchising operating locations and 10 operating locations direct
2017	<ul style="list-style-type: none"> • Issue of two bonds and listing of the same on the professional segment of the ExtraMOT Market • EDAC achieves revenues of approximately Euro 17.4M and has 80 operational teams • Opening of a further 7 franchising operating locations and 12 direct operating locations (Ancona, Brescia, Como, Firenze 2, La Spezia, Livorno, Milano Porta Venice, Milan Porta Romana, Naples, Pescara, Siena, Verona)
JUNE 2018	Opening of five additional franchising operating locations (Chioggia, Treviso, Merate, Genoa, San Benedetto del Tronto) and three further direct offices (Novara, Rome Tuscolana, Rome Talents Live)

Starting from 2011, in light of a strong expansion in turnover, EdiliziAcrobatica has become a well-known entity throughout Italy, also characterized by its own distinctive brand, which is also addressed in consideration of the fact that it offers a series of advantages compared to other traditional companies operating in the construction sector, which make it competitive compared to *competitors*.

In 2015, to respond to the numerous requests for increasingly frequent interventions coming from all over Italy, the Company decided to give life to a new and ambitious business project: a franchising chain .

In the same year, four subsidiary companies were established which carry out their activities as direct operational offices of the Company; in particular:

- Edac Versilia Srl, on 5 October 2015, 85% owned by the Issuer;
- Edac Biella Srl, dated 21 October 2015, 95% owned by the Issuer.
- Edac Sicilia Srl, dated 13 November 2015, 55% owned by the Issuer
- Edac Roma Trastevere Srl, dated 9 December 2015, 100% owned by the Issuer.

On 16 December 2016, the extraordinary meeting of the Company resolved the transformation from a limited liability company to a joint stock company, a free capital increase of Euro 510,000 as well as a onerous, divisible and progressive capital increase, of Euro 490,000.00, offered as an option to the sole shareholder Ediliziacrobatica Italia Srl and subscribed for a total amount of Euro 90,000. As of the Admission Document Date, the Issuer's share capital is therefore equal to Euro 600,000.

With notarial deeds stipulated on 28 July 2017, the shares representing the entire share capital of the Issuer were sold to Mr. Riccardo Iovino, who granted Ms. Simonetta Simoni a right of usufruct on a stake equal to approximately 8.50% of the Issuer's share capital.

With a notarial resolution dated 21 September 2017, registered in the Milan Company Register on 28 September 2017, the Board of Directors of the Company approved the issue of the following two bonds listed on the professional segment of the ExtraMOT Market:

1. bond loan called "EdiliziAcrobatica SpA 4% 2017 – 2023" consisting of n. 30 bonds with a nominal value of Euro 100,000.00 (one hundred thousand/00) each, for a total nominal amount of Euro 3,000,000.00 (three million/00), ISIN code IT0005283475 e
2. bond loan called "EdiliziAcrobatica SpA 5% 2017 – 2023", consisting of n. 20 bonds with a nominal value of Euro 100,000 (one hundred thousand/00) each, for a total nominal amount of Euro 2,000,000.00 (two million/00), ISIN code IT0005283467.

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

With deed dated 19 April 2018 signed by notary Dr. Tommaso Del Freato, n. 1277 of the repertoire and n. 952 collection, Dr. Riccardo Iovino transferred the shares representing the entire share capital of the Issuer to the company Arim Holding, maintaining, in favor of Mrs. Simonetta Simoni, the right of usufruct on a shareholding equal to approximately 8.50% of the share capital of the Issuer.

Arim Holding is, as of the Admission Document Date, the sole shareholder of the Issuer.

For further information on operations on the share capital of the Company, see Section One, Chapter 15, Paragraph 15.1. of the Admission Document.

5.2. Main investments

5.2.1. Investments made by the Company

Below is the detail of the investments in intangible, tangible and financial assets made by the Group for the years ended 31 December 2016, 31 December 2017 and 30 June 2018 recorded among fixed assets according to the National Accounting Principles.

Intangible assets

At 30 June 2018 intangible assets amounted to Euro 819 thousand (Euro 750 thousand at 31 December 2017) and include:

- Start-up and expansion costs equal to Euro 28 thousand (Euro 34 thousand at 31 December 2017) mainly relating to the establishment costs incurred by the subsidiaries.

- Development costs equal to Euro 124 thousand (Euro 152 thousand at 31 December 2017) attributable to the costs incurred by the Parent Company for the launch of the franchising network on the national territory;
 - Patent rights amounting to Euro 95 thousand (Euro 107 thousand at 31 December 2017) mainly relating to management and accounting software licenses for the "Delta" management program;
 - Fixed assets in progress equal to Euro 206 thousand (Euro 62 thousand at 31 December 2017) relating to costs connected to the listing project on the AIM Italia market;
 - Other intangible assets equal to Euro 361 thousand (Euro 362 thousand at 31 December 2017) mainly relating to improvements on leased property (Euro 33 thousand) and costs incurred for the issue of bond loans (Euro 269 thousand).
- Concessions, licenses, trademarks and similar rights amounting to Euro 5 thousand (Euro 33 thousand at 31 December 2017). Compared to 31.12.2017, as of 30.06.2018 the Company has reclassified the illuminated signs of the sales points, the residual value of which is equal to 28 thousand, among tangible fixed assets under the item "Industrial and commercial equipment".

In the first half of 2018, capitalizations amounted to Euro 227 thousand and mainly refer to consultancy for the listing project (Euro 143 thousand) and multi-year costs (Euro 48 thousand).

During 2017, investments amounted to Euro 625 thousand, of which mainly Euro 352 thousand relating to costs incurred for the issue of bond loans and Euro 123 thousand relating to the costs of the annual license for the "Delta" management software.

During 2016, the main capitalizations related to costs incurred for the development of the franchising network amounting to Euro 200 thousand and for the annual license of the Delta management software for Euro 60 thousand.

Tangible fixed assets

At 30 June 2018, tangible fixed assets amounted to Euro 428 thousand (Euro 346 thousand at 31 December 2017) and include:

- Plant and machinery equal to Euro 7 thousand (Euro 6 thousand at 31 December 2017);
- Industrial and commercial equipment equal to Euro 31 thousand (Euro 4 thousand at 31 December 2017) mainly relating to illuminated signs at points of sale;
- Other assets equal to Euro 390 thousand (Euro 336 thousand at 31 December 2017) mainly relating to furniture and furnishings for Euro 229 thousand and cars under financial leasing for Euro 68 thousand;

In the first half of 2018 the capitalizations amounted to Euro 80 thousand and mainly refer to the purchases of furniture and furnishings for the new sales points for Euro 67 thousand.

During 2017, investments amounted to Euro 183 thousand, mainly relating to the purchase of furniture and furnishings for the opening of new sales points for Euro 129 thousand

During 2016, capitalizations amounted to Euro 42 thousand, mainly relating to the purchase of furniture and furnishings for Euro 25 thousand.

Financial fixed assets

At 30 June 2018, fixed assets had a zero balance (50 thousand euros at 31 December 2017). The change compared to 31 December 2017 of Euro 50 thousand is due to the sale, in March 2018, of the BPM securities held by the Parent Company. This operation generated a capital gain of Euro 7,620 recorded in the income statement under item C.16 b).

5.2.2. Description of the main investments underway

During 2018, the Group continued its investments aimed at opening the new offices in Novara, Roma Tuscolana and Roma Talenti Diretta.

We also proceeded to increase the development of market shares through the opening of 5 new franchisees in the first half of 2018 (Chioggia, Sestri Levante, Merate, San Benedetto del Tronto and Treviso), reaching 27 affiliations by the middle of the year.

5.2.3. Description of the main future investments planned by the Issuer

The Company has started preliminary activities for the opening of the new branches in Bologna, Monza, Catania, Chiavari, Milan 4, La Spezia, Trieste, Savona, Perugia, Piacenza, Alessandria, Turin 3, Parma, Palermo 2 and Vicenza, pursuing the objective of acquiring new market shares through widespread penetration of the Italian territory.

On 27 December 2017, the Issuer signed a letter of intent with the shareholders of the Profil Armor company (the "PA Members") by virtue of which the Issuer and the PA Members (the "Parties") mutually acknowledged the existence of negotiations concerning the hypothesis of acquisition of a stake equal to the entire share capital of the company Profil Armor (a company incorporated under French law) and the company Profil Armor Entrepreneur General Inc (a company incorporated under Canadian law) active in the roped construction in the French and Canadian markets respectively.

In the event of a positive outcome of the negotiations, the Parties have envisaged completing the acquisition through the transfer of a stake equal to the entire share capital of the aforementioned companies in favor of the Issuer against the payment of the price which may take place through cash payment and financial instruments of the Issuer.

The letter of intent, as subsequently extended, was valid until 30 June 2018. This deadline was further extended until 15 December 2018.

It is specified that the Parties have provided that the letter of intent, as a mere expression of the current state of the agreements between them, cannot in any way be considered or interpreted as a source of obligations of the Parties to the conclusion of a binding contractual agreement.

The company also intends to consolidate Brand Awareness through marketing investments in the main Italian television broadcasters.

The strengthening of the organizational structure on both the HR and IT sides is also a priority to guarantee the *double digit* growth process, confirming the trend of the last 5 years by optimizing the economic structure of the Company.

6. OVERVIEW OF ACTIVITIES

6.1. Main activities

6.1.1. Description of the activity

The Company, established in 2004, heads the Group which provides a wide and coordinated range of services throughout the country in the building renovation sector through the double safety rope technique for residential buildings, public buildings and works. administration (including hospital facilities), corporate and industrial buildings and headquarters (including hotels, wind and photovoltaic systems), religious facilities and more.

As of 31 December 2017, the average value of the orders carried out by the Group was equal to Euro 5,383.

In particular, the aforementioned activity of the Group is divided into 7 main categories:

- 1) Safety and emergency services;
- 2) Renovation services;
- 3) Installation services;
- 4) Cleaning services;
- 5) Waterproofing services;
- 6) Maintenance service;
- 7) Building roofing renovation services.

Collectively defined as "Services"

The overall revenues deriving from the provision of the Services represent, respectively, 85.1% and 85.2% of the consolidated revenues as at 31 December 2017 and 2016 and are equal, respectively, to approximately Euro 14,761 thousand, with reference to 2017, and to approximately Euro 11,359 thousand, with reference to 2016.

Below is a representative graph of revenues from services as of 31 December 2017 and 2016:

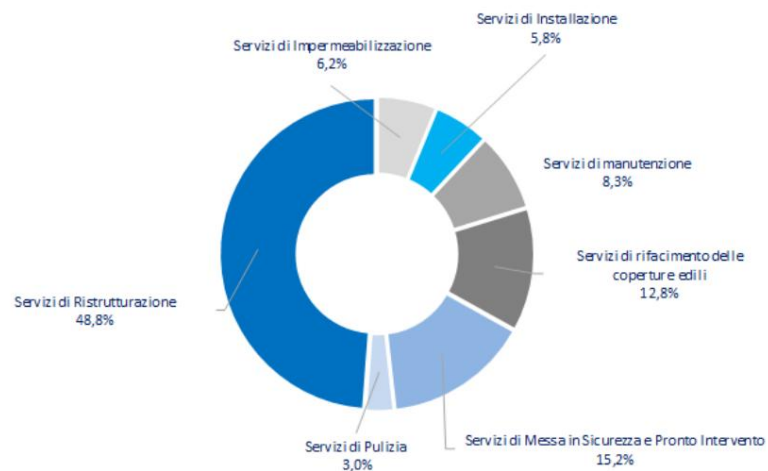


Figure 1: Breakdown of consolidated revenues for services as of 31 December 2017

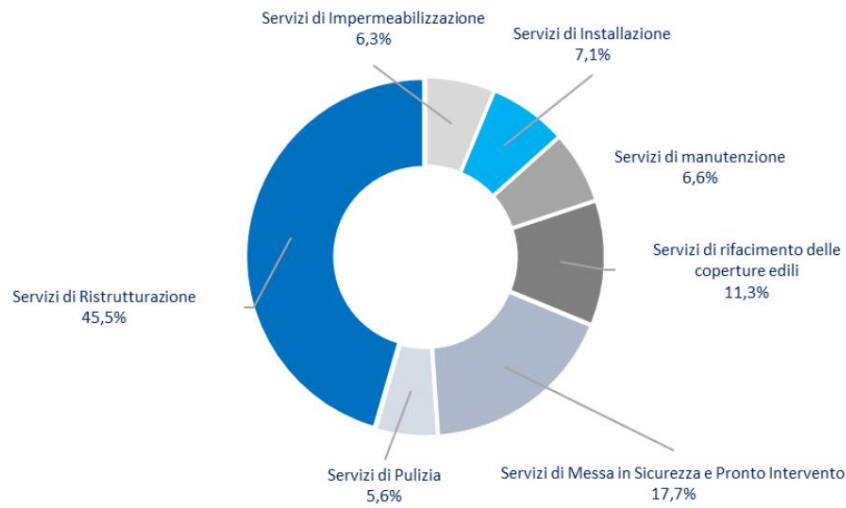


Figure 2: Breakdown of consolidated revenues for services as of 31 December 2016

The increase in the number of interventions

As at 31 December 2017, the Group had carried out 2,742 interventions, an increase of approximately 22.5% compared to interventions carried out as of 31 December 2016, equal to 2,239.

Below is the number of interventions by the Group from 2013 to 2017:

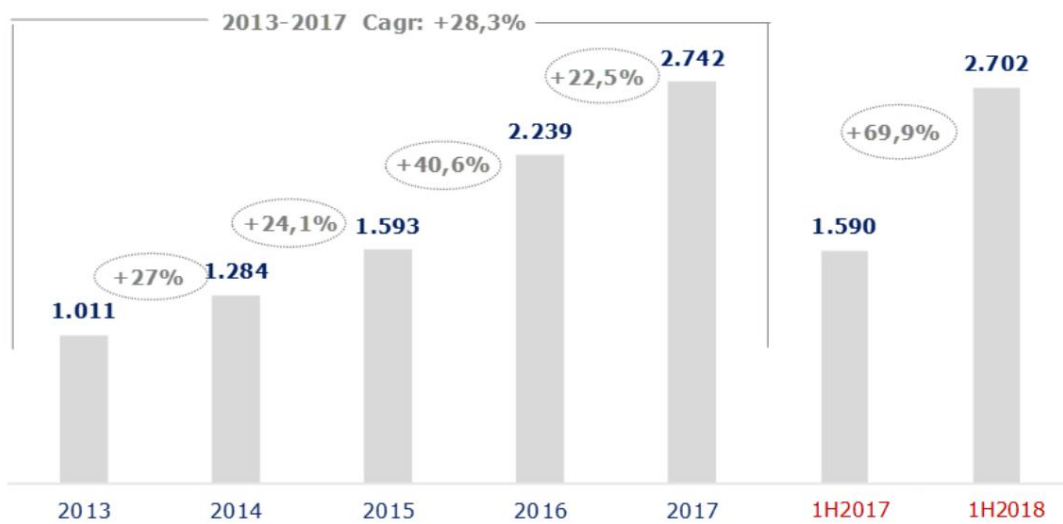


Figure 3: Evolution of the number of interventions from 31 December 2013 to 31 December 2017, 1H2017-1H2018

The number of interventions carried out by the Group recorded a 2013-2017 CAGR of 28.3%, passing in fact from 1,011 interventions in 2013 to 2,742 interventions in 2017 (+22.5% compared to 2016). The

interventions in 2014, equal to 1,284, recorded a growth of 27% compared to the previous year. The interventions in 2015 and 2016, equal to 1,593 and 2,239 respectively, recorded growth rates of 24.1% and 40.6% respectively. The number of interventions carried out by the Group in the first half of 2018 amounted to 2,702, an increase of approximately 69.9% compared to the number of interventions carried out in the first half of 2017, equal to 1,590.

The evolution of the operational headquarters

The Group offers its Services through a widespread presence throughout the country developed through local operating offices, both directly controlled by the Issuer and developed through franchising contracts .

As of 30 June 2018, the Group had 56 operating offices (49 as of 31 December 2017), of which:

- 29 direct operational offices (27 as of 31 December 2017, of which 4 managed respectively by Edac Versilia, Edac Sicilia, Edac Biella and Edac Roma Trastevere);
- 27 operating *franchise* locations (22 as of 31 December 2017).

Below is a graphic representation of the operational offices distributed throughout the territory as of 30 June 2018:



Figure 4: Graphic representation of the operational offices distributed across the territory as of 30 June 2018

Below is the evolution of the number of operating locations, divided between direct ones and *franchising* ones:

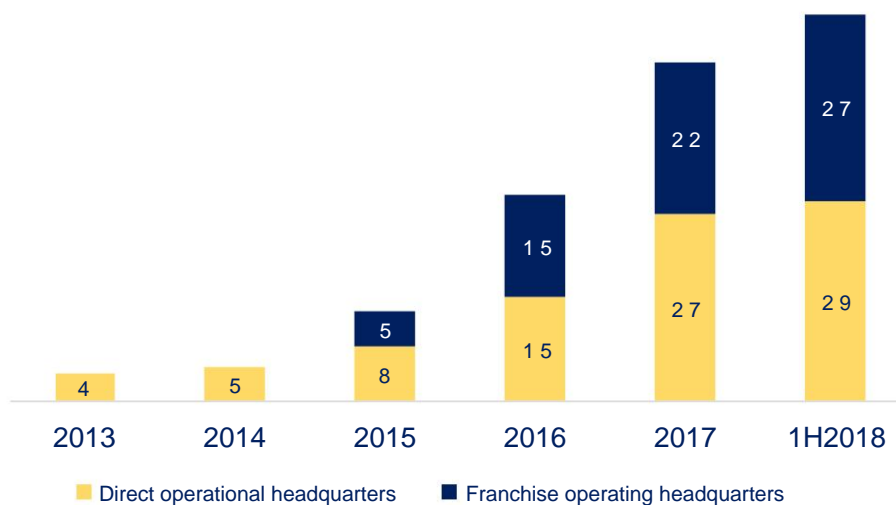


Figure 5: Number of operational locations from 2013 to 2017 – 1H2018

In 2013 and 2014 the Group had 4 and 5 direct operational offices respectively, in 2015 had 13 operating offices (of which 8 direct and 5 in *franchising*), in 2016 it had 30 (of which 15 direct operating offices and 15 in franchising) and as at 31 December 2017 the number of operating offices was 49 (of which 27 direct operating offices and 22 in franchising). In the first half of 2018 the Group had 56 operating locations (of which 29 direct and 27 franchised).

The evolution of operational teams

At each operational headquarters, operational teams of workers specialized in carrying out building services carried out with the double safety rope technique provide their activity.

Below is the evolution of the number of operational teams of the Group from 2013 to 2017 and in the first half of 2018:



Figure 6: Evolution of the number of operational teams from 2013 to 2017 – 1H2018

The number of operational teams recorded a 2013-2017 CAGR of 32.4%, going from 26 operational teams in 2013 to 80 in 2017. The operational teams in 2014, equal to 37, recorded a growth of 42.3% compared to the previous financial year. The operational teams in 2015 and 2016, equal to 48 and 66 respectively, recorded growth rates equal to, respectively,

29.7% and 37.5% compared to 2014 and 2015. The number of operational teams in 2017 recorded a growth of 21.2% compared to the 2016 figure, equal to 66 operational teams. In the first half of 2018 the number of teams in the Group was 105.

Below is the evolution of the number of rope workers from 2013 to 2017 and in the first half of 2018:

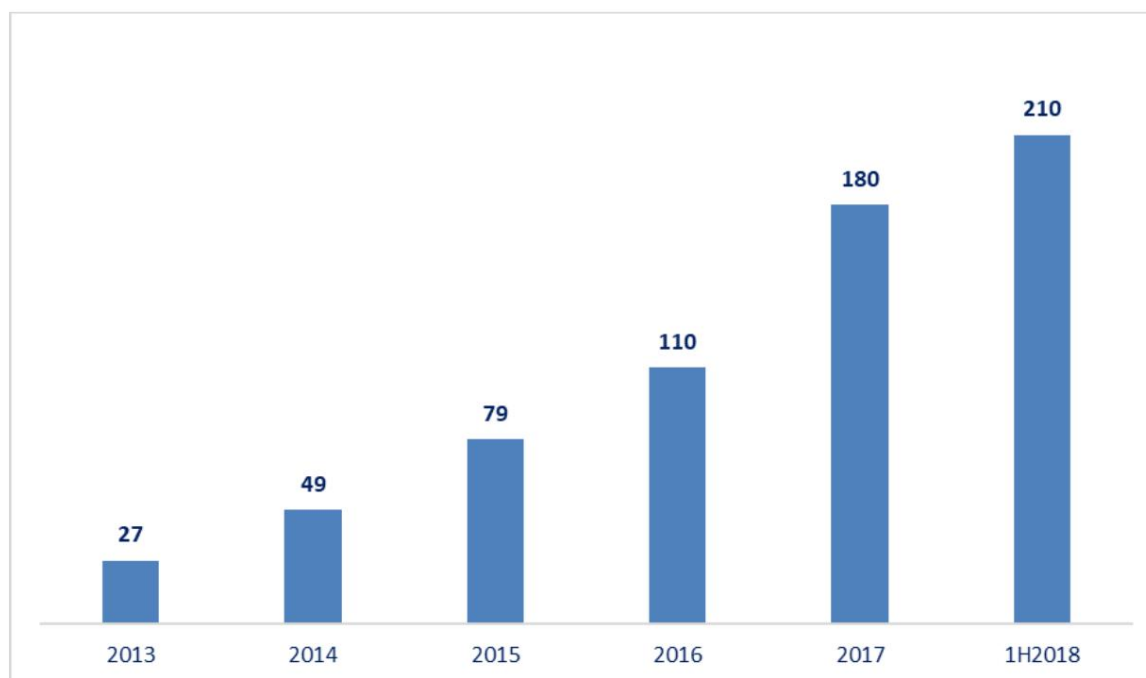


Figure 7: Evolution of the number of rope workers from 2013 to 2017 – 1H2018

The increase in the value of production

Below is a representative table of the Value of Production as of 31 December 2017 and 2016 and as of 30 June 2018 and 2017 by type of operational headquarters:

PRODUCTION VALUE BY BUSINESS LINE (Values in thousands of Euros)	2017	Inc. % 2016	2016	Inc. %	Growth 2016/2017 (%)	1H 2018	Inc. % 1H 2017	Inc. %	1H growth 2017/ 1H 2018 (%)
Revenues from direct operating offices	14,761	85.1%	11,359	85.2%	29.9%	9,706	87.3%	6,609	46.9%
Revenues from franchising operating locations	1,515	4.0%	3,474	8.1%	36.4%	1,014	9.1%	537	88.8%
Operating contributions	686		455		50.8%	339	3.1%	343	-1.2%
Other minor operating revenues	393		413		-4.8%	54	0.5%	144	-62.5%
TOTAL PRODUCTION VALUE (A)	17,355	100.0%	13,338	100.0%	30.1%	11,113	100.0%	7,633	45.6%

The Value of Production recorded at 31 December 2017, equal to approximately Euro 17.4 million, is made up (i) of 85.2% of revenues from direct operating offices (and derives from the execution of orders in favor of customers of the Group), (ii) 8.7% from the revenues from the *franchising* operating locations (composed of the entrance fees paid upon opening by the *franchisees*, the *royalty fees* on the annual revenues of the *franchisees*, the revenues deriving from the sale of materials to *franchisees* and revenues deriving from the secondment - for training purposes - of Group personnel to *franchisees*) and (iii) respectively, for 4% and 2.3%, from operating contributions and other revenues.

The 2017 Production Value (equal to approximately Euro 17.4 million) recorded a growth rate of 30.1% compared to the 2016 Production Value (equal to approximately Euro 13.4 million).

In particular:

- revenues from direct operating offices recorded growth of 29.9%, going from approximately Euro 11.4 million in 2016 to Euro 14.8 million in 2017;
- revenues deriving from *franchising operating locations*, equal to approximately Euro 1.5 million in 2017, recorded a growth of 36.4% compared to the 2016 figure (equal to approximately Euro 1.1 million).

The Value of Production in the first half of 2018 is equal to approximately Euro 11.1 million and is represented by (i) revenues from direct operating offices for 87.3% (ii) revenues from franchising operating offices for 9.1% (iii) operating grants and other revenues, respectively, for 3.1% and 0.5%.

The evolution of the value of production

Below is a graphic representation of the evolution of the annual production value from 31 December 2013 to 31 December 2017:

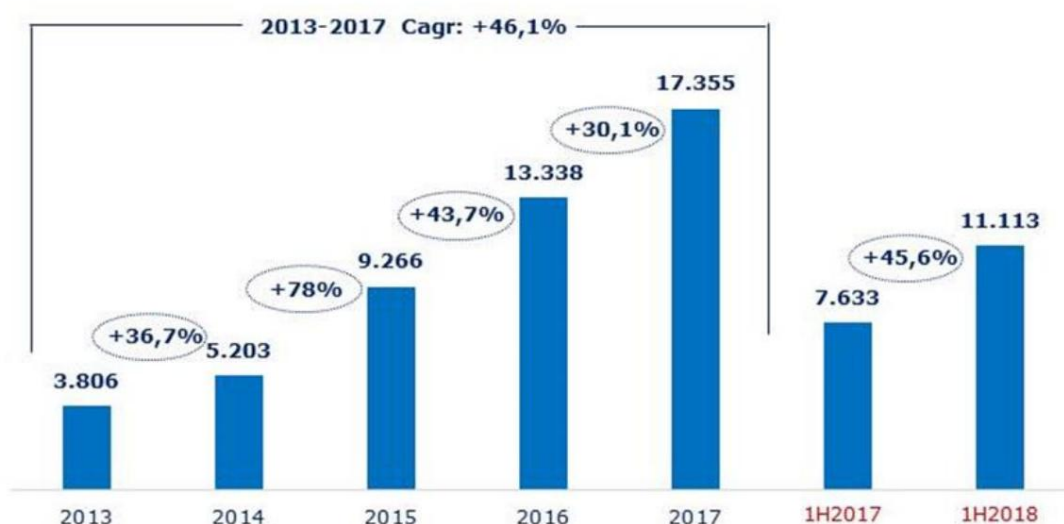


Figure 8: Value of production 2013-2017 and 1H2018 (in thousands of Euros)¹

The value of production recorded a 2013-2017 CAGR of 46.1%, going from approximately Euro 3.8 million in 2013 to approximately Euro 17.4 million in 2017.

In particular:

- the 2014 production value, equal to approximately Euro 5.2 million, recorded a growth of 36.7% compared to the 2013 production value equal to approximately Euro 3.8 million;
- the value of production in 2015 and 2016, equal to approximately Euro 9.2 million and Euro 13.4 million respectively, recorded growth rates of 78% and 43.7% respectively.
- The 2017 production value recorded a growth of 30.1% compared to the 2016 figure.
- The value of production in the first half of 2018, equal to approximately Euro 11.1 million, recorded a growth of 45.6% compared to the first half of 2017.

The geographical breakdown of consolidated revenues

¹ The company prepares the consolidated financial statements starting from the 2016 financial year

As of the Admission Document Date, the Issuer carries out its business exclusively in Italy. Below is a breakdown of consolidated revenues as of December 31, 2017 and 2016 by region:

Regione	Ricavi al 31/12/2017 (Euro/migliaia)	Numero di sedi operative
Piemonte	3.746	4
<i>sedi operat. dirette</i>	3.720	3
<i>sedi operat. in franchising</i>	26	1
Toscana	3.422	6
<i>sedi operat. dirette</i>	3.362	5
<i>sedi operat. in franchising</i>	60	1
Lazio	3.263	9
<i>sedi operat. dirette</i>	2.965	4
<i>sedi operat. in franchising</i>	262	5
Lombardia	2.239	10
<i>sedi operat. dirette</i>	1.922	5
<i>sedi operat. in franchising</i>	317	5
Liguria	1.786	4
<i>sedi operat. dirette</i>	1.735	3
<i>sedi operat. in franchising</i>	51	1
Sicilia	556	1
<i>sedi operat. dirette</i>	556	1
<i>sedi operat. in franchising</i>	-	-
Veneto	562	5
<i>sedi operat. dirette</i>	366	2
<i>sedi operat. in franchising</i>	196	3
Puglia	119	1
<i>sedi operat. dirette</i>	119	1
<i>sedi operat. in franchising</i>	-	-
Marche	8	1
<i>sedi operat. dirette</i>	8	1
<i>sedi operat. in franchising</i>	-	-
Campania	177	2
<i>sedi operat. dirette</i>	7	1
<i>sedi operat. in franchising</i>	170	1
Abruzzo	1	1
<i>sedi operat. dirette</i>	1	1
<i>sedi operat. in franchising</i>	-	-
Emilia - Romagna	285	3
<i>sedi operat. dirette</i>	-	-
<i>sedi operat. in franchising</i>	285	3
Calabria	76	1
<i>sedi operat. dirette</i>	-	-
<i>sedi operat. in franchising</i>	77	1
Sardegna	70	1
<i>sedi operat. dirette</i>	-	-
<i>sedi operat. in franchising</i>	71	1
Totale	16.276	49
<i>sedi operat. dirette</i>	14.761	27
<i>sedi operat. in franchising</i>	1.515	22

Figure 9: breakdown of consolidated revenues as of 31 December 2017 by region

The main advantages brought by the double safety rope technique

Based on the experience gained over the years, the Issuer's *Management* believes that the main advantages brought by the double safety rope technique, perceived by customers, compared to construction services that make use of scaffolding are represented by:

- Greater safety for workers: in fact, considering (i) the total hours worked in 2017: 222,577 hours; (ii) the total accident hours in 2017: 2,872 which, according to the average hours/injury, correspond to n. 16 accidents, the frequency rate is equal to 1.14%;
- Lack of exposure to the risk of theft;

- Less invasiveness of the intervention;
- Greater cost-effectiveness and reduction of the implementation times of the intervention;
- Accessibility to any area of the buildings subject to intervention which would not be reachable with the traditional technique.

6.1.2. Offered services

The Group provides the following construction services with the double safety rope technique.

- 1) Safety and emergency services: as at 31 December 2017, safety and emergency services, equal to Euro 2,238 thousand, represent approximately 15.2% of revenues of direct operating offices, up 11.2% compared to revenues at 31 December 2016, equal to Euro 2,012 thousand. The number of interventions carried out as of 31 December 2017 was 428, with an average order value of Euro 5,229, a reduction of 0.9% compared to 432 interventions as of 31 December 2016. The safety services mainly include the removal of unsafe parts and objects of the building that represent a risk of detachment, such as portions of facades, cornices, balconies, tiles, etc. Emergency services include all activities to be carried out on an emergency basis.
- 2) Restructuring services: as at 31 December 2017, restructuring services, amounting to Euro 7,204 thousand, represent approximately 48.8% of the revenues of the direct operating offices, up 39% compared to Euro 5,169 thousand as of 31 December 2016. The number of services offered as of December 31st 2017 is equal to approximately 788, with an average order value of Euro 9,142, an increase of 24.5% compared to 633 services offered as of 31 December 2016.

These services include ordinary and extraordinary maintenance activities of buildings and concern the renovation and maintenance of facades, balconies and cornices, as well as the maintenance and replacement services of gutters, downspouts and sheet metal work:

- a. Renovation and maintenance services for facades, balconies and cornices: include both ordinary interventions, including the removal of detached parts and the subsequent restoration cycle up to the final painting phase, and extraordinary interventions.
- b. Maintenance and replacement services for gutters, downspouts and plumbing: these are represented by both cleaning services and repair and replacement services of themselves.

- 3) Installation services: as at 31 December 2017, installation services, equal to Euro 853 thousand, represent approximately 5.8% of the revenues of the direct operating offices, up by 6.5% compared to Euro 801 thousand as of 31 December 2016. The number of services performed as of 31 December 2017 was 409, with an average order value of Euro 2,086, a decrease of 4.4% compared to the 428 services offered as of 31 December 2016.

The installation services include the execution of (i) hydraulic works, (ii) installation of bird deterrents, (iii) installation and maintenance of lifelines, (iv) installation of advertising posters and various installations (including , lighting and video surveillance systems).

- 4) Cleaning services: as at 31 December 2017, cleaning services, equal to Euro 437 thousand, represent approximately 3% of the revenues of the direct operating offices, down by 31.1% compared to Euro 634 thousand as of 31 December 2016. The number of services offered as of 31 December 2017 was 79, with an average order value of Euro 5,533, a decrease of 37.8% compared to the 127 services as of 31 December 2016.

The cleaning services include cleaning of walls and facades (windows and/or cladding panels), cleaning of roofs, cleaning of solar panels and wind turbines, as well as cleaning of gutters and downspouts.

- 5) Waterproofing services: as at 31 December 2017, waterproofing services, equal to Euro 916 thousand, represent 6.2% of the revenues of the direct operating offices, up by 28.7% compared to Euro 711 thousand as of 31 December 2016. The number of services offered as of 31 December 2017 was 195, with an average order value of Euro 4,696, an increase of 52.3% compared to the 128 services as of 31 December 2016. These services include the elimination of localized infiltrations as well as the complete renovation of waterproofing which may concern terraces, roofs, balconies, cornices and roofs.
- 6) Maintenance services: as at 31 December 2017 maintenance services, equal to Euro 1,218 thousands represent approximately 8.3% of the revenues of the direct operating offices, up by 63.4% compared to Euro 745 thousand as of 31 December 2016. The number of services offered as of 31 December 2017 is equal to 460, with an average order value of Euro 2,647, up by 43.8% compared to 320 interventions as of 31 December 2016.

These services include routine maintenance and inspection of roofing.

- 7) Roofing services: as at 31 December 2017, roofing services, equal to Euro 1,895 thousand, represent approximately 12.8% of the revenues of the direct operating offices, up by approximately 47.5% compared to Euro 1,284 thousand as of 31 December 2016. The number of services offered as of 31 December 2017 was 383, with an average order value of Euro 4,949, an increase of 124% compared to the 171 services as of 31 December 2016. These services also include the removal or encapsulation of slate and asbestos sheets; the latter activity is carried out by its own authorized employees and subcontracted to specialized and authorized companies in the sector.

All the services offered are preliminarily evaluated by the Group's sales technicians through a meeting with the customer aimed at verifying their needs and requirements. Subsequently, a technical inspection is carried out at the building subject to intervention during which the measurements of the area subject to intervention are taken, a photographic *report* is carried out and all the necessary analyzes are carried out for the purposes of drafting the preventive.

Below is the breakdown of the consolidated revenues of the direct operating offices by type of service as of 30 June 2018 and 30 June 2017:

Breakdown of consolidated revenues of direct operating locations by service	Revenues from direct operating offices 1H2018		Number Construction sites 1H2018	Value Resolution 1H2018 (EUR)	Revenues from direct operating offices 1H2017		Number Construction sites 1H2017	Resolution Value 1H 2017 (Euro)	Growth 1H2018/1H2017 (%)
	(Euro/thousand)	Incidence %			(Euro/thousand)	Incidence %			
Consolidated	9,706	100%	2,702	3,582	6,609	100%	1,590	4,157	46.9%
Waterproofing Services	431	4.4%	152	2,835	297	4.5%	93	3,194	45.1%
Installation Services	635	6.5%	377	1,684	319	4.8%	189	1,686	99.2%
Maintenance Services	39	0.4%	10	3,936	24	0.4%	12	2,024	62.0%
Safety and emergency services	950	9.8%	396	2,398	895	13.5%	240	3,728	6.1%
Cleaning services	297	3.1%	140	2,120	223	3.4%	75	2,975	33.0%
Renovation Services	6,153	63.4%	1,377	4,468	3,896	58.0%	789	4,938	57.9%
Renovation services for building roofs	1,201	12.4%	250	4,805	955	14.4%	192	4,973	25.8%

As of 30 June 2018, revenues from direct operating offices amounted to Euro 9,706 thousand and recorded a growth of 46.9% compared to the figure as of 30 June 2017 (equal to Euro 6,609 thousand). The revenues from the direct operating offices are represented by 63.4% of the restructuring services which recorded a growth of 57.9% compared to the 2017 figure.

Below is the order margin as of 31 December 2016, 31 December 2017 and 30 June 2018:

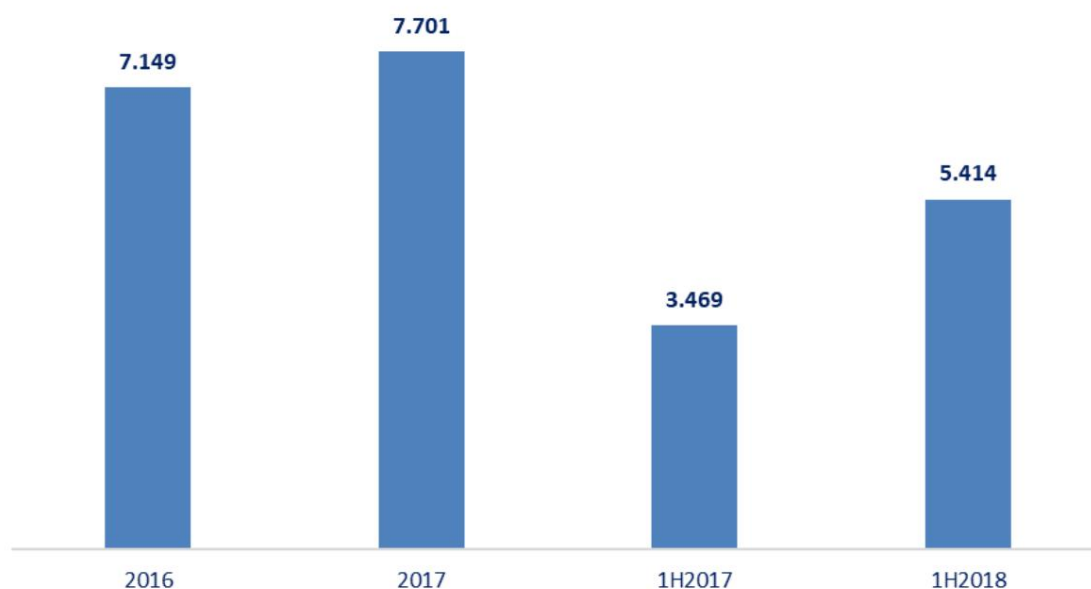


Figure 10: Order margin 2016-2017 and 1H2017-1H2018 (in thousands of Euros)

The order margin at 31 December 2017, equal to Euro 7,701 thousand (approximately 44.4% of the 2017 production value), recorded a growth of 7.7% compared to the figure at 31 December 2016, equal to Euro 7,149 thousand (approximately 53.6% of the 2016 production value); this limited growth is due to the hiring of new workers/acrobats (+70) which led to a reduction in seniority in 2017 (approximately 1 year and 8 months in 2017 compared to approximately 2 years in 2016).

The order margin at 30 June 2018, equal to Euro 5,414 thousand (approximately 48.1% of the 1H2018 production value), recorded a growth of 56.1% compared to the figure at 30 June 2017, equal to Euro 3,469 thousands (approximately 45.5% of the 1H2017 production value);

6.1.3. Type of clientele

The Group's Services, detailed in the previous Paragraph 6.1.2, are aimed at four main categories of customers, which the Group reaches mainly through the activity carried out by the commercial *teams*, the visibility of the operational offices, *referrals* and marketing activities.

Below is a breakdown of consolidated revenues as of 31 December 2017 and 2016 divided by type of customer:

- 1) Residential: as at 31 December 2017, the services provided to the residential sector, equal to Euro 11,942 thousand, represent 80.9% of the revenues of the direct operating offices, up by 24.7% compared to Euro 9,577 on 31 December 2016. The number of interventions performed as of 31 December 2017 was 2,226, an increase of approximately 22.5% compared to 1,817 interventions as of 31 December 2016.

The breadth of the target market and the commercial and technical *know-how* acquired by the Group, through procedures, job descriptions and statistics, contribute to ensuring that condominiums represent the main category of customers.

Requests for intervention in favor of the residential sector come from private individuals, condominium administrators, technicians (architects, engineers and surveyors) appointed by them or from *facility and property management companies*.

2) **Public administration:** as at 31 December 2017 the services provided to the public administration, equal to Euro 786 thousand, represent 5.3% of the revenues of the direct operating offices, up by 81.9% compared to Euro 432 thousand of December 31st 2016. The number of interventions carried out as of 31 December 2017 was 101, an increase of approximately 42.3% compared to 71 interventions as of 31 December 2016.

The Group also intervenes on buildings owned by the public administration, such as schools, universities, public offices, hospital facilities and large works, through private negotiations or participation in public tenders, as appropriate.

Over the last two years the Group has carried out, among other things, the following interventions:

- installation of covering sheets to complete the "Fukasas Cloud", as well as the supply and installation of life lines for subsequent maintenance;
- renovation of the facades of the jewellery shops located on the Ponte Vecchio in Florence e on the external cleaning of the same;
- various installations (including lighting and video surveillance systems) during the construction and completion of the EXPO pavilions in areas that are difficult to access;
- cleaning and restoration of the walls of the Temple of Romulus at the Imperial Forums in Rome with special mortars.

3) **Corporate:** as at 31 December 2017, the services provided to these customers amounted to Euro 1,276 thousands, represent 8.6% of revenues from direct operating offices, up by 13.6% compared to Euro 1,123 thousand as of 31 December 2016. The number of interventions carried out as of 31 December 2017 was 311, up by approximately 3.7% compared to 300 interventions as of 31 December 2016.

The Group also provides its activity to the *corporate* sector which concerns interventions on industrial sites, company headquarters, hotels, wind and photovoltaic systems, through the managers responsible for the maintenance of the building (*facility or site manager*) or through direct contact with company executives.

Among other things, in the last two years, the Group has intervened in the activities of:

- preparation of the S. Siro Stadium in Milan for the final event of Champions League;
- complete renovation of the facades of the Hotel Principe di Piemonte Viareggio;
- cleaning of the facades of the skyscraper located in the area called "Samsung District" in Milan.

4) **Religious structures and other:** as at 31 December 2017 the services provided to these customers, amounting to Euro 755 thousand, represent 5.1% of the revenues of the direct operating offices, up by 217.2% compared to Euro 238 thousand as of 31 December 2016. The number of interventions carried out as of 31 December 2017 was 104, an increase of approximately 103.9% compared to 51 interventions as of 31 December 2016.

The Group offers its range of services to religious structures including churches, monasteries and convents, through contacts with the Vatican and the Curiae.

Among other things, in the last two years, the Group has carried out roofing interventions in the Basilica of San Lorenzo in Lucina in Rome and in the Basilica of Santa Maria in Provenzano in Siena and waterproofing interventions on the dome in the Papal Basilica of Santa Maria Maggiore in Rome.

Below is a breakdown of consolidated revenues from direct operating locations as of June 30 2018 and 30 June 2017 divided by type of customer:

Breakdown of consolidated revenues from direct operating offices by type of customer (Euro/ thousand)	1H2018	Incidence % 1H2017	Incidence %
Residential	8,056	83.0%	82.0%
PA	518	5.3%	5.5%
Corporate	762	7.9%	8.9%
Religious Structures and Other	370	3.8%	3.6%
Total	9,706	100%	100%

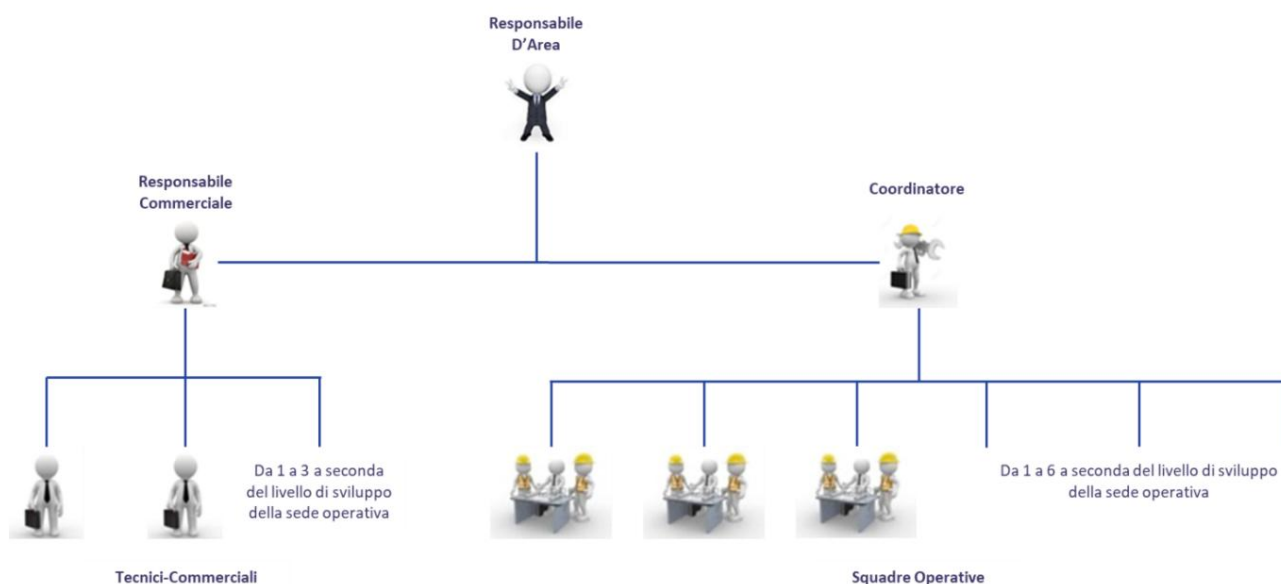
As of 30 June 2018, revenues deriving from residential customers represented 83%, followed by corporate customers (7.9%), the Public Administration (5.3%) and religious and other structures (3.8%).

6.1.4. Business model

The Group has developed its own *business model*, standardizing the procedures, and making it replicable for all direct and franchised operating offices .

The *Management* identifies the areas that present the characteristics suitable for the opening of new operational offices, using IT tools for territorial analysis and *geomarketing*.

The Group's operations are developed through the activities of the operating offices, whose organizational structure is shown below:



Each operational headquarters is made up of:

- an area manager, a figure in charge of economic-financial, commercial and technical management, who takes care of relationships with management customers in the area, supports the resources, draws up the documentation relating to safety on site, takes care of the teams' planning

operational and reports directly to the sales director (direct or *franchising*) and to the operations director (direct or *franchising*);

- a sales manager (present only for the *Senior Areas*), who reports directly to the area manager and, together with the latter, coordinates the sales network of the operational headquarters, supporting him in achieving the objectives set at a commercial level and in training and growth of sales technicians;
- a coordinator (present only for the *Senior Areas*), who always reports to the area manager and is responsible for verifying the productivity of all the operational teams in his area, organizing the construction sites and evaluating the quality of the work carried out. The coordinator manages up to a maximum of 6 operational teams;
- the commercial technicians, who can reach a maximum of 2/3 resources per operational headquarters, are coordinated by the sales manager and carry out commercial activities aimed at obtaining orders, such as telephone calls, appointments, meetings, inspections and estimates. Sales technicians are divided into *junior* and *senior*, depending on their level of experience. The most deserving sales technicians can aspire to take on the role of sales manager, and subsequently, area manager;
- the operational teams are made up of two employees specialized in carrying out the work according to the double safety rope technique, one of which acts as an expert foreman and the other acts as an assistant. The team leader carries out the operational activity, supported by his assistant, and also has the task of training him. As soon as the latter reaches a good level of experience he becomes team leader, thus generating a new operational team.
Each coordinator manages up to a maximum of 6 teams of rope workers, also taking care of their technical-professional training.

As of 31 December 2017, the Group has:

- 17 area managers;
- 5 sales managers;
- 38 sales technicians;
- 15 coordinators;
- 180 workers divided (of which 11 temporary) into 80 operational teams.

As of June 30, 2018, the Group has:

- 27 area managers;
- 5 sales managers;
- 47 sales technicians;
- 19 coordinators;
- 210 workers (of which 28 temporary) divided into 105 teams.

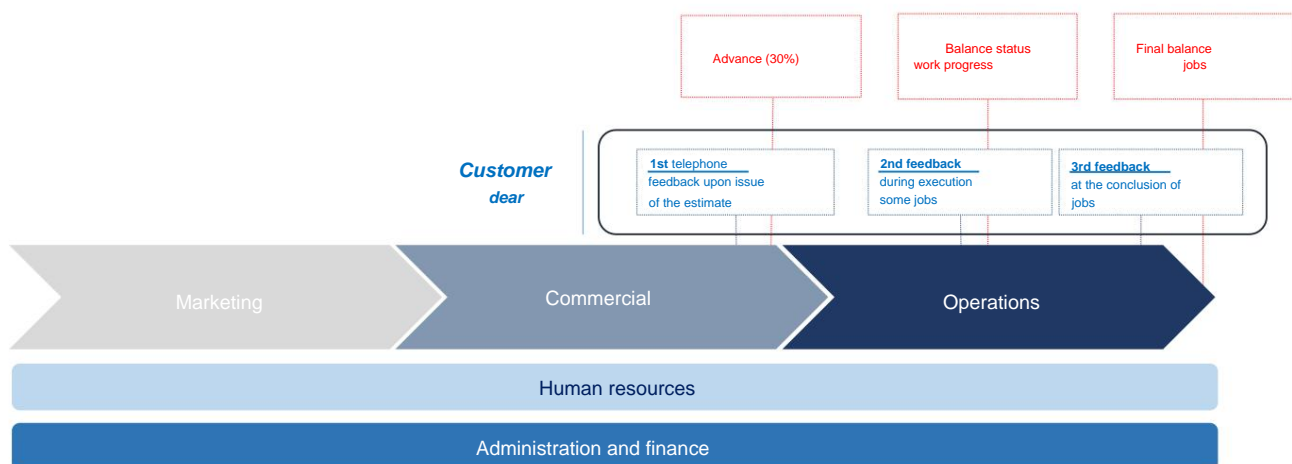
The Group, as of 31 December 2017, operates through 49 operating offices, of which:

- 24 *Senior* operating locations (14 direct operating locations and 10 franchising locations), active for over 18 months and made up of 4 to 6 operating teams;
- 25 *Junior* operating locations (13 direct operating locations and 12 franchising locations), active for less than 18 months and made up of 1 to 3 operational teams.

Below is the process of opening and developing new operational offices, both direct and franchised:

- A. Creation of an office in a neighboring area: the Group launches a new office in an area adjacent to that of a pre-existing operational headquarters when this office generates a volume of orders greater than the production capacity of the six operational teams. In this circumstance, a technical-commercial or commercial manager of the Group who, due to merit, aptitude and technical knowledge, is included in a training course takes on the role of area manager. The training of this technical-commercial or sales manager is carried out by the area manager of the pre-existing operational headquarters during which the selected technical-commercial or sales manager takes on the task of developing a specific territory through the allocation of a technician -*junior* sales manager and an operational team.
- B. Creation of an office in a new territory (not located in an area adjacent to another pre-existing office): in this case, the selection process of the area manager who follows a training course at an existing office. Once the training course has been completed, subject to verification by the *Management*, the new area manager begins to carry out his/her activities in the area under the direct control of the commercial director and the technical director of the Issuer. The *start-up* process of the new headquarters and the addition of operational and commercial resources are evaluated by the Issuer's *Management* on the basis of the turnover forecasts expected by the same.

The Issuer's *business* model is divided into the following phases:



A. Marketing

Marketing activities aim to generate new contacts with potential customers through the development of digital *marketing initiatives*, such as:

- the optimization of the positioning of the Company's website on search engines for increase the number of visitors (*Search Engine Optimization*);
- *online* advertising campaigns to promote the website to increase its visibility on search engine results (*Search Engine Marketing*).
- *social media engagement* campaigns , production and publication of content (posts, images and videos) on the main social media (Facebook, Instagram, Google +, YouTube channel) also to attract new *fans/followers*.

Furthermore, the Management takes care of the Issuer's image, through a uniform and recognizable layout for each operational location, both direct and franchised .

B. Commercial

The order acquisition process, conveyed through the figure of commercial technicians, develops in various activities over a time interval between 1 and 3 months:

- (the) First contact with potential customer: each sales technician makes calls to potential customers based on a contact *database* developed by the Issuer. During the first contact, the sales *team* sets up an initial meeting with the potential customer.

- (ii) Informative meeting with the customer: the sales technician meets the potential customer and presents the Group's types of intervention through the double cable technique, the advantages in terms of cost-effectiveness and execution times. The approach of the commercial figure is proactive, aimed at establishing a relationship of trust and acquiring the customer;

- (iii) Request for inspection: the sales technician discusses with the customer the type of intervention needed, the timing and related costs, with the request for inspection;

- (iv) Inspection: the sales technician carries out the inspection of the customer's building, carries out surveys and photographic documentation, collects all the information necessary to define the times and costs of the order with a high degree of precision;

- (v) Estimate issuing: following the inspection, the technical-commercial prepares, together with the commercial *team* , an offer which is made up of a technical report, photographic documentation and detailed processing cycles and prices closed in the body of the clerk.

- (you) Negotiation and issuing of the order and, respectively, of the order confirmation or the procurement contract: delivery of the estimate by the sales technician to the customer and negotiation with the customer. The commercial technician supervises the negotiation by participating in meetings with the client's decision-making bodies who accept the Company's offer, through a condominium meeting or without a meeting, based on the work involved.

The approval times of a quote depend on the timing of the client's decision-making bodies and the value of the quote itself. From the statistical analyzes carried out by *Management* of the Issuer, as at 31 December 2017, the average value of the orders carried out by the Group is equal to Euro 5,383.

C. Operation

The provision of the Services takes place with the intervention of the operational *team* composed, depending on the type of order and Service provided, of one or more operational teams.

In particular:

- before the start of the works, the area manager, after technical analysis of the signed contracts, programs and plans the operational teams, draws up the construction site documentation, transmitting everything to the coordinator who will, in turn, organize the of the individual teams;

- during the execution of the orders, the coordinator manages and verifies the operation of the teams;
- upon completion of the work, the area manager sends the invoice to the customer, after verification of the correct execution of the order.

D. Customer care

The *customer care* activity takes place through three telephone interviews:

- First telephone interview: in order to receive initial *feedback*, following the receipt of the quote, on the degree of customer satisfaction acquired;
- Second telephone interview: in order to receive a second *feedback* on the quality of the service perceived during the work in progress;
- Third telephone interview: in order to receive a third *feedback* on customer satisfaction to complete the work for customer loyalty and continuity of the collaborative relationship with the Group for subsequent order issues.

E. Human Resources

Human resources activity develops throughout the operational process and aims to do so that all operating offices can reach the same level of operation, as well as quality of the Services offered.

Human resources, which play a central role in the Group, as they allow the *business model to be replicated*, mainly carry out the following activities:

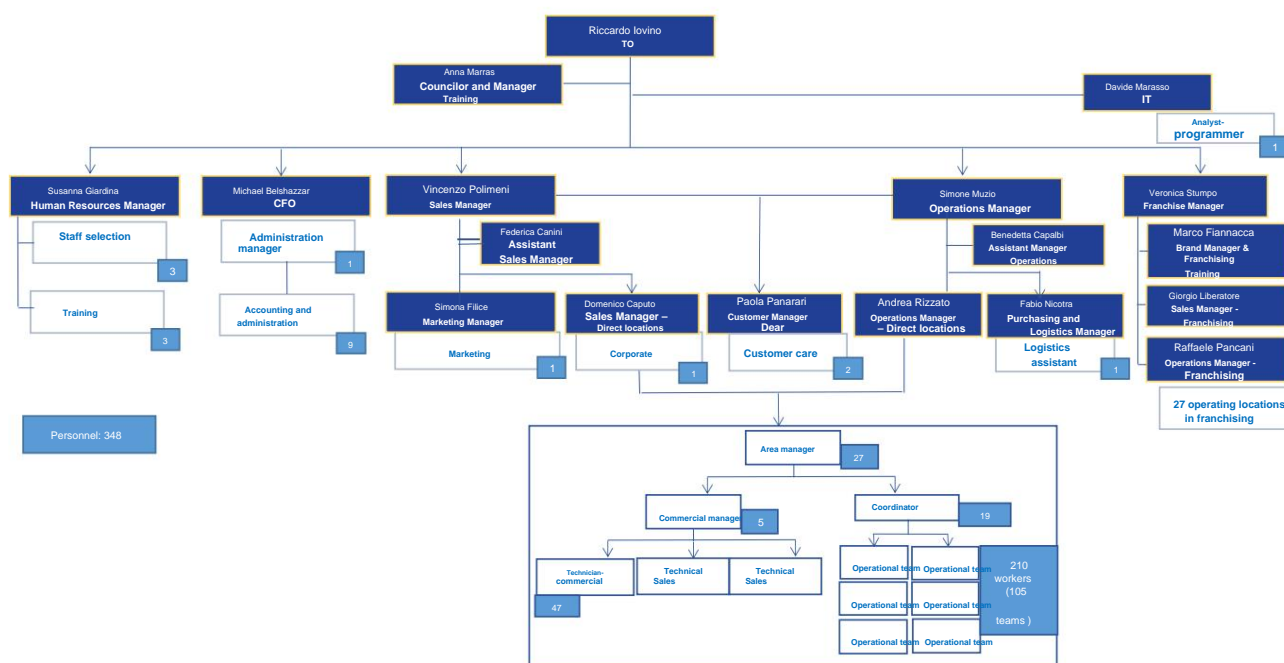
- the *training* necessary for each company function to carry out the required activities, through job descriptions and company procedures;
- the verification of the operating conditions for each type of activity for each company function;
- the implementation of corrective actions in cases of inadequate operating conditions, necessary to restore the correct operating methods to achieve the set company objectives;

Each operational headquarters is constantly monitored by the Issuer's human resources through operational and economic-financial KPIs.

KPIs are monitored and managed through weekly statistics, entered daily into the management *software*, so as to allow *performance* monitoring and implementation timely corrective actions to achieve the objectives.

6.1.5. Group organizational model

The Issuer's organizational model is structured according to the structure highlighted in the organizational chart below, with an indication of the number of resources allocated to each function:



The staff used by the Group is made up of highly qualified professional figures (thanks also to the training course provided by the Issuer) and the continuous and constant monitoring carried out by human resources.

6.1.6. Distinctive factors characterizing the Group

The Group's success is attributable, according to *Management*, mainly to the following factors:

- **Innovative service offering:** the Group, through the double cable technique, is able to propose a service offering that differs from all other operators given the ease of access to areas of buildings that are difficult to reach, which allows greater safety of the buildings, given the lack of exposure to the risk of theft, less invasiveness of the intervention and greater cost-effectiveness and reduction in the timing of carrying out the intervention.
- **Large potential market:** the Group operates in the broader building renovation market, which amounted, in Italy, to approximately Euro 69 billion as at 31 December 2016, within which the rope technique, thanks to the advantages it brings, shows significant growth opportunities.
- **Scalability of the business model :** a distinctive factor of the Group is the ability to quickly replicate the *business model*, both at a national and international level, through the development and supervision of the activity by geographical area that takes place in the territory nationally through the opening of direct and *franchising* operating offices and abroad through potential acquisition operations of *players* active in the same sector (M&A operations);
- **Extended sales network:** the Group offers its range of services through a wide network of operating offices, both direct and franchised, which allow for strong commercial coverage at a national level.
- **Staff loyalty and *know-how development*:** a characterizing element of the Group is the capacity for internal growth of its staff and their loyalty through continuous monitoring by human resources, internal training and

remuneration and incentive policies aligned with the achievement of objectives and *performance*.

6.1.7. Future programs and strategies

The Group's objective is to strengthen its competitive position in the national and international renovation market, leveraging an innovative service offering and an extensive sales network.

To this end, the Group has identified the following strategic actions:

- 1) consolidation of the presence on the Italian market, strengthening commercial activity in the residential sector, through the opening of new operational offices, both direct and in franchising, and by better covering the Corporate, Public Administration and Religious Structures and other sectors, through the development of dedicated divisions.
- 2) International expansion: the Issuer intends to pursue a growth strategy through M&A operations and, in particular, through acquisitions of primary foreign companies operating in the ropeway construction market. (a Letter of Intent was signed in December 2017 for the acquisition of a French company lasting until 15 December 2018).
- 3) Consolidation of the brand image and *brand awareness*: To this end, the Company intends to significantly implement the resources invested in the creation of promotional campaigns and promotional activities, such as:
 - creation of advertising campaigns through traditional and *social tools media* and *web media*;
 - strengthening the presence of the Issuer's signs and distinctive signs.
- 4) Strengthening its organizational structure: the Group aims to strengthen its organizational structure through the inclusion of new managerial figures mainly in the IT area and through the implementation of a new research and development department focused on the development of new materials and services.

6.2. Reference market and competitive positioning

6.2.1. Market trends in the construction sector in Italy

The Issuer is active in the building renovation sector² in Italy, within the construction macro-sector. The Issuer's *Management* identifies investments in renovation works among the main elements that outline the trends in the building renovation sector. In this context, the market for private investments in renovation works on buildings is reported³.

² at the same time, it is underlined that certain services offered by the customer (by way of example and not limited to, installations) do not are attributable to the renovation sector

³ The renovation interventions include demolition operations, removal and construction of partitions, plastering and smoothing, floors and coverings, painter works, plumber works, heating system, electrical system, masonry assistance, air conditioning, fixtures and material supply.

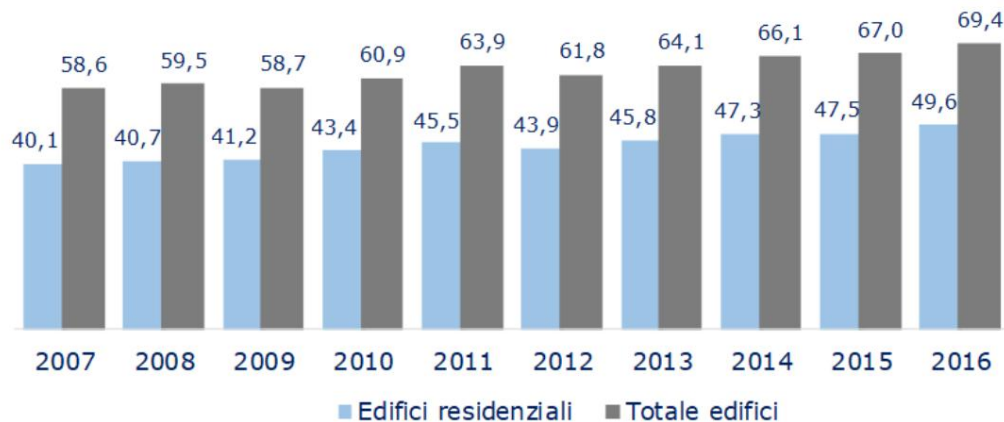


Figure 1. – Investments in renovation works 2007-2016 (€ billion), First report on building recovery in Italy (Real Estate Scenarios), A new building against the crisis (Symbola)

In 2016, investments in renovation works amounting to 69.4 billion Euros were made, up by approximately 3.6% compared to 2015 (67 billion Euros), recording a 2011-2016 CAGR of approximately 1.7%. Approximately 71.5% of the total investments (49.6 billion euros) were carried out in residential buildings.

Among the main trends of recent years there is certainly the professionalization of the sector with the growing presence of structured operators active in the management of buildings (facility and property management companies), the relevance, both in Italy and in Europe, of buildings historical buildings, as well as their conservation through recovery interventions, the growing tendency to plan ordinary and extraordinary maintenance interventions on buildings, all elements that confirm the positive trend of the market.

6.2.2. Mapping of the number of buildings in Italy

The Issuer's *Management*, with the aim of estimating the building market in Italy, has identified the number of residential buildings based on Istat data.

In 2011, Istat carried out a census of buildings and complexes on the national territory⁴ which amounted in total to 14,515,795, 13.3% more than in 2001. In more detail, there are 14,452,680 buildings and 63,115 complexes, with an inter-census increase of 13.1% and 64.4% respectively.

Below is a graphic representation of the number of buildings by type:

⁴ 15th Population and Housing Census, 2011, ISTAT

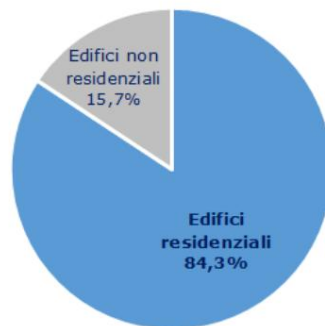


Figure 2. – Breakdown of the number of buildings in Italy by type, 15th Census of Population and Housing, 2011, ISTAT

84.3% of the buildings surveyed overall are represented by residential buildings, equal to 12,187,698, and growing by 8.6% in the inter-census decade.

Below is a representation of the buildings by geographical area:

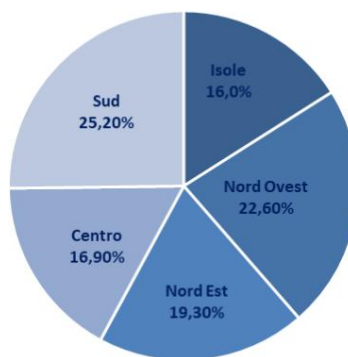


Figure 3. - Number of buildings by geographical area - 2011 Census (absolute values)

With reference to geographical distribution, Northern Italy is the geographical area that has the largest number of buildings with 6,049,806 buildings, corresponding to 41.9% of the national total, followed by the South (3,637,768), the Center (2,440,643) and the Islands (2,324,463).

In order to identify the Issuer's *target* building market , i.e. buildings suitable for the type of interventions carried out by the Issuer (double rope work), the *Management* has taken into consideration only buildings with a height equal to or greater than three floors which are equal to 4,123,053 residential units in Italy, approximately 34% of buildings identified for residential use.

Below is the distribution of residential units suitable for double cable work by region:

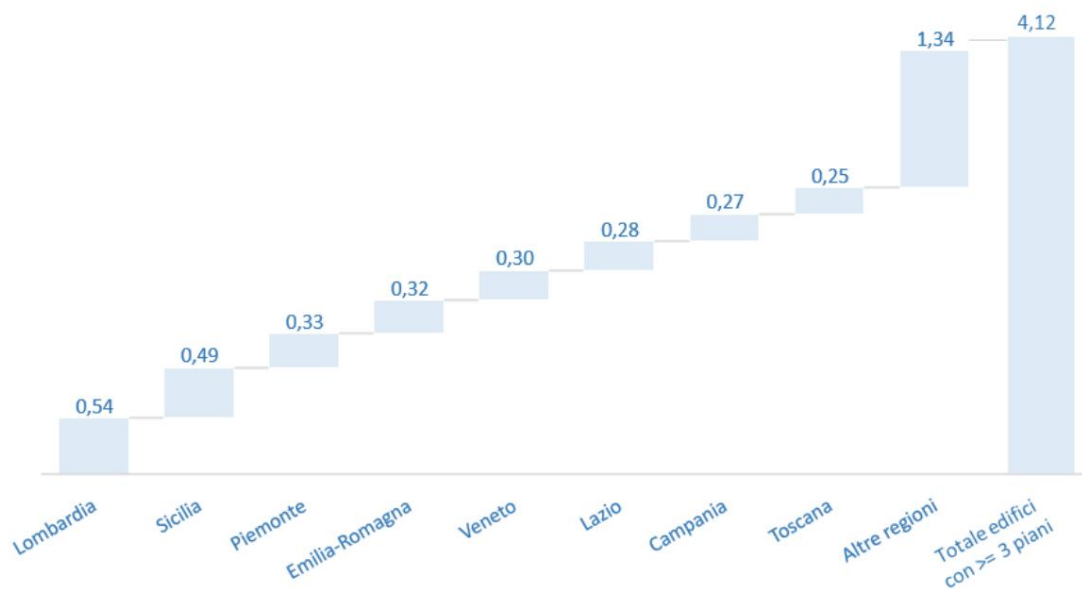


Figure 4. – Breakdown of the number of residential buildings in Italy (in millions), with a height equal to or greater than three floors, by region, 15th Population and Housing Census, 2011, ISTAT

The first five regions with the highest number of residential buildings with more than three floors are represented by: Lombardy (13.2%), Sicily (11.9%), Piedmont (8%), Emilia-Romagna (7.9 %) and Veneto (7.2%).

6.2.3.1. Competitor in the rope construction sector in Italy

The *competitors* identified by the Issuer's *Management* are small in size, in terms of turnover and geographical areas of activity, and carry out interventions on ropes sometimes as additional services to traditional construction, or, in some cases as part of niche segments (reclamation, environmental interventions, etc.).

Below is a representation of some Italian *competitors* who operate using double ropes, with an indication of the type of activity, operations at geographical area level and 2016 revenues:









Numero	Competitor Italia 	Logo	Attività	Area Operativa	Ricavi Medi Dichiarati 2016 (Milioni di Euro)
1	Recotech		Lavori post eventi accidentali ed edilizia su fune	Nazionale	3,89
2	Gico System		Lavoro su fune e interventi biologici ed ambientali	Nord e Centro Italia	3,30
3	Mazzaferrì		Lavori su corda, barriere stradali, ingegneria naturalistica	Nazionale ed Estero	1,64
4	Fratelli Gianni		Ristrutturazioni e lavori speciali (anche su corda)	Roma e provincia	1,24
5	Fly Original		Manutenzione su corda	Nazionale	1,19
6	ArchIngegno		Manutenzione e lavori su corda, bonifica amianto, altri lavori edili	Milano e provincia	1,07
7	Vertical Service		Manutenzioni e ristrutturazioni	Palermo	N.A. (< 1,00)
8	EVER Edilizia Verticale		Manutenzioni e ristrutturazioni	Torino e provincia	N.A. (< 1,00)
9	Ediliziaarea		Ristrutturazioni, manutenzioni su corda	Milano e provincia	N.A. (< 1,00)
10	Edil Climber		Manutenzioni e lavori su corda	Nazionale	N.A. (< 1,00)
11	A&G		Ristrutturazioni e manutenzioni su corda	Roma e provincia	N.A. (< 1,00)
12	Climbing Works		Manutenzioni e ristrutturazioni	Lazio	N.A. (< 1,00)
13	Icarus Lavori in Quota		Manutenzioni e lavori su corda	Nord e Centro Italia	N.A. (< 1,00)
14	OperàVertical		Manutenzioni e lavori su corda	Roma e provincia	N.A. (< 1,00)
15	MCEdilizia su fune		Manutenzioni e lavori su corda	Milano e provincia	N.A. (< 1,00)
16	AlpinismoEdile		Manutenzioni e lavori su corda	Genova	N.A. (< 1,00)
17	Edilizia Alternativa		Manutenzioni e lavori su corda	Nazionale	N.A. (< 1,00)
18	Servizi Verticali		Lavori su corda per la potatura di alberi e arbusti	Lazio	N.A. (< 1,00)
19	Vertical Edil		Manutenzioni e lavori su corda	Torino e provincia	N.A. (< 1,00)

Figure 5. Italian competitors.

6.2.3.2. Competitor in the rope construction sector in Europe

Furthermore, in order to identify the competitive positioning of the company at a European level, the Issuer's *Management* made use of Cerved's market research, commissioned by the Issuer itself, with the aim of identifying European companies with a similar business *model* of EdiliziAcrobatica, or companies active in the same sector, with services such as building renovations, window cleaning, pruning of trees and shrubs, etc., through the use of double ropes. Specifically, Cerved's research focused on four countries: France, Switzerland, Spain and Portugal (figures 6, 7, 8, 9)

⁵.

⁵ Market research prepared by Cerved



























Numero	Competitor Francia	Logo	Attività	Area Operativa	Ricavi Medi Dichiarati 2016 (Milioni di Euro)
1	JADE		Lavori di edilizia su fune	Nazionale e Internazionale	da 5,00 a 10,00
2	TPGH TRAVAUX PRESTAT GRANDE HAUTEUR		Lavori di edilizia su fune	Regionale	da 2,00 a 5,00
3	EVEREST		Lavori di edilizia su fune	Nazionale	da 2,00 a 5,00
4	ETAIR ILE DE FRANCE		Lavori di edilizia su fune	Regionale	da 2,00 a 5,00
5	CIE INTERVENTION TRAVAUX MONTAGNE		Lavori di edilizia su fune	Nazionale	da 2,00 a 5,00
6	PROFIL ARMOR		Lavori di edilizia su fune	Nazionale	da 2,00 a 5,00
7	JARNIAS TRAVAUX SPECIAUX		Lavori di edilizia su fune	Nazionale	da 2,00 a 5,00
8	ACROTIR		Lavori di edilizia su fune	Nazionale e Internazionale	da 2,00 a 5,00
9	ACROBART		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
10	ADRET FRANCE		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
11	IMOTEP		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
12	VOLTIGE		Lavori di edilizia su fune	Nazionale e Internazionale	da 1,00 a 2,00
13	LES CORDISTES PARISIENS		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
14	SKY SCRAPPER		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
15	EASYCORDE		Lavori di edilizia su fune	Nazionale e Internazionale	da 1,00 a 2,00
16	IMEAUX SERVICES		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
17	ACCYS		Lavori di edilizia su fune	Nazionale e Internazionale	da 1,00 a 2,00
18	ASCENSION		Lavori di edilizia su fune	Nazionale e Internazionale	fino a 1,00
19	ATELIER SUR CORDES		Lavori di edilizia su fune	Regionale	fino a 1,00
20	S O S VOLTIGE		Lavori di edilizia su fune	Regionale	fino a 1,00
21	SUD VERTICAL		Lavori di edilizia su fune	Regionale	fino a 1,00
22	ALPIPROBAT		Lavori di edilizia su fune	Nazionale e Internazionale	fino a 1,00
23	VERTICALE SOLUTION		Lavori di edilizia su fune	Nazionale e Internazionale	fino a 1,00
24	ALPIBAT-SERVICES		Lavori di edilizia su fune	Regionale	fino a 1,00
25	ACCEDE ATOUT		Lavori di edilizia su fune	Regionale	fino a 1,00
26	ALP'SOLUTION		Lavori di edilizia su fune	Regionale	fino a 1,00
27	ALPINISTE SERVICE		Lavori di edilizia su fune	Regionale	fino a 1,00
28	ACROSITE		Lavori di edilizia su fune	Nazionale	fino a 1,00
29	SKYWORK		Lavori di edilizia su fune	Nazionale	fino a 1,00

Figure 6. French competitors.

Numero	Competitor Svizzera 	Logo	Attività	Area Operativa	Ricavi Medi Dichiarati 2016 (Milioni di Euro)
1	VERSUS SÀRL		Lavori di edilizia su fune	Nazionale e Internazionale	N.A.
2	ALTITEC SÉCURITÉ SÀRL		Lavori di edilizia su fune	Regionale	N.A.
3	VERTICAL ACCESS SÀRL		Lavori di edilizia su fune	Nazionale	N.A.
4	ACRO BAT JDL SÀRL		Lavori di edilizia su fune	Nazionale	N.A.
5	NUMÉRO 8 SÀRL		Lavori di edilizia su fune	Regionale	N.A.
6	ACRONET SÀRL		Lavori di edilizia su fune	Regionale	N.A.
7	VERTIGE CONCEPT SÀRL		Lavori di edilizia su fune	Nazionale	N.A.

Figure 7. Swiss competitors.

Numero	Competitor Portogallo 	Logo	Attività	Area Operativa	Ricavi Medi Dichiarati 2016 (Milioni di Euro)
1	TRAVER - TRABALHOS VERTICAIS, LDA		Lavori di edilizia su fune	Nazionale	fino a 1,00
2	TRABALHOS VERTICAIS DE ALEXANDRE LOPES LDA		Lavori di edilizia su fune	Nazionale e Internazionale	fino a 1,00
3	LCS TRABALHOS VERTICAIS		Lavori di edilizia su fune	Regionale	fino a 1,00
4	WORKALP INDUSTRY LDA		Lavori di edilizia su fune	Nazionale e Internazionale	N.A.
5	VERTWORKER - ESPECIALISTAS EM TRABALHOS EM ALTURA, UNIPESSOAL, LDA		Lavori di edilizia su fune	Nazionale	N.A.
6	LMC TRABALHOS VERTICAIS		Lavori di edilizia su fune	Regionale	N.A.
7	DESNIVEL-TRABALHOS VERTICAIS		Lavori di edilizia su fune	Nazionale	N.A.

Figure 8. Portuguese competitors.

Numero	Competitor Spagna	Logo	Attività	Area Operativa	Ricavi Medi Dichiarati 2016 (Milloni di Euro)
1	PROLISER SL		Lavori di edilizia su fune	Nazionale	da 2,00 a 5,00
2	VERTICAL TRATAMIENTOS Y APLICACIONES SL		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
3	TRABAJOS VERTICALES MÁLAGA		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
4	ABRAKE SL		Lavori di edilizia su fune	Nazionale e Internazionale	da 1,00 a 2,00
5	ACEBO TRABAJOS VERTICALES		Lavori di edilizia su fune	Nazionale	da 1,00 a 2,00
6	SOLUTEC		Lavori di edilizia su fune	Nazionale	da 1,00 a 2,00
7	VERTICAL CROSS SL		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
8	ACCES VERTICAL SL		Lavori di edilizia su fune	Nazionale	da 1,00 a 2,00
9	VERTICAL SERVICES - TRABAJOS EN ALTURA Y MANTENIMIENTO		Lavori di edilizia su fune	Nazionale	da 1,00 a 2,00
10	AINUR TRABAJOS VERTICALES, S.L.		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
11	UMBRALIA (UMBRAL DE TOLERANCIA)		Lavori di edilizia su fune	Regionale	da 1,00 a 2,00
12	VERTIKALIA TRABAJOS VERTICALES SOCIEDAD LIMITADA.		Lavori di edilizia su fune	Nazionale	fino a 1,00
13	ABYSS TRABAJOS VERTICALES SL.		Lavori di edilizia su fune	Nazionale	fino a 1,00
14	ZÉNIT VERTICAL SCP		Lavori di edilizia su fune	Regionale	fino a 1,00
15	ARCO TRABAJOS VERTICALES		Lavori di edilizia su fune	Regionale	fino a 1,00
16	INSPECCIONES TÉCNICAS VERTICALES S.L.		Lavori di edilizia su fune	Regionale	fino a 1,00
17	VERTIVALLES TREBALLS VERTICALS SL.		Lavori di edilizia su fune	Locale	fino a 1,00
18	PARABOLT TRABAJOS VERTICALES		Lavori di edilizia su fune	Nazionale	fino a 1,00
19	TALUDIA COOP. V.		Lavori di edilizia su fune	Nazionale e Internazionale	fino a 1,00
20	DALI TRABAJOS VERTICALES SL		Lavori di edilizia su fune	Regionale	fino a 1,00
21	AS VERTICALES		Lavori di edilizia su fune	Locale	fino a 1,00
22	VERTIGEN TECNICS VERTICALS SL.		Lavori di edilizia su fune	Locale	fino a 1,00
23	APLIK2		Lavori di edilizia su fune	Nazionale	fino a 1,00
24	BASE VERTICAL.		Lavori di edilizia su fune	Locale	fino a 1,00
25	STEPALONG		Lavori di edilizia su fune	Nazionale e Internazionale	fino a 1,00
26	GRAVEDAD ZERO		Lavori di edilizia su fune	Locale	fino a 1,00
27	MADRID VERTICAL		Lavori di edilizia su fune	Nazionale	fino a 1,00
28	MUNDO VERTICAL S. C.		Lavori di edilizia su fune	Locale	fino a 1,00
29	ESPAIVERTICAL		Lavori di edilizia su fune	Nazionale e Internazionale	fino a 1,00
30	TREBALLS VERTICALS PENEDÈS		Lavori di edilizia su fune	Nazionale e Internazionale	fino a 1,00
31	BO AIRIGH, S.L.		Lavori di edilizia su fune	Nazionale	fino a 1,00
32	SERVERTICAL		Lavori di edilizia su fune	Regionale	fino a 1,00
33	XPERTOS, SC		Lavori di edilizia su fune	Regionale	fino a 1,00
34	AIT TRABAJOS VERTICALES Y OBRAS		Lavori di edilizia su fune	Regionale	fino a 1,00
35	TAV S.L.		Lavori di edilizia su fune	Regionale	N.A.

Figure 9. Spanish competitors.

In general, the reference market in the countries analyzed by the research carried out on the basis of data in June 2017 by Cerved on behalf of the Issuer presents a high fragmentation of operators, small in size (with a turnover of less than Euro 5 million), active mainly at local and regional level.

6.3. [Exceptional factors that have influenced the company's business or the sector in which it operates](#)

As of the Admission Document Date, no exceptional events have occurred that have affected the activity of the Issuer and the Group.

6.4. [Dependence on patents or licenses, on industrial, commercial or financial contracts or on new manufacturing processes](#)

As of the Admission Document Date, in the opinion of the Issuer, the Group's activity does not depend to a significant extent on patents, licensing agreements or industrial, commercial or financial contracts.

The following table summarizes the main patents for which the Group has requested registration as of the Admission Document Date.

Holder	Object of the patent	Category	Application filing date/ filing number	Registration date/ registration number
Ediliziacrobatica SpA	usable support structure when carrying out work at height on ropes	patent for utility model	July 10, 2017 202017000077262	nd
Acrobatic construction SpA	support structure that can be used in execution working at height on ropes	patent by invention	July 3, 2017 102017000073986	nd
Acrobatic construction SpA	support structure that can be used when carrying out work at height on ropes	patent by invention	July 10, 2017 102017000077253	nd

6.5. [Sources of statements made by the Issuer regarding its competitive position](#)

The Admission Document contains declarations of pre-eminence on positioning of the Issuer and the Group, market assessments and comparisons with competitors, formulated, unless otherwise specified, by the Issuer itself based on specific knowledge of sector to which they belong, their experience as well as public data.

For further details on the competitive positioning of the Issuer and the Group, please refer to Section One, Chapter 6, Paragraph 6.2.

6.6. Regulatory framework

Regulations regarding the protection of health and safety in the workplace

The Group's activity is governed by Title IV of Legislative Decree no. 81/2008, relating to temporary and mobile construction sites, and precisely in Chapter II, which contains the rules on working at heights such as those provided by the Issuer. In this regard, the articles of greatest interest for the purposes of the Issuer's activity are:

- i. the articles 105 and 106 which respectively list the activities subject to and the activities excluded from the application of the rules of Chapter II of Title IV;
- ii. the art. 107 which provides the definition of working at height;
- iii. the art. 111 which reports the obligations of employers in the use of equipment for work at height, including work at height using ropes;
- iv. the art. 115 which provides information on protection systems against falls from heights; And
- v. the art. 116 which reports the obligations of employers regarding the use of access and positioning systems using ropes.

The art. 111 of Legislative Decree no. 81/2008 which lists some principles regarding the choice of the method of working with ropes as a means of access to workplaces at height, requiring the employer to choose this means of access after a careful risk analysis. However, the legislator does not indicate objective criteria, of an unequivocal nature, by virtue of which the employer must or must not choose a specific safety device, collective (scaffolding) or individual (ropes) but limits itself, as mentioned, to the statement of some general principles and criteria including, in paragraph 4, also "*[...] the short duration of employment [...]*"; consequently it is left to the discretion of the operator to evaluate from time to time the work to be carried out and the relative conditions of the place where it must be carried out.

In consideration of the provisions of the art. 111 of Legislative Decree no. 81/2008, it cannot be ruled out that some categories of particularly important orders cannot be carried out using the rope work technique. In fact, although roped services present clear advantages in terms of time, safety for workers and efficiency and are rapidly expanding in the national panorama of services in the construction sector, at the moment there are no guidelines in jurisprudence that have clarified in detail the prerequisites and circumstances for the use of these techniques in the construction sector.

The discovery of violations of laws, regulations or policies or changes in said provisions or related interpretation criteria could have the effect of delaying the execution of the works or increasing the costs, exposing the Group to the risk of penalties, sanctions, civil or criminal proceedings or other unforeseen charges, with possible substantially negative effects on the equity, economic and financial situation of the Group.

Each of these risks may result in requests for compensation for damages and/or sanctions which, in addition to causing possible delays in the execution of the works, are likely to cause damage to the image and reputation of the Group. Furthermore, the applicable regulatory provisions may be subject to strengthening measures or other types of modification as a result of European standards or international agreements and the costs linked to compliance with them may, in certain cases, be considerable.

Legislation on the subject of innovative SMEs

The Legislative Decree of 24 January 2015, n. 3 (so-called "Investment Compact") defines Innovative SMEs as small and medium-sized enterprises, pursuant to recommendation 2003/361/EC, in possession of the following requirements: i) employ fewer than 250 people and whose annual turnover does not exceed euros 50 million or whose annual balance sheet total does not exceed euro 43 million; ii) have residence in Italy or in one of the member states of the European Union or in states adhering to the agreement on the European economic area, provided they have a production site or branch in Italy; iii) present the latest financial statements and any consolidated financial statements subject to audit; iv) do not have shares listed on a regulated market; v) are not registered in the special register of Innovative Start Ups provided for by Legislative Decree no. 179/2012; vi) possess at least two of the following requirements: - volume of spending on research, development and innovation equal to or greater than three percent of the greater of the cost and total value of the Innovative SME's production; -

employment as employees or collaborators in any capacity, in a percentage equal to or greater than one fifth of the overall workforce, of personnel who hold a research doctorate or who are carrying out a research doctorate at an Italian or foreign university, or who have degree and who has carried out, for at least three years, certified research activity at public or private research institutes, in Italy or abroad, or, in a percentage equal to or greater than one third of the total workforce, of personnel possessing master's degree; - ownership, also as custodian or licensee of at least one industrial property right, relating to an industrial or biotechnological invention, to a semiconductor product topography or to a new plant variety or ownership of the rights relating to an original computer program registered in the Public Register special for computer programs, provided that this right is directly related to the corporate purpose and business activity.

Innovative SMEs, having received the relevant registration, are registered in a specific special section at the competent Company Register.

By virtue of the postponement made by article 4, paragraph 9, of the Legislative Decree of 24 January 2015, n. 3 (so-called "Investment Compact") in art. 29 of the Legislative Decree of 18 October 2012, n. 179, converted, with amendments, by Law 17 December 2012, n. 221, investments made in Innovative SMEs by natural persons up to a maximum invested of 1 million euros and by legal entities up to a maximum invested of 1.8 million euros benefit from an Irpef/Ires deduction equal to 30 % of the investment made. The aforementioned incentives are valid both in the case of direct investments and in the case of indirect investments through Collective Investment Savings Organizations or other companies that invest mainly in Innovative SMEs. The use of the incentive is conditional on maintaining participation in the Innovative SME for a minimum period of three years.

However, in order to be operational, the benefits described above require authorization from the European Commission regarding the compatibility of these measures with the community regulations on state aid, which, to date, has not yet been implemented.

Furthermore, pursuant to Legislative Decree no. 50/2017, for the year 2018, the recognition of a contribution in the form of a tax credit was introduced for innovative SMEs, equal to 90% of the "incremental" investments made in advertising campaigns through advertising spaces and advertisements commercials in the press, daily and periodicals, local analogue and digital television and radio stations.

The aforementioned benefit is granted on the condition that the value of the investment exceeds similar investments made in the same means of communication in the previous year by at least 1%.

With article 4 of Legislative Decree n. 148/2017, the allocation of resources for this measure has been defined, which for 2018 amounts to a total of 62.5 million euros, of which:

• 50 million for investments in the press (20 for investments made in the second half of 2017, plus 30 for those to be made in 2018);

• 12.5 million for investments to be made in 2018 on radio and television broadcasters.

The Law has delegated to an implementing regulation, which is still in the process of being adopted, the task of regulating all aspects of the measure not directly regulated by law, including the operating procedures that have been defined with the Revenue Agency.

Discipline regarding tax credit for research and development

With the issuing of the Ministerial Decree of 27 May 2015, the implementing provisions of the tax credit for research and development activities referred to in article 1, paragraph 35, of law no. were made known. 190 of 23 December 2014, Stability Law for the year 2015 (i.e. those expenses defined as fundamental research, industrial research and experimental development), as well as the methods of verification and control of the effectiveness of the expenses incurred starting from the period of tax subsequent to the one in progress on 31 December 2014, the causes of forfeiture and revocation of the tax benefit, the methods of repayment of the tax credit unduly used.

Companies that invest in research and development will have the possibility - until 2020 - to obtain a tax break in the form of a tax credit.

The bonus is recognized to all companies, regardless of company size, legal form, sector of activity and accounting regime adopted.

The tax credit is up to a maximum annual amount of 5 million for each beneficiary and is recognized on the condition that the overall expenditure for investments in research and development carried out in each tax period in relation to which it is intended to benefit from the relief amounts to at least 30,000 euros.

Discipline regarding tax credit for consultancy costs in relation to the listing process

The art. 1, paragraphs 89 to 92, of the 2018 Budget Law, as implemented by the Ministerial Decree of 23 April 2018 published in the Official Journal of 18 June 2018 n. 139, introduced a tax credit for SMEs (definition according to recommendation 2003/36/EC) which starting from 1 January 2018 begin a procedure for admission to listing on a regulated market, or in multilateral trading systems of one EU or European Economic Area member state.

The relief, equal to 50% of the consultancy costs incurred up to 31 December 2020 in relation to the listing process and in any case up to a maximum amount of Euro 500,000, is recognized only in the case of completion of the admission to listing procedure.

The eligible consultancy costs are those incurred for the listing process, meaning specialist consultancy (in the tax, legal or *marketing fields*) provided by professionals external to the SME and necessary to assess the feasibility of the listing and to support the company during the of the whole process.

The request for recognition of the tax credit must be sent electronically in the period between 1 October of the year in which the quotation was obtained and 31 March of the following year.

The tax credit can only be used as compensation *pursuant to* art. 17 of Legislative Decree 241/1997 via form F24, starting from the tenth working day of the month following the one in which the SME is notified by the Ministry of the recognition of the benefit.

It must be indicated in the tax return relating to the tax period in which the credit is accrued and in the tax returns relating to subsequent tax periods, up to the one in which its use ends.

6.7. Certifications

6.7.1. Security system certification

The Issuer decided to implement its own management system, pursuant to the BS OHSAS 18001:2007 standard, obtaining, in July 2012, the first certification of its health and safety management system and, in April 2016, the second certification with the Bureau Veritas body.

The Issuer has adopted the principles established by the standard for its safety management system OHSAS 18001:2007 such as:

- the systemic approach to management based on processes;
- staff involvement;
- the continuous reduction of risks associated with activities;
- data analysis, the mutually beneficial relationship with suppliers;
- making your information available to interested parties.

The Issuer's health and safety management system aims to:

- constitute the organizational tool for setting up, maintaining and improving activities that influence health and safety in the workplace;
- comprehensively present the company's health and safety policy, objectives and programs;
- document management's sensitivity and commitment to satisfying what is expressed in the company policy, objectives and goals regarding health and safety;
- document the main roles and responsibilities of the Issuer in the field of health and of safety;
- describe the relationships between the elements of the health and safety system;
- integrate the health and safety management system with the safety management system in such a way as to optimize the different processes;
- demonstrate compliance of its health and safety management system with laws and applicable international regulations and standards.

6.7.2. Quality certification

The Issuer decided to implement its own management system, in accordance with the ISO 9001:2008 standard, obtaining, in July 2012, the first certification of its Quality Management System and, in April 2016, the second certification with the Bureau Veritas body.

The Issuer has drawn up its own Quality Manual (MGQ) in compliance with the UNI EN ISO 9001: 2008 standard.

The MGQ aims to:

- ÿ Express the quality policy and objectives;
- ÿ Describe the processes identified by the QMS and their interactions, to allow clear understanding, management and improvement;
- ÿ Document the effectiveness and efficiency of the QMS, in identifying and satisfying the needs and expectations of customers and other interested parties to obtain competitive advantages, and in achieving, maintaining and improving organizational performance and capabilities;
- ÿ Indicate responsibilities and authorities for effective and efficient implementation e maintenance of the QMS;
- ÿ describe the relationships between the elements of the system.

The Issuer considers the creation of its QMS (Quality Management System) a work tool that provides added value to its activities, through the continuous improvement of its efficiency and the satisfaction of customer expectations.

7. GROUP STRUCTURE

7.1. Description of the Group to which the issuer belongs

As of the Admission Document Date, the Issuer's share capital is entirely held by Arim Holding.

For detailed information on the companies that make up the Group, please refer to the following Paragraph 7.2.

7.2. Companies controlled by the Issuer

As of the Admission Document Date, the Group, of which the Issuer heads, is composed of the following companies

-EDAC Versilia Srl:

with registered office in Milan, Via Filippo Turati n. 29, registered with the Company Registry Office of Milan at no. 09228990967, REA 2077010, whose share capital is held 85% by the Issuer and 15% by Simone Muzio (5%), Vincenzo Polimeni (5%) and Raffaele Pancani (5%).

-EDAC Sicilia Srl:

with registered office in Milan, Via Filippo Turati n. 29, registered with the Company Registry Office of Milan at no. 09277830965, REA 208031, whose share capital is 55% held by the Issuer, 40% by OSM Value Srl and 5% by Vincenzo Polimeni

-EDAC Roma Trastevere Srl:

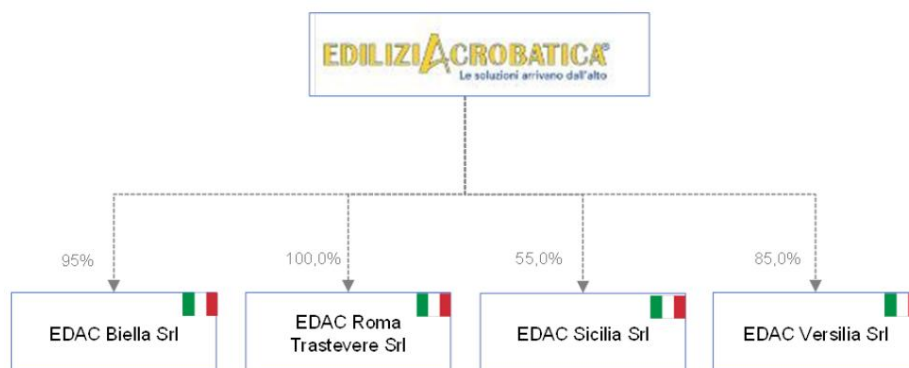
with registered office in Milan, Via Filippo Turati n. 29, registered with the Company Registry Office of Milan at no. 09306770968, REA 2082268, whose share capital is entirely held by the Issuer.

- EDAC Biella Srl:

with registered office in Milan, Via Filippo Turati n. 29, registered with the Company Registry Office of Milan at no. 02603290020, REA 2082275, whose share capital is 95% held by the Issuer, 5% by Danila Tempia.

The Issuer is the company at the head of the Group and carries out management and coordination activities, pursuant to article 2359 of the Civil Code, towards its subsidiaries.

The following graph illustrates the structure of the Group as of the Admission Document Date:



Data source: the Company

7.2.1. Other companies in which the issuer holds a stake in the share capital

As of the Admission Document Date, the Issuer does not hold any further shareholdings.

8. PROPERTY, SYSTEMS AND MACHINERY

8.1 Information relating to existing or planned tangible assets, including rented assets

Owned properties

As of the Admission Document Date, the Issuer is not the owner of any real estate.

Real estate for rent

As of the Admission Document Date, the Group is the tenant of the real estate indicated in the following table:

<i>Landlord</i>	<i>Location</i>	<i>Operational Headquarters*</i>
Risso Mauro Adriano and Bovone Natalina	Genoa (GE), Corso Buenos Aires n. 162/r	Genoa 2
Conti Onorina	Genoa (GE), Viale Brigate Partigiane n. 18	Genoa, management headquarters
Albaro Immobiliare Srl	Genoa (GE), Via Sturla n. 43/r	Deposit/warehouse
Cl.SA. Immobiliare Srl	Genoa (GE), Corso Marconi n. 8/r	Genoa, human resources
Immobiliare Conchetta Srl	Milan (MI), Via Alzaia Naviglio Pavese n. 52	Milan 1, 2 and 3
Zapacrom Italiana Srl	Rome (RM), Via Spalato n. 45	Rome 1
Cesolini Paola	Rome (RM), Via Gastone Maresca n. 58	Deposit/warehouse
General Investimenti Srl	Rome (RM), Via Antonino Lo Surdo nn. 47/49	Rome 2
Ella Immobiliare SS	Turin (TO), Corso Siracusa n. 139	Turin 1
Pitrolo Felicia	Turin (TO), Via Sospello n. 5/BIS Turin 2	
Piovanotto Luca Giovanni Battista and Di Vito Vincenzo	Collegno (TO), Via Venaria 38/A Warehouse/warehouse	
Arcabi Associates	Florence (FI), Via del Ghirlandaio n. 4/6/6th	Florence 1 and 2
Vieri Gianassi	Florence (FI), Via Fedele Soldani n. 18	Deposit/warehouse
Immobiliare Cattaneo Snc	Como (CO), Via Mentana n. 13/e Como	
Clasa Srl	Como (CO), Via Largo Giulio Silo n. 8	Deposit/warehouse
Marchetti Filippo and Fattorini Francesca Federica	Siena (SI), Viale Cavour n. 202	Siena
Broggi Vittoria	Siena (SI), Via Napoli n. 10	Deposit/warehouse

Padua Alberto	Venice (VE), Via Sestiere di Santa Croce n. 297	Venice
SIDIEF SpA	Rome (RM), Viale Trastevere n. 111	Rome Center and Rome Trastevere
Lenzoni-Lenolli SS	Lido di Camaiore, Via Aurelia n. 171	EDAC Versilia
Padua Alberto	Venice (VE), Isola Nova del Log	Deposit/warehouse
Monteleone Trasporti Srl	Biella (BI), Via Asti n. 4	EDAC Biella

(*) Please note that for certain operational locations including Ancona, Livorno, Verona, Catania, Bari, Pescara, Ancona and La Spezia there is no rental contract in place, but the activity is carried out in co-working spaces .

Vehicles/equipment

As of the Admission Document Date, the Group has n. 77 long-term rental contracts and n. 2 leasing contracts relating to vehicles used by Group companies for the purposes of carrying out their business.

The following table shows the value, in thousands of Euros, of the "Tangible assets" as resulting from the consolidated financial statements as at 31 December 2017.

<i>Description</i>	<i>As of June 30, 2018</i>	<i>As of December 31, 2017</i>
Plant and machinery	7	6
Other assets	390	336
Fixed assets in progress	-	-
Industrial and commercial facilities	31	4
Total tangible assets	428	346

8.2 Environmental issues

As of the Admission Document Date, the Issuer is not aware of environmental problems such as to significantly influence the use of tangible assets.

It should also be noted that the Issuer, in consideration of the activity carried out, within which also necessarily includes the removal and disposal of building and waste materials, is registered in category 2 *bis* of the National Register of Environmental Managers, as the initial producer of non-hazardous waste which carries out collection and transport operations of its own waste, and initial producer of hazardous waste which carries out collection and transport operations of its own hazardous waste in quantities not exceeding thirty kilograms or thirty liters per day.

Registration in this register is, in fact, mandatory by law for all companies and entities which, based on their activity and the types of waste managed, carry out waste collection and transport activities, carry out waste remediation activities sites, carry out remediation activities of goods containing asbestos and carry out waste trading and intermediation activities without holding the waste itself (art. 212, paragraph 5 of Legislative Decree 152/2006).

9. INFORMATION ON EXPECTED TRENDS

9.1. Recent trends in production, sales and inventory trends and evolution costs and sales prices.

From the closing date of the financial year to 31 December 2017 to the Admission Document Date, the Issuer is not aware of any particular information on trends that could reasonably have significant repercussions on the prospects of the Issuer itself.

9.2. Trends, uncertainties, requests, commitments or known facts which could reasonably be expected to have a significant impact on the prospects of the Issuer at least for the current financial year

In addition to what is indicated in Section One, Chapter 4 "Risk Factors", as of the Admission Document Date, the Issuer is not aware of trends, uncertainties, requests, commitments or known facts which could reasonably have significant repercussions on the prospects of the Group.

10. ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES AND SENIOR MANAGEMENT

10.1. Information on the administrative, management and control bodies

10.1.1. Board of Directors

Composition

The Issuer adopts a traditional administration system composed of a Board of Directors and a Board of Statutory Auditors.

Pursuant to article 15 of the Articles of Association, the management of the Issuer is entrusted to a Board of Directors made up of a number of directors between 3 and 9, depending on what is resolved by the ordinary meeting, of which at least one of them must be in possession of the independence requirements established by article 148 paragraph 3 of the TUF.

The Issuer's Board of Directors in office on the Admission Document Date is composed of 5 members. The Board of Directors was appointed by resolution of the shareholders' meeting of 14 September 2017, as regards the directors Simoni, Iovino and Marras, and by resolution of the meeting of 26 July 2018, as regards the directors Poli and Bottino.

The members of the Issuer's Board of Directors are indicated in the following table:

<i>Load</i>	<i>Name and surname</i>	<i>Birth place</i>	<i>Date of birth</i>
Chairman of the board of directors	Simonetta Simoni	Turin (TO)	02/28/1930
Advisor CEO	<small>And</small> Riccardo Iovino	Genoa (GE)	06/01/1965
Advisor	Anna Marras	Turin (TO)	02/11/1966
Advisor	Stefano Poli	Florence (FI)	10/21/1967
Independent Director	Andrea Bottino	Genoa (GE)	06/29/1972

The members of the Board of Directors are domiciled for their office at the registered office of the Issuer.

Below is a short curriculum vitae of the members of the Board of Directors of the Issuer:

Riccardo Iovino (Councillor and CEO): after a series of experiences that led him to deepen and develop his natural talent as a leader of work groups and led him to also work abroad as export manager for a company in the fishing sector, upon returning to Italy he decided to combine his skills as a skipper with those of a salesman, thus founding EdiliziAcrobatica in 1994. Riccardo Iovino is currently the CEO of the Company.

Anna Marras (Executive Director): has been involved in high-level management training for over twenty years. In her professional career she has been involved in following the growth of companies of primary national importance (Gruppo Errebi Auto Spa, Audi Zentrum Spa, L'Oreal Academy, Maina Power Transmission), as well as EdiliziAcrobatica. More recently he chose to found the first franchisee of the OSM International management training group and thus gave life to EDAC OSM Partner, a company active in particular in Piedmont and Liguria which currently has over a dozen

consultants. The success achieved with EDAC OSM Partner pushed Anna Marras to make her skills available overseas, founding the OSM Brasil consultancy company based in Sao Paulo.

Stefano Poli (Non-executive director): after managerial experience in large-scale retail trade from 1998 to 2000, he carries out his work on behalf of various companies, particularly in the field of corporate strategies, ratings and financing of technological innovation. It has maintained relationships with credit agencies, banks and Confidi and, since 2011, has worked mainly with these bodies in medium-long term projects.

Simonetta Simoni (President of the Board of Directors): graduated in Pharmacy, she worked as a middle school teacher in mathematics and science from 1971 to 1990. From 2010 to 2015, she held the position of sole director of Ediliziacrobatica Spa and, since 2015, he holds the position of President of the Board of Directors of the same.

Andrea Bottino (Independent Director): graduated in Economics and Commerce, he is also a chartered accountant and auditor. He has collaborated with naval brokerage companies, leading accounting and business consultancy firms, while, since 2001, he has worked in Ligurcapital Spa, a merchant bank, which carries out private equity and venture capital *activities*, investing risk *capital* in unlisted companies and which provides business consultancy services.

Kinship relationships

Except for the family relationship between Riccardo Iovino and Simonetta Simoni, the latter's mother, and between Riccardo Iovino and Anna Marras, the latter's partner, there are no family relationships between the members of the Board of Directors, nor between these and the members of the Board of Auditors.

Convictions

To the best of the Issuer's knowledge in the last five years, none of the members of the Board of Directors (i) have been convicted in relation to fraud or bankruptcy crimes; (ii) has been declared bankrupt or subjected to insolvency proceedings or has been associated with bankruptcy proceedings, receivership or liquidation proceedings; (iii) has been officially indicted and/or has been sanctioned by public or regulatory authorities (including designated professional associations) in carrying out his duties, nor has he been disqualified from holding office in the administration, management or supervision of the Issuer or from the position of management or management of other companies.

Positions held

The following table indicates the main joint stock companies or partnerships, other than the Issuer, in which members of the Board of Directors have been members of the administrative, management or supervisory bodies, or shareholders, in the last five years from the Date of the Admission Document:

Name and surname	Society	Position or participation held	Status as of the Date of Admission Document
Anna Marras	EDAC Italia Srl	Sole Director	In charge
	EDAC I-Profile Srl	Sole Director	In charge
Riccardo Iovino	EDAC Versilia Srl	Chairman of the board of directors	In charge

	EDAC Sicily Srl	Chairman of the board of directors	In charge
	EDAC Trastevere Srl	Rome Chairman of the board of directors	In charge
	EDAC Biella Srl	Chairman of the board of directors	In charge
	Arim Holding Srl	Sole Director	In charge
Stefano Poli	Free Srl	Partner	Ceased
	Fos Srl	Partner	Ceased
	First International Srl	Partner and Administrator Unique	Ceased
	Alfa Service Srl	Partner	Ceased
	Review	Partner	Outstanding
	Virginia Real estate	Partner	Outstanding
Andrea Bottino	Octocam Srl	Administrator	In charge
	Alfatech Spa	Mayor in charge	In charge
	Smania Industrie Mobili Spa	Mayor in charge	In charge
	Softeco Spa	Earthquake Mayor in charge	In charge
	B soft Spa	Mayor in charge	In charge
	Tigullio Shipping Spa	Mayor in charge	In charge
	Confservizi Liguria	Standing Mayor	In charge

Powers of the Board of Directors and the Chief Executive Officer

Powers granted to the Board of Directors

The Board of Directors is granted the broadest powers for the ordinary and extraordinary management of the Company, without exceptions of any kind; it has the right to carry out all the actions it deems appropriate for the performance of all the activities constituting the corporate purpose or instrumental to the same, excluding only those that the law, this statute reserve for the decision of the shareholders or the regulations, including the Issuers' Regulation AIM Italy.

The Board of Directors therefore has, among other faculties, those of purchasing, selling and exchanging properties, transferring them to other companies established or in the process of being established, establishing, modifying and extinguishing real and security rights, assuming financing, issuing guarantees, sureties, guarantees - under the conditions set out in the statute - and assume shareholdings and interests, consent to registrations, cancellations and mortgage annotations, renounce legal mortgages, compromise and compromise with arbitrators, including friendly composers in cases not prohibited by law, authorize

and carry out any operation at the offices of the Public Debt, the Cassa Depositi e Prestiti and at any other public and private office.

The Board of Directors also has the power, in place of the assembly, to decide on the adaptations of the statute to mandatory legislative provisions. In such cases, the decisions must be adopted with a resolution to be recorded in a report drawn up by a notary for a public deed.

Powers granted to the CEO Riccardo Iovino

With resolution of the Board of Directors dated 28 September 2018, they were awarded to the CEO Riccardo Iovino the powers indicated below:

- (i) all powers for the ordinary and extraordinary administration of the Company, including the completion of all operations for the management of the Company and the achievement of the corporate purpose, except only for those powers which by law or statute cannot be delegated to an individual administrator;
- (ii) the legal representation of the company, separately from the President of the Board of Directors.
- (iii) by way of example, but not limited to, the following powers:
 - a) direct and manage the social company;
 - b) implement the resolutions of the Board of Directors by carrying out all the actions necessary and connected to the implementation of what has been decided;
 - c) carry out all acts that fall within the ordinary administration of the Company, including the stipulation of any contract (including those for the sale and purchase of raw materials and products inherent to the company's activity) and in particular:
 - the. represent the Company before any judicial, administrative, ordinary and special fiscal authority, in any procedure, at any level and location, and therefore also in the Council of State, Supreme Court, Revocation, with powers to sign requests, appeals for any object by proposing and supporting both administrative and judicial actions, of cognition, execution and also bankruptcy, composition and moratorium procedures, carrying out the relevant formalities and therefore also the issuing of powers of attorney, special mandates to lawyers, prosecutors, general and litigation ;
 - ii. settle any dispute, accept and reject proposals for settlement, define and compromise any dispute with arbitrators, including amicable ones, both on the basis of an arbitration clause and on the basis of separate deeds of compromise, appointing arbitrators and taking care of all the inherent formalities and related consequences in judgments referees;
 - iii. defer and report oaths, defer and respond to interrogations or rulings also in matters of civil forgery, constitute a civil party in criminal trials and elect domicile;
 - iv. issue and revoke mandates *ad lites* to lawyers and prosecutors and *ad negotia* to employees of the Company or third parties for single or multiple transactions within the scope of the powers vested in the CEO;
 - v. carry out any active and passive financial operation including discounts of bills of exchange signed by the Company itself, carryover operations with any banking institution including the issuing institution, assuming the commitments and fulfilling the

necessary formalities as required by the institution; carry out any banking operation in general;

- you. carry out, in favor of the Company, bill discounting operations signed by third parties, endorse and receipt bank cheques, promissory notes, credit lines, bills of exchange, postal orders payable at credit companies, post and telegraph offices and in general at any natural or legal person;
- vii. order bank transfers and issue bank checks to current accounts held in the Company's name;
- viii. hire, suspend and fire staff and vary the conditions inherent to the staff employment relationship;
- ix. represent the Company before trade organizations and trade unions any institution, association and consortium;
- x. issue payroll extracts and certificates regarding personnel both for social security, insurance or mutual institutions, and for other entities or private individuals, ensure compliance with the obligations to which the company is required as a withholding agent with the right, between other, to sign, for the purpose of these obligations, declarations and attestations and any deed or certificate including the certificate referred to in articles 1 and 3 of the Presidential Decree of 29 September 1973 n. 600;
- xi. sign letters of credit and debit on current accounts and periodic current account statements to Company employees for sums deposited with the same;
- xii. stipulate any contract or agreement regarding intellectual works, trademarks and patents and models and other similar works;
- xiii. assume and grant contracts for the execution of works and supplies of all kinds by stipulating the relevant contracts, participating, if necessary, in proceeding with public and private auctions, appointing if necessary special agents to participate in the relevant tenders, auctions or auctions;
- xiv. conclude, modify, terminate in the name and on behalf of the Company contracts for the purchase, exchange and sale of materials, products, machinery and in general any other contract for movable things, binding the Company for all rights and obligations that may derive therefrom;
- xv. sign the Company's correspondence;
- xvi. ensure on behalf, in the name and in the interest of the Company, the collection, release and withdrawal of all sums and all values that are for any reason or title due to the same by anyone, as well as by State administrations, Municipalities and Provinces, by the Cassa Depositi e Prestiti of the Provincial State Treasuries, of the Regional Revenue Department, by the Consortia and Credit Institutions; issue and then collect the sums covered by the mandates that have already been issued or will be issued in the future, without time limitation, in favor of the Company in relation to any sum for capital or interest that is owed to it by the aforementioned administrations and by the on the indicated offices and institutions, both in liquidation of the deposits made by the Company itself, and for any other reason or title, issue in the name of the Company the corresponding declarations of receipt and discharge and in general all those declarations that may be requested on the occasion of the 'completion of

individual practices, including that of exempting the aforementioned offices, administrations and institutions from any liability in this regard;

- xvii. appoint special agents to collect valuables, parcels, parcels, registered and insured letters, as well as ordinary and telegraphic postal orders, at post and telegraph offices;
- xviii. collect valuables, parcels, parcels, registered and insured letters, as well as ordinary and telegraphic postal orders, at post and telegraph offices;
- xix. carry out any act and operation at post and telegraph offices;
- xx. carry out any act and operation at railway, customs and postal offices and in general at any public and private transport office, with the power to issue the necessary release receipts, unloading declarations and allow restrictions and releases;
- xxi. represent the Company in carrying out all practices relating to import, export, temporary import, temporary export, re-import and re-export operations;
- xxii. sign requests for news, information and documents, requests for certificates and attestations from public bodies, requests for clarifications and solicitations for offers for suppliers;
- xxiii. transmission of documents, data and news.

d) subdelegate the previously delegated powers to third parties.

Powers conferred on Councilor Anna Marras

With resolution of the Board of Directors dated 28 September 2018, the following powers were granted to the Director Anna Marras:

- (i) hire, suspend, fire and vary the conditions inherent to the employment relationship of personal;
- (ii) represent the Company before trade organizations and trade unions at any institution, association and consortium;
- (iii) represent the Company in court for labor disputes, conciliate and settle in the name and on behalf of the company;
- (iv) issue payroll extracts and certificates regarding personnel both for social security, insurance or mutual institutions, and for other entities or private individuals, ensure compliance with the obligations to which the Company is required as a withholding agent with the right, between other, to sign, for the purposes of these obligations, declarations and attestations and any deed or certificate including the certificate referred to in the articles. 1 and 3 of the Presidential Decree of 29 September 1973 n. 600;
- (v) sign the Company's correspondence in relation to the matters listed above.

10.1.2. Board of Statutory Auditors

Composition

Pursuant to article 19 of the Statute, the Board of Auditors is made up of 3 standing auditors and 2 alternate auditors who hold office for three financial years, appointed by the assembly, which also appoints the President in compliance with the provisions of the law. The Auditors remain in office for three financial years

expire on the date of the meeting called for the approval of the budget relating to the third financial year of the office, they are re-electable.

The Issuer's Board of Statutory Auditors is made up of 3 members, was appointed by the Shareholders' Meeting of 16 December 2016 and will remain in office until the date of the Assembly called to approve the financial statements as of 31 December 2018.

As of the date of the Admission Document, the Board of Statutory Auditors is composed as indicated in the following table:

<i>Load</i>	<i>Name and surname</i>	<i>Birth place</i>	<i>Date of birth</i>
<i>President of the College Union</i>	<i>Alda Bertelli</i>	<i>Florence</i>	<i>08/09/1934</i>
<i>Mayor</i>	<i>Giorgio Frediani</i>	<i>Florence</i>	<i>02/07/1969</i>
<i>Mayor</i>	<i>Francesco Cinaglia</i>	<i>Genoa</i>	<i>07/14/1967</i>
<i>Alternate Auditor</i>	<i>Carla Borgioli</i>	<i>Fucecchio (FI)</i>	<i>07/17/1974</i>
<i>Alternate Auditor</i>	<i>Giancarlo Ammannati</i>	<i>Carrara (MS)</i>	<i>02/08/1938</i>

The members of the Board of Statutory Auditors are domiciled for their office at the Issuer's headquarters

Below is a short curriculum vitae of the members of the Board of Statutory Auditors:

Alda Bertelli (President of the Board of Directors): graduated in Economics and Commerce from the University of Florence and was a tenured professor of Accounting and Banking Commercial Techniques, following a competition, at the "G. Galilei" in Florence until 1976, as well as voluntary assistant to the chair in Banking Techniques at the University of Florence. She has been working as a freelancer since 1970 and is registered in the Register of Consultants of the Court of Florence. He has taken on judicial roles such as bankruptcy trustee, commissioner in composition proceedings, expert appointed by the Court, also acting as a party's technical consultant in civil cases. He carries out specialist consultancy activities for companies in tax and corporate matters, also as a statutory auditor. Among the various *governance roles*, he held the position of director within the board of directors of the mixed capital company Mercafir (Municipality of Florence). She was appointed special attorney of companies including Chopard Italia Srl and De Grisogono Italia Srl

Giorgio Frediani (Standing Auditor): registered with the Order of Chartered Accountants and Accounting Experts of Florence since 1995 and with the Register of Auditors since 1999 and registered with the Register of Technical Consultants of the Court of Florence since 2003. He assisted for approximately ten years the Italian branch of an important multinational operating in the luxury sector and for approximately twenty years has assisted the Italian branch, with its main headquarters in Switzerland, of a multinational operating in the high jewellery sector, providing ongoing consultancy on contractual matters, accounting and tax, with particular attention to transfer pricing policies.

Francesco Cinaglia (Standing Auditor): qualified as a chartered accountant and accounting expert, he carries out consultancy activities in the corporate, tax, financial, business and labor consultancy fields at his studio in Genoa. It also carries out auditing activities for entities and

company, liquidator upon ministerial appointment and director of joint stock companies and people.

Carla Borgioli (Alternate Auditor): graduated in Economics and Commerce from the University of Pisa, she is qualified as a chartered accountant and accounting expert, as well as being registered in the register of auditors. He has been carrying out his professional activity as an accountant on his own since 2008 and as an associate in the professional association Briganti Borgioli since 2015.

Giancarlo Ammannati (Alternate Auditor): after obtaining a diploma in accounting, he has carried out business consultancy activities since 1962, also holding the role of auditor in numerous companies. He also served as administrative director in various companies and corporate groups including the Borgioli Group. He is registered in the register of auditors and in the register of statutory auditors with number 1245; He currently works as auditor and statutory auditor.

Family relationship

With the exception of Dr. Alda Bertelli, president of the board of auditors, mother of Drs. Giorgio Frediani, standing auditor, there are no family relationships between the members of the Board of Statutory Auditors, nor between them and the members of the Issuer's Board of Directors.

Convictions

As far as the Issuer is aware, in the last five years, none of the members of the Board of Statutory Auditors (i) have been convicted in relation to fraud or bankruptcy crimes; (ii) has been declared bankrupt or subjected to insolvency proceedings or has been associated with bankruptcy proceedings, receivership or liquidation proceedings; (iii) has been officially indicted and/or has been the recipient of sanctions by public or regulatory authorities (including designated professional associations) in carrying out his duties, nor has he been disqualified from holding office in the administration, management or supervision of the Issuer or from the position of management or management of other companies.

Positions held

The following table indicates the main joint stock companies or partnerships of relevance for the Issuer in which the members of the Board of Statutory Auditors have been members of the administrative, management or supervisory bodies, or shareholders in the last five years, with an indication of the their status as of the Admission Document Date.

Name and surname	Society	Position or participation held	Status as of the Date of Document of Admission
Alda Bertelli	So.ge.na. Ltd	Partner	Outstanding
	ID – International Development, Advice and Services Srl in liquidation	Partner and liquidator	Outstanding
	Follie di Ciacco agricultural company Srl	Partner	Outstanding
	Futura Sailing Srl	Partner sole director	Outstanding

	ASA Engineering Srl		Partner		Outstanding
	Revaudit Italia Srl		Partner		Outstanding
	SEIB in liquidation		Partner		Ceased
	Saettino Spa		President	of the Board of Statutory Auditors	Outstanding
	La Draga Borgioli Spa		President	of the Board of Statutory Auditors	Outstanding
	Beverage Distribution SpA		President	of the Board of Statutory Auditors	Outstanding
	So.ge.na. Ltd		Sole Director		Outstanding
	Giosi 2 Srl		Reviewer		Outstanding
	Italcol Spa		Alternate Auditor		Outstanding
	Immobiliare CT Spa		President	of the Board of Statutory Auditors	Outstanding
	ASA Engineering Srl		Sole Director		Outstanding
	Revaudit Italia Srl		President	of the Advise Administration	Outstanding
	TIE Intermodal Ltd	Transport Europeans	President	of the Board of Statutory Auditors	Outstanding
	Fondimm Srl		Liquidator		Ceased
	Poggerina Srl liquidation	in	Liquidator		Ceased
	Flai Srl in liquidation		Alternate Auditor		Ceased
	TCA Srl in liquidation		Liquidator		Outstanding
	SEIB Ltd liquidation	in	Liquidator		Ceased
	Immobiliare Fucecchiese Srl	Borgioli	Alternate Auditor		Ceased
	Agrium Italia Spa		President	of the Board of Statutory Auditors	Ceased

Giorgio Frediani	Porto San Immobiliare Srl	Rooster	Partner		Outstanding
	Revaudit Italia Srl		Partner		Outstanding
	Fattoria Oliveto Spa		President	of the	Outstanding

			Board of Statutory Auditors	
TIE Intermodal Ltd	Transport Europeans		Mayor in charge	Outstanding
Adrifertil Srl			President of the Board of Statutory Auditors	Ceased
Giosi 2 Srl			Mayor in charge	Ceased
Francesco Cinaglia Studio Fc & Partners Srl			Partner	Outstanding
Studio Cinaglia Partners Srl		And	Partner	
Novarte 3.0 Srl			Partner	Outstanding
RSISrl			Partner	Outstanding
B2Book Srl			Partner	Outstanding
Area Adv Srl			Partner	Outstanding
CC Simple Society			Partner	Outstanding
FRF Simple Company			Partner	Outstanding
Studio Fc & Partners Srl			Sole Director	Outstanding
Study Partners Srl	Cinaglia	And	Sole Director	Outstanding
Eco-Ge Srl			Mayor in charge	Outstanding
Vallescriva limited liability cooperative	Society	to	Commissioner Liquidator	Outstanding
Prandium limited liability cooperative	society	to	Commissioner Liquidator	Outstanding
Cooperative Service	Team		Commissioner Liquidator	Outstanding
Genova High Tech Spa			Mayor in charge	Outstanding
Genco social cooperatives	society		Commissioner Liquidator	Outstanding
GS cooperative liquidation	services society	in	Commissioner Liquidator	Outstanding
Dodo snc by Caterina Pascucci and C.			Managing partner	Outstanding

	CC Simple Society	Managing partner	Outstanding
	DIXET European district of advanced technologies in Genoa	Reviewer	Outstanding
	Genoa Association 2021	Reviewer	Outstanding
	Trade union CISL, Federation Italian Transport Liguria (FIT)	Reviewer	Outstanding
	Mutual Fund Ag. Recommended agents And Maritime Mediation	Reviewer	Outstanding
	Body National for Bilateral Ag. Maritime and Air Ag.	Reviewer	Outstanding
	Italian Union of the Blind Liguria section	Reviewer	Outstanding
	Order Doctors Accountants ed Accounting Experts of Genoa	Substitute Auditor	Outstanding
Giancarlo Handcuffed	Agrium Italia Spa	Mayor in charge	Ceased
	CGS Sementi Spa	Mayor in charge	Ceased
	Cenceria Zabri Spa	Mayor in charge	In charge
	Fattoria Olivito Spa	Mayor in charge	In charge
	Immobiliare CT Spa	Mayor in charge	In charge
	Italcol Spa		
	Saettino Spa	Mayor in charge	In charge
Carla Borgioli	Carcat by Borgioli Carlo and C. ss	Partner	Outstanding
	Studio Borgioli Srl	Partner	Outstanding
	Braumfert Srl	Advisor	Outstanding
	Valcofert Srl	Advisor	Ceased
	TIE Trasporti Srl	Mayor in charge	Outstanding
	Glosi Due Srl	Advisor	Ceased
	Studio Borgioli Srl	Liquidator	Ceased
	Council with.activity	Liquidator	Ceased

external districts		
Italcol Spa	Advisor	Ceased
Adrifertil Srl	Alternate Auditor	Ceased

10.1.3. General director and key executives

As of the Admission Document Date, the Group has no managers employed by it.

10.2. Conflicts of interest of members of the administrative, management and supervisory bodies e of senior managers

As of the Admission Document Date, the CEO of the Issuer, Riccardo Iovino, is the sole director and majority shareholder of Arim Holding, the sole shareholder of the Issuer. The Dr. Iovino is also president of the board of directors of the Group companies: EDAC Biella, EDC Versilia, EDAC Sicilia and EDAC Roma Trastevere. The Dr.

Finally, Iovino also holds the position of advisor to the administrative body of the Related Party EDAC Italia.

It should be noted that Simonetta Simoni, president of the Board of Directors, appears to be the beneficiary, with voting rights, of a stake equal to 8.5% of the Issuer's share capital as of the Admission Document Date. Simonetta Simoni also holds the position of board member of the Related Party EDAC Italia.

As of the Admission Document Date, Anna Marras, director with delegated powers of the Issuer, holds a minority stake in Arim Holding, sole shareholder of the Issuer. Anna Marras is also the sole director of the company EDAC I-Profile, of which Arim Holding holds a majority shareholding, finally Anna Marras is the president of the board of directors of the Related Party EDAC Italia, of which she also holds a minority shareholding .

11. PRACTICE OF THE BOARD OF DIRECTORS

11.1. Duration of office of the members of the board of directors and the members of the board of statutory auditors

The Board of Directors was appointed by resolution of the shareholders' meeting of 14 September 2017, as regards the directors Simoni, Iovino and Marras, while with resolution of the meeting of 26 July 2018, as regards the directors Poli and Bottino and they will remain in office until the date of the shareholders' meeting called for the approval of the financial statements as of 31 December 2019.

The Issuer's Board of Statutory Auditors was appointed by resolution of the shareholders' meeting of 16 December 2016 and will remain in office until the date of the shareholders' meeting called to approve the financial statements as of 31 December 2018.

11.2. Employment contracts stipulated by members of the administrative, management or supervisory bodies with the Issuer or its subsidiaries which provide for severance pay

As of the Admission Document Date, there are no contracts with the Issuer that provide for the payment of sums - either as severance pay or otherwise - to the members of the Board of Directors and/or the Board of Statutory Auditors in the event of termination of the relationship they have with the Company.

11.3. Declaration regarding compliance with corporate governance regulations

On 26 July 2018, the Issuer's Assembly, in an extraordinary session, approved the text of the Articles of Association effective from the date of admission to trading of the Company's Shares on AIM Italia.

Although the Issuer is not obliged to implement the provisions on *corporate governance* envisaged for companies listed on regulated markets, the Company has applied some provisions to its corporate governance system aimed at promoting transparency and the protection of minority shareholders. In particular, the Issuer has:

- to. list voting is provided for in the bylaws for the election of the Board of Directors, also providing that shareholders who, alone or together with other shareholders, hold overall shares representing at least 10% of the share capital with the right to vote have the right to present lists. vote in the ordinary meeting;
- b. The bylaws provide for the mandatory appointment, within the Board of Directors, of at least one director in possession of the independence requirements established by the article. 147 ter, paragraph 4, of Legislative Decree 58/98;
- c. provided by statute that, starting from the moment in which the Shares are admitted to trading on AIM Italia, the provisions relating to listed companies referred to in the Consolidated Finance Act become applicable by voluntary recall and insofar as they are compatible, limited to articles 106 and 109 as well as the regulatory provisions applicable regarding mandatory takeover and exchange offers;
- d. the bylaws provide for an obligation of communication by shareholders upon reaching, exceeding, or reducing below the applicable pro tempore thresholds dictated by the AIM Italia Regulation;

And. appointed Dr. Deborah Dirani as Investor Relator;

- f. approved the procedures regarding transactions with related parties, communication of inside information, *internal dealing* and keeping of the register of people who have access to inside information.

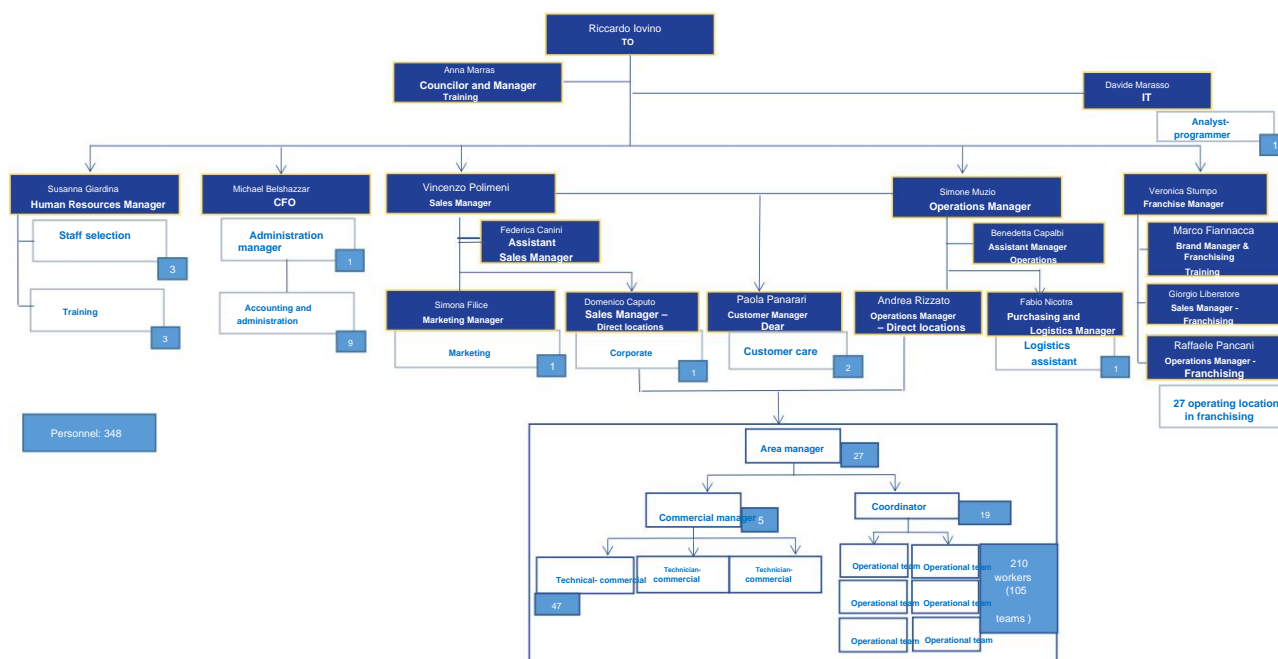
12. EMPLOYEES

12.1 Number of employees

Below is the summary table of the Group's personnel in the financial year ended 31 December 2016, 31 December 2017 and the Date of the Admission Document.

Category	As of 31.12.2016	As of 31.12.2017	As of June 30, 2018	At the date of Document of Admission (05 Nov 2018)
Senior executives	0	0	0	0
Paintings	0	0	0	1
Employees	22	32	44	55
Workers	121	182	201	253
Apprentices	4	3	1	1
Total employees	147	217	246	310
Other subjects	57	75	102	118
Total	204	292	348	428

Below is the functional organizational chart of the Group's employees as of 30 June 2018.



12.1.1. Number of employees

At 31 December 2017 and 30 June 2018, the Group's employees numbered 271 and 246 respectively, divided as follows:

Category	No. of employees as of 31st Dec 2017	No. of employees as of 30th June 2018
----------	--------------------------------------	---------------------------------------

	12 2017	06 2018
<i>Senior executives</i>	0	0
<i>Paintings</i>	0	0
<i>Employees</i>	32	44
<i>Workers</i>	182	201
<i>Apprentices</i>	3	1
<i>Total</i>	217	246

The TFR set aside at the Company at 30 June 2018 was equal to Euro 454 thousand and at 31 December 2017 it was equal to Euro 336 thousand.

At a consolidated level, the TFR fund at 30 June 2018 amounted to Euro 512 thousand and at 31 December 2017 amounts to Euro 378 thousand.

12.2 Shareholdings and stock options

12.2.1 Shareholdings

As of the Admission Document Date, the directors indicated below are directly or indirectly holders of a shareholding in the Issuer as follows:

- Riccardo Iovino holds a stake equal to 80% of the share capital of Arim Holding, sole shareholder of the Issuer;
- Anna Marras holds a stake equal to 20% of the share capital of Arim Holding, sole shareholder of the Issuer;
- Simonetta Simoni holds the right of usufruct on an 8.5% stake of the Issuer's share capital.

12.2.2 Stock Options

As of the Admission Document Date, there are no stock option plans in favor of the members of the Board of Directors, the auditors and/or the main *managers* of the Group. It should be noted, however, that on 26 July 2018, the shareholders' meeting approved the Employee Capital Increase reserved for the directors, employees and collaborators of the Company, its subsidiaries and its affiliates, it is therefore not possible to exclude that the themselves subscribe to the Shares resulting from the aforementioned Increase, the final subscription deadline for which is set for 31 December 2018.

For further information on the Employee Capital Increase, please refer to Section I, Chapter 13, Paragraph 13.4 of the Admission Document.

12.3 Description of any employee participation agreements in the share capital

Without prejudice to the provisions of Paragraph 12.2 above, as of the Admission Document Date there are no contractual agreements or statutory provisions which provide for forms of employee participation in the capital or profits of the Company.

13. MAIN SHAREHOLDERS OF THE ISSUER

As of the Admission Document Date, the share capital is entirely owned by Arim Holding which, in particular, results:

- full owner of a stake equal to approximately 91.50% of the share capital of the Issuer, representing n. 5,490,000 ordinary shares; And
- naked owner of a stake equal to approximately 8.50% of the Issuer, representing n. 510,000 shares, on which there is a usufruct in favor of Mrs. Simonetta Simoni.

It should be noted that the share capital of Arim Holding is held respectively by:

- Riccardo Iovino, for a stake equal to 80% of the share capital;
- Anna Marras, for a stake equal to 20% of the share capital.

13.1. Special voting rights held by the main shareholders

Pursuant to article 3 of the Articles of Association, the share capital of the Company is divided into Ordinary Shares and *Price Adjustment Shares*, all without indication of nominal value and all conferring the same voting rights in ordinary and extraordinary meetings.

The *Price Adjustment Shares* are convertible into Ordinary Shares of the Issuer if the conditions are met and in accordance with the procedures set out in article 3 of the Issuer's Articles of Association.

For further information on the characteristics of the Issuer's *Price Adjustment Shares*, please refer to Article 3 of the Articles of Association and to Section One, Chapter 15, Paragraph 15.2.2 of the Admission Document.

13.2. Subject who exercises control over the Issuer

As of the Admission Document Date, the Issuer is subject to control by Arim Holding.

Control of Arim Holding is attributable to Riccardo Iovino and Anna Marras.

13.3. Corporate agreements that may determine a change in the control structure of the Issuer

As of the Admission Document Date, the Issuer is not aware of any shareholders' agreements between the shareholders or of agreements whose implementation could result, at a subsequent date, in a change in the control structure of the Issuer.

13.4. Shareholder evolution

By resolution of the extraordinary meeting of 26 July 2018, it was envisaged to convert with a ratio of 1:1, with effect from the Trading Start Date, no. 1,200,000 Shares owned by Arim Holding in *Price Adjustment Shares*.

It should be noted that the *Price Adjustment Shares*, pursuant to the provisions of article 3 of the Articles of Association, (i) confer the right to vote in the shareholders' meeting resolutions both in ordinary and extraordinary, (ii) will not be admitted to trading on AIM Italia and (iii) are non-transferable.

Below is a representation of the Issuer's share capital at the Trading Start Date assuming (i) the full subscription of the n. 1,561,562 Shares deriving from Capital Increase Offer (as determined by the Board of Directors on 2 November 2018).

<i>Shareholder</i>	<i>Number of Shares</i>	<i>Number of PAS</i>	<i>Total Number</i>	<i>% Capital Social</i>
<i>Arim Holding Srl</i>	<i>4,800,000</i>	<i>1,200,000</i>	<i>6,000,000</i>	<i>79.3%</i>
<i>Market</i>	<i>1,561,562</i>	<i>-</i>	<i>1,561,562</i>	<i>20.7%</i>
<i>Total</i>	<i>6,361,562</i>	<i>1,200,000</i>	<i>7,561,562</i>	<i>100%</i>

Below is a representation of the Issuer's share capital at the Trading Start Date assuming (i) the full subscription of the 1,561,562 Shares resulting from the Offered Capital Increase and (ii) the full subscription of the maximum no. 100,000 Shares resulting from the Employee Capital Increase (as determined by the Board of Directors on 2 November 2018).

<i>Shareholder</i>	<i>Number of Shares</i>	<i>% Share Capital</i>
<i>Arim Holding Srl</i>	<i>6,000,000</i>	<i>78.3%</i>
<i>Market</i>	<i>1,561,562</i>	<i>20.4</i>
<i>Employees</i>	<i>100,000</i>	<i>1.3%</i>
<i>Total</i>	<i>7,661,562</i>	<i>100%</i>

Below is a representation of the Issuer's share capital at the Trading Start Date assuming (i) the full subscription of the 1,561,562 Shares resulting from the Offered Capital Increase, (ii) the full subscription of the maximum no. 100,000 Shares resulting from the Employee Capital Increase and (iii) the full subscription of the n. 150,150 Shares resulting from the *Greenshoe* Capital Increase (as determined by the Board of Directors on 2 November 2018).

<i>Shareholder</i>	<i>Number of Shares</i>	<i>% Share Capital</i>
<i>Arim Holding Srl</i>	<i>6,000,000</i>	<i>76.8%</i>
<i>Employees</i>	<i>100,000</i>	<i>1.3%</i>
<i>Market</i>	<i>1,711,712</i>	<i>21.9%</i>
<i>Total</i>	<i>7,811,712</i>	<i>100%</i>

The following table illustrates the shareholding structure of the Issuer assuming (i) the full subscription of the n. 1,561,562 Shares resulting from the Offered Capital Increase, (ii) the full subscription of the n. 150,150 Shares resulting from the *Greenshoe* Capital Increase, (iii) the full subscription of the n. 100,000 Shares resulting from the Employee Capital Increase and (iv) the full exercise of the *Warrants* and the related full subscription of the Conversion Shares by all the subjects to whom the *Warrants* have been attributed (such shares - the maximum amount of which is equal to 452,928 - were entirely added to the shares indicated under the heading "*Market*").

<i>Shareholder</i>	<i>Number of Shares</i>	<i>% Share Capital</i>
<i>Arim Holding Srl</i>	<i>6,000,000</i>	<i>72.6%</i>

<i>Market</i>	2,164,640	26.2%
<i>Employees</i>	100,000	1.2%
<i>Total</i>	8,264,640	100%

13.5. Evolution of the Issuer's shareholding following the conversion of the *Price Adjustment Shares*

The *Price Adjustment Shares* represent the mechanism that allows the Issuer to benefit from a possible financial compensation from the shareholder Arim Holding if the Group's activity does not reach a specific consolidated profitability objective as of 31 December 2018, as envisaged by the article 3 of the Statute.

In particular, it is envisaged that the financial compensation, if due, will be paid by the Arim Holding shareholder, without monetary outlay, but through the reduction of the number of shares with voting rights held by him in the Company.

For further information on the characteristics of the *Price Adjustment Shares* referred to in Article 3 of the Statute, please refer to Section One, Chapter 15, Paragraph 15.2.2 of the Admission Document.

Below is a representation of the evolution of the Issuer's shareholding structure in the event of maximum penalizing cancellation of all n. 1,200,000 *Price Adjustment Shares* assuming the full subscription of the Shares resulting from the Capital Increases.

<i>Shareholder Number of Shares</i>	<i>% Share Capital</i>
<i>Arim Holding Srl</i> 4,800,000	67.9%
<i>Market</i> 2,164,640	30.7%
<i>Employees</i> 100,000	1.4%
<i>Total</i> 7,064,640	100%

14. Transactions with related parties

On 2 November 2018, the Issuer's Board of Directors, following the favorable opinion of the independent directors and the Board of Statutory Auditors, approved the "Regulations for transactions with related parties and connected parties" (the "RPT Regulation"). The RPT Regulation governs the rules relating to the identification, approval and execution of transactions with Related Parties and associated parties carried out by the Issuer in order to ensure their transparency and substantial and procedural correctness.

The Issuer has adopted the OPC Regulation in order to identify and formalize the assumptions, objectives and contents of the solutions adopted and evaluates their effectiveness and efficiency in order to pursue objectives of integrity and impartiality of the decision-making process, respect of interests of the generality of shareholders and creditors, efficient functioning of the corporate bodies and its operations.

The RPT Regulation is available on the Issuer's website (www.ediliziacrobatica.com).

All transactions with Related Parties were carried out at market conditions.

This paragraph illustrates the transactions carried out by the Group with related parties.

It is specified that the transactions with Related Parties indicated below consist of transactions falling within the scope of ordinary management activities and concluded under normal market conditions, taking into account the characteristics of the services provided.

Although transactions with Related Parties are carried out at normal market conditions, there is no guarantee that, if they had been concluded between or with third parties, the latter would have negotiated and stipulated the relevant contracts, or carried out the operations themselves, at the same conditions and in the same way.

The following information sets out related party transactions as of June 30, 2018 and December 31, 2017.

June 30, 2018:

Controparte	Debiti (€/000)	Costi (€/000)
Edac Italia	215	300
Edac I Profile	57	8
Totale	272	308

December 31, 2017:

Controparte	Debiti (€/000)	Costi (€/000)
Edac Italia	210	480
Edac I Profile	40	27
Totale	250	507

Ediliziacrobatica Italia Srl and Ediliziacrobatica SpA have signed a contract for the provision of the following services:

- Information Technology Services;

- Administrative and management control services;
- Personnel services: management of attendance through automatic detection and monthly supply of tickets, payroll processing, verification and preparation of the payment of salaries, contributions and IRPEF, in addition to the relevant annual obligations, management of resources, union relations, contracts and legal aspects in agreement with the external law firm;
- General services: ordinary and extraordinary maintenance, external delivery services, cleaning of the premises;
- Prevention and protection service;
- Specialized training services.

Edac I-Profile Srl and EdiliziAcrobatica SpA have signed a contract for the provision of the following services:

- Consultancy in personnel selection;
- Intercompany courses such as, unless further additions are agreed between the Parties;
- Provision of services related to the completion and analysis of the results of the "HTA" and EAcademy tests;
- Courses on personnel selection.

14.1. Intragroup operations and directors' compensation

Intragroup operations

Subsidiary Companies

The Issuer has relationships with its subsidiaries.

From a general point of view, the Issuer believes that the conditions envisaged and actually practiced in relations with subsidiary companies are in line with normal market conditions and cannot be classified as either atypical or unusual, falling within the ordinary course of affairs of the Company and the Group.

EDAC Versilia

The financial and economic relationships with EDAC Versilia refer to the various services that the Issuer provides to the same, pursuant to an intragroup services agreement. Specifically, relationships with the subsidiary mainly concerned: (i) non-exclusive license to use the EdiliziAcrobatica brand and related *know-how*; (ii) personnel training services (business management courses, technical and commercial training); (iii) administrative and billing services; (iv) management of information systems; and (v) supply of equipment and vehicles.

EDAC Biella

The financial and economic relationships with EDAC Biella refer to the various services that the Issuer provides to the same, pursuant to an intragroup services agreement. Specifically, relationships with the subsidiary mainly concerned: (i) non-exclusive license to use the EdiliziAcrobatica brand and related *know-how*; (ii) personnel training services (business management courses, technical and commercial training); (iii) administrative and billing services; (iv) management of information systems; and (v) supply of equipment and vehicles.

EDAC Rome Trastevere

The financial and economic relationships with EDAC Roma Trastevere refer to the various services that the Issuer provides to the same, pursuant to an intragroup services agreement. Specifically i

relations with the subsidiary company mainly concerned: (i) non-exclusive license to use the EdiliziAcrobatica brand and related *know-how*; (ii) personnel training services (business management courses, technical and commercial training); (iii) administrative and billing services; (iv) management of information systems; and (v) supply of equipment and vehicles.

EDAC Sicily

The financial and economic relationships with EDAC Sicilia refer to the various services that the Issuer provides to the same, pursuant to an intragroup services agreement. Specifically, relationships with the subsidiary mainly concerned: (i) non-exclusive license to use the EdiliziAcrobatica brand and related *know-how*; (ii) personnel training services (business management courses, technical and commercial training); (iii) administrative and billing services; (iv) management of information systems; and (v) supply of equipment and vehicles.

The following tables show the main transactions between the Parent Company and its investee companies as of 30 June 2018 and 31 December 2017:

(Values in thousands of Euros)

al 30.06.2018	Debiti finanziari	Debiti comm.li	Crediti finanziari	Crediti comm.li	Vendite	Acquisti
Edac Roma Trastevere Srl	-	-	5	68	1	-
Edac Versilia Srl	44	24	27	235	131	17
Edac Biella Srl	1	5	145	268	121	6
Edac Sicilia Srl	-	4	-	131	70	-
Totale	45	33	177	702	323	23

(Values in thousands of Euros)

al 31.12.2017	Debiti finanziari	Debiti comm.li	Crediti finanziari	Crediti comm.li	Vendite	Acquisti
Edac Roma Trastevere Srl	-	4	23	70	129	-
Edac Versilia Srl	27	10	39	151	251	10
Edac Biella Srl	-	-	65	126	180	-
Edac Sicilia Srl	3	4	17	79	78	4
Totale	30	18	144	426	638	14

Related Counterparties

EDAC Italy

The financial and economic relationships with EDAC Italia refer to the various services that it provides in favor of the Issuer, pursuant to a services contract. Specifically, relationships with the subsidiary mainly concerned: (i) Information Technology services; (ii) administration, management control, personnel and legal affairs services; (iv) prevention and protection services; and (v) specialized training services.

The following table shows the transactions between the Issuer and the related party Edac Italia as of 30 June 2018 and 31 December 2017:

Esercizio	Debiti (Euro/migliaia)	Costi (Euro/migliaia)
31-dic-17	210	480
30-giu-18	215	300

Specifically, Edac Italia provides administrative services to the Issuer which are invoiced on a monthly basis on the basis of the contract stipulated between the parties on 1 January 2017.

EDAC I Profile

The financial and economic relationships with EDAC I-Profile refer to the various services that it provides to the Issuer, pursuant to a services contract. Specifically, relationships with the subsidiary mainly concerned: (i) consultancy services in personnel selection; (ii) training services through inter-company courses and personnel selection courses and (iii) services related to the completion and analysis of "HTA" and EAccademy test results.

The following table shows the transactions between the Issuer and the related party Edac I Profile as of 30 June 2018 and 31 December 2017:

Esercizio	Debiti (Euro/migliaia)	Costi (Euro/migliaia)
31-dic-17	40	27
30-giu-18	57	8

Specifically, Edac I Profile provides training courses and tests that evaluate the operational habits of people in the selection phase as well as personnel search and selection services.

15. ADDITIONAL INFORMATION

15.1 Share capital

15.1.1. Amount of issued share capital

As of the Admission Document Date, the subscribed and paid-up share capital of the Issuer is equal to Euro 600,000, divided into n. 6,000,000 ordinary shares without par value. The shares are registered, indivisible and are issued in dematerialized form.

By resolution of the extraordinary meeting of 26 July 2018, it was envisaged to convert with a ratio of 1:1, with effect from the Trading Start Date, no. 1,200,000 shares owned by Arim Holding in *Price Adjustment Shares*.

The *Price Adjustment Shares* represent the mechanism that allows the Issuer to benefit from a possible financial compensation from the shareholder Arim Holding if the Group's activity does not reach a specific consolidated profitability objective as of 31 December 2018, as envisaged by the article 3 of the Statute.

In particular, it is envisaged that the financial compensation, if due, will be paid by the Arim Holding shareholder, without monetary outlay, but through the reduction of the number of shares with voting rights held by him in the Company.

It should be noted that the *Price Adjustment Shares*, pursuant to the provisions of article 3 of the Articles of Association, (i) confer the right to vote in meeting resolutions both in ordinary and extraordinary sessions, (ii) will not be admitted to negotiations on the AIM Italia and (iii) are non-transferable.

For further information regarding the conversion of *Price Adjustment Shares* into Ordinary Shares, please refer to the following Paragraph 15.2.2.

15.1.2. Shares not representing capital

As of the Admission Document Date, there are no participatory financial instruments not representing the Issuer's capital.

15.1.3. Own actions

As of the Admission Document Date, the Issuer does not hold treasury shares.

15.1.4. Existence of purchase rights and/or obligations on authorized but not issued capital or a commitment to increase capital

As of the Admission Document Date, there are no rights and/or obligations to purchase authorized but unissued capital or a commitment to increase capital.

15.1.5. Existence of options offers regarding the capital of any members of the Group

As of the Admission Document Date, there are no option offers regarding the capital of any members of the Group.

15.1.6 Amount of convertible, exchangeable or *warrant* bonds

As of the Admission Document Date, the Issuer has not issued bonds convertible into shares, exchangeable or with *warrants*.

15.1.7. Evolution of the issuer's share capital in the last three financial years

As of the Admission Document Date, the Issuer's subscribed and paid-up share capital is equal to a nominal amount of Euro 600,000.00, divided into no. 6,000,000 Ordinary Shares without par value.

On 16 December 2016, the extraordinary meeting of the Company approved a free capital increase of Euro 510,000 as well as a onerous, divisible and progressive capital increase of Euro 490,000.00, offered as an option to the sole shareholder Ediliziacrobatica Italia Srl and to be subscribed by 30 June 2017. This capital increase was subscribed for an amount equal to Euro 90,000.

Since the subscription deadline has passed, without this increase having been further subscribed, the Issuer's share capital is equal to Euro 600,000.

With notarial deeds stipulated on 28 July 2017, the shares representing the entire share capital of the Issuer were sold to Mr. Riccardo Iovino, who in turn, by deed dated 11 April 2018, transferred his entire shareholding in the Issuer to the company Arim Holding, which is thus, at the date of the Admission Document, the sole shareholder of the Issuer, holding full ownership with reference to a stake equal to approximately 91.50% of the Issuer's share capital and bare ownership with reference to a stake equal to approximately 8.50% of the Issuer on which a beneficial usufruct rests of Mrs. Simonetta Simoni.

On 26 July 2018, the Issuer's Shareholders' Meeting resolved, among other things:

(i) to approve the project for admission to trading of the Company's Shares and *Warrants* on AIM Italia;

(ii) the appointment of directors Stefano Poli and Andrea Bottino;

(iii) The Offered Capital Increase, or the paid and divisible capital increase, with the exclusion of the option right pursuant to article 2441, paragraph 5, of the Civil Code, for a maximum amount equal to Euro 10,000,000.00 (ten million) including premium, by issuing maximum no. 2,300,000 Ordinary Shares without indication of nominal value, with regular entitlement, with no. free matching. 1 (one) *warrant* for every n. 4 (four) subscribed Ordinary Shares resulting from the Capital Increase Offer, aimed at (i) for a maximum of Euro 10,000,000.00 (ten million) to Qualified Investors; and (ii) for a maximum of Euro 3,000,000.00 (three million) to Non-Qualified Investors, provided that, in the latter case, the offer is made in such a way that allows the Company to benefit from an exemption from the offer obligations to the public referred to in article 100 of the TUF and 34-ter of Regulation 11971, without prejudice to the fact that the overall value of the Offer cannot in any case exceed Euro 10,000,000.00 (ten million);

(iv) The *Greenshoe* Capital Increase, i.e. the paid and divisible capital increase, with the exclusion of the option right, pursuant to art. 2441, fifth paragraph, cod. civil for a maximum overall amount, including surcharge, of Euro 1,000,000 (one million), through the issue of maximum no. 230,000 Ordinary Shares without indication of nominal value, with regular entitlement, with no. free matching. 1 (one) *warrant* for every n. 4 (four) subscribed Ordinary Shares to be reserved for Qualified Investors and Non-Qualified Investors, provided that, in the latter case, the placement is carried out in such a way that allows the Company to benefit from an exemption from the public offer obligations referred to in to article 100 of the TUF and 34-

ter of Regulation 11971, without prejudice to the fact that the overall value cannot in any case exceed Euro 1,000,000.00 (one million);

(v) the *Warrant* Capital Increase, or the capital increase resolved by the Issuer's meeting on 26 July 2018, for payment, in a divisible manner, for a maximum amount of Euro 3,800,000, through the issue of maximum n. 651,750 Conversion Shares without indication of

nominal value, with regular enjoyment, to be reserved for subscription exclusively to the holders of *Warrants* based on the exercise ratio described in the *Warrant Regulation*;

(vi) to approve the *Warrant Regulations*;

(vii) the Employee Capital Increase, or the capital increase resolved by the Issuer's meeting on 26 July 2018, for a fee and in a divisible manner, with the exclusion of the option right pursuant to article 2441, paragraph 5, for a maximum amount of Euro 300,000.00 (three hundred thousand) including surcharge, by issuing maximum no. 77,000 Ordinary Shares, subsequently adjusted to no. 100,000, without indication of the nominal value, with regular enjoyment, with free matching n. 1 (one) *warrant* for every n. 4 (four) subscribed Ordinary Shares, reserved for directors, employees and collaborators of the Company, its subsidiaries and its affiliates;

(viii) to convert, with a ratio of 1:1, with effect from the start date of trading of the Company's ordinary shares and warrants *on AIM Italia*, no. 1,200,000 shares owned by the shareholder Arim Holding in *Price Adjustment Shares*, having the characteristics indicated in article 3 of the Articles of Association;

(xi) to adopt, approving them in every part, the text of the company bylaws, without prejudice to the fact that the amendments made to the bylaws - with the exception of the clauses concerning (i) the splitting of the ordinary shares in circulation, (ii) the elimination of the value nominal value of the shares pursuant to article 2346 of the Civil Code, (iii) the dematerialisation of the shares representing the share capital of the Company, (iv) the suppression of the statutory pre-emption right and (iv) the inclusion in the statute of the faculty to issue special categories of shares provided with different rights, as well as participatory financial instruments, which entered into force immediately - became effective on the Start Date of Trading of the Company's Ordinary Shares and Warrants *on AIM Italia*;

On 2 November 2018, the Board of Directors of the Issuer resolved to determine the amount of the Offered Capital Increase at a maximum of Euro 5,500,000 and the amount of the Employee Capital Increase at a maximum of Euro 300,000, without prejudice to the fact that the The Capital Increase Offer and the Employee Capital Increase cannot exceed the maximum total amount of Euro 5,500,000. The Board of Directors also resolved to set the amount of the Greenshoe Capital Increase at a maximum of Euro 500,000.

On 15 November 2018, the Issuer's Board of Directors resolved:

- 1) to only accept subscription requests for the capital increases approved by the meeting of 26 July 2018 which concern a minimum quantity of shares equal to n. 450 or its multiples;
- 2) to execute the Offered Capital Increase (as defined in the minutes of the meeting of 26 July 2018) by issuing a number equal to 1,499,850 Ordinary Shares without par value (of which 126,450 shares to be assigned exempt pursuant to article 100 of the TUF and 34-ter letter C) of Consob Regulation 11971), at a subscription price equal to Euro 3.33, of which Euro 3.23 as a premium, and therefore resolving that the The Offered Capital Increase is carried out for an amount equal to Euro 4,994,500.50, of which Euro 149,985 will be allocated to the share capital and Euro 4,844,515.50 to the share premium;
- 3) to execute the *Greenshoe* Capital Increase (as defined in the minutes of the meeting of 26 July 2018) by issuing a number equal to 149,850 Ordinary Shares without par value, at a subscription price equal to Euro 3.33, of which Euro 3.23 as a premium, therefore resolving that the *Greenshoe* Capital Increase is

executed for an amount equal to Euro 499,000.50, of which Euro 14,985 will be allocated to the share capital and Euro 484,015.50 to the share premium;

4) to implement the Employee Capital Increase (as defined in the minutes of the meeting of 26 July 2018) by issuing a number equal to 75,600 Ordinary Shares without par value, at a subscription price equal to Euro 3.00 (i.e. discounted by 10% compared to the subscription price of the Offered Capital Increase), of which Euro 2.90 as a premium, and proposes to resolve, therefore, that the Employee Capital Increase be carried out for an amount equal to Euro 226,800 , to be attributed for Euro 7,560 to the share capital and for Euro 219,240 as a share premium;

5) to issue a number equal to 431,332 warrants to be assigned, according to the terms and in compliance with the provisions of the Warrant Regulation, in the ratio of no. 1 warrant for every n. 4 shares subscribed in execution of the Capital Increases Offered, *Greenshoe* and Employees.

As of the Admission Document Date, the share capital of the Company, fully subscribed and paid up, is equal to Euro 600,000.

[15.2 Memorandum of association and statute](#)

Corporate object and purpose of the Issuer

1. The Company's purpose is:

- the execution of construction works, renovation and rehabilitation of civil, industrial, commercial and rural properties, excavations and road works, construction with light and heavy prefabricated structures, with refractory and insulating materials, cladding, electrical systems (including radio links), plumbing, air conditioning and heating systems, installation of fixed and mobile furniture, also with the use of personnel who reach the intervention points in the absence of traditional scaffolding;
- the implementation of the aforementioned activities with the aid of rope safety techniques;
- consultancy and technical assistance in the sectors of activity listed above;
- the stipulation of commercial affiliation and *franchising* contracts, as *franchisor*, for the activities indicated above;
- the professional training of the personnel to be assigned to the aforementioned activities;
- the supply to its affiliates, within the scope of the affiliation, and to its subsidiaries e connected, including through third parties, of:
 - a) business management courses;
 - b) technical training courses , including those relating to prevention and safety at work;
 - c) commercial training courses;
 - d) tutoring activities for the execution of construction work on ropes;
 - e) tutoring activities for the coordination of the commercial department of the affiliate or companies controlled or associated companies;
- the supply, also to its affiliates and subsidiary or associated companies, of materials for carrying out the works, and of equipment for carrying out construction work on ropes;
- the installation and management of websites and web marketing activities;

- the granting of licenses to use its brands and know-how;
- the provision of administrative services and data processing services;
- the granting of licenses for use of its management software, and training for its use of said software;
- carrying out any activity, even if not expressly mentioned, necessary for the development of the affiliation network and for the management of franchising contracts;
- research, study and development, as well as the provision of business consultancy services, mainly management and strategic, aimed at improving management, organisation, processes, products and company services;
- the design, creation, production, marketing and installation of software, management and Information & Technology solutions, data processing centers, corporate networks, databases, hosting services;
- the conception and implementation, through the press or any other means, of information, advertising and promotional campaigns; the editorial staff, the edition and the distribution of periodic publications, by own account and of third parties; the ideation, the realisation, the distribution of audiovisual material by own account or of third parties; the organization of conferences, seminars, courses;
- the purchase, sale, exchange, rental of real estate in general, of rural and urban areas, of real estate building complexes, as well as the management, administration and design of the aforementioned, both on its own behalf and on behalf of third parties .

The company may also carry out all commercial, industrial, securities and real estate operations deemed necessary or useful for the achievement of the corporate purpose, provide sureties and real or personal guarantees, also in favor of third parties (provided for operations aimed at the development of the corporate activity) and assume shareholdings, including controlling ones, and interests in other companies or businesses, both in Italy and abroad, provided that such operations are not carried out with the public or on a prevalent basis.

Financial activities must be carried out in compliance with the provisions of the relevant laws and in particular: law 23 November 1939 n. 1966; of law 7 June 1974 n. 216; of law 6 August 1981 n. 416; of law 23 March 1983 n. 77; of law 10 October 1990 n. 287; of law 2 January 1991 n. 1; of Legislative Decree 1 September 1993 n. 385; of article 26 of law 7 March 1996 n. 108; of Legislative Decree 24 February 1998 n. 58, and subsequent laws amending the previous ones, as well as in compliance with the legislation regarding activities reserved for members of colleges, orders or professional registers.

2. The Company may receive share capital financing from members, as well as from members registered for at least three months in the members' register and who hold shareholdings equal to at least 2% (two percent) of the share capital resulting from the latest approved financial statements , loans, even without interest, with repayment obligation (in the absence of an express provision they are they mean free).

[15.2.1. Provisions of the statute concerning the members of the administrative, management and supervisory bodies](#)

Board of Directors and Meetings

The art. 15 of the Articles of Association establishes that the Board of Directors may be composed of a minimum of 3 directors to a maximum of 9 directors, depending on what is resolved by the ordinary meeting, of which at least one of them must possess the requirements of independence provided for by article 148 paragraph 3 of the TUF.

The directors hold office for a maximum period of three financial years, established by the meeting and expire on the date of the meeting called for the approval of the financial statements relating to the last financial year of their office, without prejudice to the causes of termination and forfeiture provided by the law and the Statute.

The appointment of the Issuer's directors is carried out by the meeting, pursuant to art. 17 of the Articles of Association, on the basis of lists presented by the shareholders in which the candidates must be listed in numbers not exceeding 9 (nine), each associated with a progressive number.

The lists must contain at least 1 (one) candidate in possession of the independence requirements set out in the art. 148, paragraph 3, of the TUF.

Only shareholders who, alone or together with other shareholders, represent at least 10% of the share capital with the right to vote at the ordinary meeting, to be proven by filing an appropriate certification, have the right to present lists. Each candidate can appear on only one list under penalty of ineligibility. A shareholder cannot present, nor can he exercise his right to vote for more than one list, even if through a third party or through trust companies.

In case more than one list is presented:

the. from the list that obtained the highest number of votes, a number of directors equal to the total number of members to be elected except one are taken, according to the progressive order of presentation;

ii. from the second list that obtained the highest number of votes and which is not connected even indirectly with the shareholders who presented or with those who voted for the list that came first in terms of number of votes, a director is chosen, i.e. the one who in the scope of this list was indicated first.

If only one list is presented, the assembly expresses its vote on it and, if it obtains a relative majority, the directors listed are appointed in progressive order until the total number of members to be elected is reached.

If no list, in addition to the list that obtained the highest number of votes, has obtained a percentage of valid votes equal to at least 5% (five percent) of the share capital with the right to vote in the ordinary meeting, then, in this case, the directors from the list that obtained the highest number of votes are appointed, listed in progressive order until the total number of members to be elected is reached.

In the event of an equal number of votes between lists, a vote is taken by the assembly, without applying the list voting mechanism, and the candidates who obtain the majority of votes are appointed.

In the event that no lists are presented, the meeting decides according to the legal majorities, without prejudice to compliance with the requirements set out in the Articles of Association.

If, following the elections in the manner indicated above, the appointment of a director in possession of the independence requirements is not ensured, the non-independent candidate elected as last or, in the case of multiple lists, as last in progressive order on the list that reported The

highest number of votes, will be replaced by the first independent candidate not elected, and in the case of lists, belonging to the list that received the highest number of votes.

Pursuant to art. 15 of the Statute, the council elects a President from among its members and can also appoint, where it deems it appropriate, a Vice President and a secretary who can also be chosen outside of its members.

Pursuant to art. 16 of the Articles of Association, the Board of Directors meets every time the President or whoever takes his place deems it appropriate, or when a request is made to the President by at least one Director, at the registered office or in another place, provided that in Italy.

Pursuant to art. 16 of the Statute, for the validity of the council's resolutions the presence of the majority of the councilors in office and the favorable vote of the majority of votes present are necessary; in case of a tie, the President's vote will prevail.

Pursuant to art. 17 of the Articles of Association, if the majority of directors appointed by the meeting ceases to exist, those remaining in office must call the meeting to replace the missing directors. If, however, all the directors cease to exist, the meeting for the appointment of the entire board must be urgently convened by the board of auditors, which can carry out the ordinary administrative acts in the meantime.

Pursuant to art. 18 of the Articles of Association, the power to represent the company lies with the President of the Board of Directors. In the event of the appointment of managing directors, they are responsible for representing the company within the limits of the delegated powers.

Board of Statutory Auditors

The Board of Statutory Auditors has the task of supervising compliance with the law and the articles of association and compliance with the principles of correct administration in carrying out corporate activities, as well as checking the adequacy of the organizational structure, the internal control system and of the Issuer's administrative and accounting system.

Pursuant to art. 19 of the Statute, the Board of Statutory Auditors is made up of three effective members and two alternates appointed by the assembly, which also appoints the President in compliance with the provisions of the law and can also meet via audio or video conference.

Pursuant to art. 19 of the Statute, the Auditors remain in office for three financial years and expire on the date of the meeting called for the approval of the budget relating to the third financial year of the office and they are re-eligible.

Auditing firm

Pursuant to art. 21 of the Articles of Association, if the shares or other financial instruments issued by the Company are traded on a multilateral trading system, the statutory audit of the accounts must be carried out by an auditing company registered in the special register required by current legislation.

The assembly, upon a reasoned proposal from the board of auditors, confers the assignment and determines the fee payable to the statutory auditor or the statutory auditing company for the entire duration of the assignment and any criteria for the adjustment of this fee during the term. 'assignment.

The assignment has a duration established by law.

[15.2.2. Rights, privileges and restrictions attached to existing shares](#)

As of the Admission Document Date, the subscribed and paid-up share capital of the company is Euro 600,000 divided into n. 6,000,000 Ordinary Shares, of which no. 1,200,000 will be converted, with

effective from the Trading Start Date, in *Price Adjustment Shares*, all without nominal value.

The Ordinary Shares are issued in dematerialized form and attribute equal rights to their holders, each of them gives the right to one vote in the ordinary and extraordinary Shareholders' Meetings of the Issuer, as well as to other patrimonial and administrative rights, according to the provisions of the law and the Articles of Association applicable. The Shares are nominative, indivisible and freely transferable both by deed *inter vivos* and *mortis causa*, in accordance with the law.

The profits resulting from the financial statements approved by the meeting, after deduction of the portion allocated to the legal reserve, can be distributed to the members or allocated to the reserve, according to the resolution of the meeting itself and within the limits of the provisions of the regulations of the ExtraMOT Pro Bond Loans (for further information, please refer to Section One, Chapter 16, Paragraph 16.1 of the relevant Admission document). The directors, in the presence of legal conditions, can decide on the distribution of interim dividends.

Pursuant to article 3 of the Articles of Association, *Price Adjustment Shares* attribute the same rights and obligations as Ordinary Shares with the exception of what is described below:

- a) are non-transferable until the date set for the automatic conversion into Ordinary Shares (la "*Conversion*") to the terms and conditions indicated below;
- b) grant the right to profits and distributions of reserves, as well as the right to vote *equally passu* with the Ordinary Shares;
- c) will be converted into Ordinary Shares in a ratio of 1:1, up to the number determined by applying the following formula, rounded down if the first decimal is less than or equal to 5 and greater in other cases and, for the remaining shares *Price Adjustment Shares*, canceled from the same share capital, all under the following terms and conditions:

- the number of *Price Adjustment Shares* to be converted into Ordinary Shares will be determined based on the consolidated EBITDA actually achieved and calculated, following the approval by the Board of Directors of the consolidated financial statements of the company as at 31 December 2018, on the basis of the parameters indicated in the resolution adopted by the extraordinary meeting of the company on 26 July 2018 ("*EBITDA 2018*"), compared to the target EBITDA of Euro 4,200,000.00 (four million two hundred thousand/00) ("*EBITDA TARGET 2018*"), according to the following formula :

number of Price Adjustment Shares to be converted into an equal number of ordinary shares =

$$1,200,000 \times (2018 \text{ GROWTH} / 2018 \text{ TARGET GROWTH})$$

Where:

- "GROWTH 2018" is the difference between EBITDA 2018 and Euro 3,000,000 (conventional reference value - Floor); if 2018 EBITDA was less than Euro 3,000,000, it would be replaced with Euro 3,000,000;

- "TARGET GROWTH 2018" is equal to Euro 1,200,000 (i.e. the difference between EBITDA 1TARGET 2018 and Euro 3,000,000).

The *Price Adjustment Shares* to be converted or canceled will be proportionally converted or canceled among the shareholders who own them, with rounding always to be made downwards at the time of conversion and upwards at the time of cancellation.

If, following the application of the above formula, also as a result of any rounding operations, unconverted *Price Adjustment Shares* remain, such *Price Adjustment Shares* will be canceled without any change in the share capital.

- ii.* As an exception to the above in application of the formula referred to in point (I) above, if the 2018 EBITDA is higher than the 2018 TARGET EBITDA, all *Price Adjustment Shares* will be converted into n. 1,200,000 Ordinary Shares in the ratio of no. 1 (one) ordinary share for every n. 1 (one) *Price Adjustment Share* detained;
- d) the precise number of *Price Adjustment Shares* convertible into Ordinary Shares under the terms referred to in the previous letter. c) will be determined by the Board of Directors, with a resolution passed with the necessary favorable vote of the independent director(s) appointed, with the aid and favorable opinion of the auditing firm responsible for the statutory audit of the company's accounts, within 30 (thirty) working days from the approval, by the ordinary meeting, of the financial statements as at 31 December 2018.

For the purposes of determining the 2018 EBITDA, pursuant to the resolution of the extraordinary meeting of the Issuer on 26 July 2018, the Board of Directors will draw up and approve a prospectus indicating the 2018 EBITDA (the "PAS Prospectus ") , following the approval of the financial statements for the year ended 31 December 2018 by the shareholders' meeting. The Board of Directors of the Company will grant the Auditing Firm an irrevocable mandate to verify compliance with the drafting criteria of the PAS Prospectus indicated below within 10 days from the date of approval of the PAS Prospectus by the Board of Directors. The Auditing Company will issue a report in compliance with international auditing standards and in particular with ISRS 4400 – “*Engagements to perform agreed upon procedures*” in compliance with the criteria listed below. The criteria for determining the 2018 EBITDA for the preparation of the PAS Prospectus are as follows:

- A. “EBITDA 2018”: the result before financial charges, taxes, amortization and depreciation referred to in point 10), provisions for risks recorded in point 12), other provisions referred to in point 13) of letter B) of article 2425 of the Civil Code net of extraordinary or non-recurring income and expenses as described below;
- B. for extraordinary or non-recurring income and expenses, to be excluded, therefore, from the calculation relating to the determination of the 2018 EBITDA, as defined in the previous point (A) it is specified that they must be considered extraordinary or non-recurring components of the income statement and , therefore, cleared by letter A) which precedes the following entries:
 - ~ the capital gains realized, the contingencies and non-existence assets registered in letter A) of article 2425 of the Civil Code;

- ii. realized capital losses, contingent liabilities and non-existent liabilities recorded in letter B) of article 2425 of the Civil Code;
 - iii. all direct and indirect costs strictly related to the listing operation and those relating to the stay (so-called "on-going") Aim Italia.
- C. If the scope of consolidation of the income statement has changed compared to that existing at the time of admission to AIM Italia, as a result of the purchase of majority shareholdings which, on the basis of the accounting principles adopted by the Company, entail the acquisition of the control, the pro forma income statement relating to the original perimeter must be constructed, which therefore must not include:
- ~ the income statement of the controlling interests acquired;
 - ii. the direct costs linked to financial, legal and commercial due diligence incurred to carry out the aforementioned operations as well as the further direct costs for consultancy incurred to carry out the aforementioned operations.
- e) the conversion and/or cancellation of the *Price Adjustment Shares* will take place without the need for any expression of will on the part of the respective owners and without any modification to the size of the share capital and will take place on the "*Conversion Date*", to be understood as the date of the resolution of the Board of Directors pursuant to the previous letter (d);
- f) following the Conversion of the *Price Adjustment Shares* into Ordinary Shares, the Board of Directors will: (a) note in the shareholders' register the occurred Conversion, the cancellation of the *Price Adjustment Shares* that may remain following the Conversion and the issuing of Ordinary Shares; (b) deposit with the companies register, pursuant to article 2436, paragraph 6, of the civil code, the text of the Articles of Association with the consequent amendments including the modification of the overall number of shares into which the share capital is divided, proceeding to any related formality, including the cancellation of the *Price Adjustment Shares* that may remain following the Conversion in application of the formula referred to in the letter. c) of paragraph 3.2 of the Statute; (c) communicate the Conversion via press release published on the Company's website, as well as carry out all other communications and declarations that may be necessary or appropriate;

By resolution of the extraordinary meeting of 26 July 2018, it was envisaged to convert with a ratio of 1:1, with effect from the Trading Start Date, no. 1,200,000 shares owned by Arim Holding.

The *Price Adjustment Shares* represent the mechanism that allows shareholders to benefit from a possible financial compensation, paid by the shareholder Arim Holding, if the Group's activity does not reach a specific consolidated profitability objective as of 31 December 2018, as envisaged by the Article 3 of the Statute.

In particular, it is envisaged that the financial compensation, if due, will be paid by the Arim Holding shareholder, without monetary outlay, but through the reduction of the number of shares with voting rights held by him in the Company.

It should also be noted that the *Price Adjustment Shares* will not be listed on AIM Italia.

[15.2.3. Statutory regulation of the modification of the rights of share holders, with indication of the cases in which the conditions are more significant than the conditions provided for by law](#)

The art. 8 of the statute provides that each member can exercise the right of withdrawal in the cases provided for by law, for all or part of their participation.

Without prejudice to the provisions of the articles. 2368 and 2369 of the Civil Code, until the final date of conversion of all the *Price Adjustment Shares*, the amendments to article 3 of the Articles of Association are approved by the extraordinary meeting with the majorities required by law, without prejudice to the fact that such majorities must also consist of favorable vote of the majority of the members present at the meeting, other than members who are also holders of *Price Adjustment Shares*, without prejudice to the fact that the amendments to Article 3 of the Articles of Association which affect the rights of the *Price Adjustment Share* category of shares will require the approval of the relevant special meeting, pursuant to art. 2376 of the Civil Code.

15.2.4. Procedure for calling meetings

Pursuant to art. 12 of the Statute, the meeting is convened, at the headquarters or in another place provided that it is in Italy, with notice of at least 15 (fifteen) days before the date established for the meeting, by means of a notice published in the Official Gazette of the Republic or at least one of the following newspapers: "il Sole 24 Ore" or "MF-Milano e Finanza". The notice is also published on the Company's website.

15.2.5. Description of any statutory provisions that could have the effect of delaying, postponing or preventing a change in the control structure of the Issuer

The Articles of Association do not contain provisions that could have the effect of delaying, postponing or preventing a change in the control structure of the Issuer with the exception of the following.

15.2.6. Conditions provided for in the deed of incorporation and the Articles of Association for the modification of the capital, in the event that these conditions are more restrictive than the conditions established by law

The Articles of Association expressly provide for an obligation for shareholders to communicate upon reaching, exceeding or reducing below the applicable pro tempore thresholds set out in the AIM Regulation.

Without prejudice to the provisions of the articles. 2368 and 2369 of the Civil Code, until the final date of conversion of all the *Price Adjustment Shares*, the amendments to article 3 of the Articles of Association are approved by the extraordinary meeting with the majorities required by law, without prejudice to the fact that such majorities must also consist of favorable vote of the majority of the members present at the meeting, other than the members who are also holders of *Price Adjustment Shares*, without prejudice to the fact that the amendments to article 3 of the Articles of Association which affect the rights of the category of *Price Adjustment Shares* shares will require the approval of the relevant special meeting, pursuant to art. 2376 cc

16. IMPORTANT CONTRACTS

The most relevant contracts for the Issuer and the Group are described below, other than those concluded in the normal course of business, in addition to those indicated in Section One, Chapter 6 of this Admission Document.

16.1. ExtraMOT PRO bond loans

On 21 September 2017, the Issuer's board of directors approved the issue of the following two bond loans to be listed on the professional segment of the Market ExtraMOT:

1. bond loan called "EdiliziAcrobatica SpA 4% 2017 – 2023" consisting of n. 30 bonds with a nominal value of Euro 100,000.00 (one hundred thousand/00) each, for a total nominal amount of Euro 3,000,000.00 (three million/00), ISIN code IT0005283475 and
2. bond loan called "EdiliziAcrobatica SpA 5% 2017 – 2023", consisting of n. 20 bonds with a nominal value of Euro 100,000 (one hundred thousand/00) each, for a total nominal amount of Euro 2,000,000.00 (two million/00), ISIN code IT0005283467.

On 28 September 2017, ICCREA BANCA IMPRESA SpA ("ICCREA") subscribed to all the bonds issued by the Company.

The issue of the ExtraMOT-Pro Bond Loans took place on 29 September 2017 and will expire on 29 September 2023, without prejudice to the possibility (i) for the Issuer to repay the ExtraMOT-Pro Bond Loans early (starting from 29 September 2020) and (ii) for ICCREA to request early reimbursement upon the occurrence of certain hypotheses including: (a) change of control of the Issuer, (b) initiation of insolvency proceedings against the Issuer, (c) failure to pay the sums due pursuant to the ExtraMOT-PRO Bond Loans, (d) *cross default* of the Issuer or other Group companies and v) exclusion of the bonds from trading on the ExtraMot PRO segment.

The ExtraMOT-Pro Bond Loans are of the *amortizing* type with 30 (thirty) months of pre-amortization and will be repaid at par in 7 (seven) six-monthly installments starting from 29 September 2020.

The bonds of the ExtraMOT-Pro Bond Loans bear interest at a nominal gross annual fixed rate of 4% starting from 29 September 2017 until the first date between 29 September 2023 and the date of any early repayment.

The obligations of the ExtraMOT-Pro Bond Loans constitute direct, unconditional and unsubordinated obligations to all other debts of the Issuer, are of equal rank with each other and at least of equal rank with respect to the present and future non-preferred and non-subordinated obligations of the Issuer (with the exception, obviously, of the Issuer's obligations which are privileged based on general legal provisions).

Pursuant to the regulations of the ExtraMOT-Pro Bond Loans, the Issuer has also undertaken not to distribute reserves, with the exception of the reserves made up of the profits resulting from the financial statements as at 31 December 2016 (approved by the shareholders' meeting of the Issuer dated 23 June 2017) which were not distributed, for an amount equal to Euro 639,170 (six hundred and thirty-nine thousand, one hundred and seventy) (the "2016 Undistributed Profits") which may be distributed under the following conditions:

- to. in case of filing with the Italian Stock Exchange of the pre-admission notice to trading of the Issuer's shares on the multilateral trading system

organized and managed by Borsa Italiana called AIM Italia/Mercato Alternativo del Capital (the "CPA") by the date of approval of the Issuer's financial statements as of 31 December 2017, the Issuer, within 2 working days from the date of filing of the CPA, may decide on the distribution of the 2016 Undistributed Profits which will be due and may be paid by the Issuer in favor of those entitled only after the relevant application for admission has been filed;

b. in the event that on the date of approval of the Issuer's financial statements as of 31 December 2017 by the shareholders' meeting the CPA had not been filed with the Italian Stock Exchange, the Issuer may decide on the distribution of the 2016 Undistributed Profits at the same time as the approval of the financial statements as at 31 December 2017 only if the Financial Parameters, as defined in the regulations of the ExtraMOT PRO Bond Loans, are respected, under the following terms and conditions:

(i) if the financial parameter "PFN / PN" (referring to the consolidated financial statements as at 31 December 2017 and to be calculated *after* distribution of the 2016 Undistributed Profits) (the "Parameter Further Financial") is equal to or less than 2.15, the 2016 Undistributed Profits will be due and may be paid to those entitled after the date of approval of the financial statements as at 31 December 2017;

(ii) if the Additional Financial Parameter is higher than 2.15, the 2016 Undistributed Profits will be due and may be paid to those entitled in two *tranches* of the same amount respectively after the date of approval of the 2017 financial statements and after the date of approval of the 2018 financial statements.

For further information regarding the ExtraMOT PRO Bond Loans, please refer to the text of the relevant regulations published on the Issuer's website (www.ediliziacrobatica.com – *Investor Relations section*).

16.2. LOI Profile Armor

On 27 December 2017, the Issuer signed a letter of intent with the shareholders of the Profil Armor company (the "*PA Members*") by virtue of which the Issuer and the PA Members (the "*Parties*") mutually acknowledged the existence of negotiations concerning the hypothesis of acquisition of a stake equal to the entire share capital of the company Profil Armor (a company incorporated under French law) and the company Profil Armor Entrepreneur General Inc (a company incorporated under Canadian law) active in the roped construction in the French and Canadian markets respectively.

In the event of a positive outcome of the negotiations, the Parties have envisaged completing the acquisition through the transfer of a stake equal to the entire share capital of the aforementioned companies in favor of the Issuer against the payment of the price which may take place through payment in cash and financial instruments of the Issuer.

The letter of intent, as subsequently extended, is valid until 15 December 2018.

It is specified that the Parties have provided that the letter of intent, as a mere expression of the current state of the agreements between them, cannot in any way be considered or interpreted as a source of obligations of the Parties to the conclusion of a binding contractual agreement.

16.3. Standard franchising contract

The Group pursues its growth and development strategy through, among other things, the affiliation of external parties (the "*Franchisees*") with whom commercial affiliation contracts are stipulated (the "*Franchise Agreements*") through which the *Franchisees* become holders of the right to perform

according to the methods, limitations and timescales provided therein, services in the building renovation sector through the double cable technique.

As of 31 December 2017, the Issuer has n. 22 Franchising Agreements .

As a result of these contracts, the Issuer grants its *Franchisees*, limited to the duration of the Franchising Contract , a non-exclusive license to use the trademark, the use of its knowledge relating to rope construction services (the so-called *know how*), the use of consultancy and training services, the use of a search and selection service for collaborators, administrative services (including invoicing and general accounting) and IT support for the use of the management software as well as *the* guidelines on the type of equipment, on the *point* 's sign and on the materials useful for the work, all this exclusively within the territory agreed between the parties.

The *Franchisee* undertakes to pay the Issuer, in addition to the amounts provided for in the *Franchising Agreement* for the services listed above, an entry *fee* which, starting from September 2017, is equal to Euro 76,000, as well as, by way of *royalties*, an amount equal to 13% of any sum collected by the *Franchisee* in relation to the performance of roped construction services.

The *Franchising Agreement* provides that the *Franchisee* undertakes to conclude, with its customers, procurement contracts that have an overall value higher than the minimum *target* set in the *Franchising Agreement* which increases in value, in a decreasing manner, approximately every 12 months.

In compliance with the provisions of the art. 3.3 of Law 129/2004, the *Franchising Contract* has a duration of five years and, after this expiry, it is tacitly renewed for a further period of three years, without prejudice to the possibility for the Issuer not to proceed with the renewal if the *Franchisee* does not reach the minimum *target* relating to the procurement contracts to be signed with its customers.

For the entire duration of the affiliation contract and for a period of two years following its termination, for any reason, the *Franchisee* undertakes (i) not to become part, either directly or indirectly, of any similar franchising chain and /or alternative to the Issuer's network nor (ii) to directly or indirectly create its own *franchising chain*

who has an interest in the rope construction sector or similar activities.

By virtue of the *Franchising Agreement*, advertising initiatives at a national level are the exclusive responsibility of the Issuer, with the consequence that the *Franchisee* will only be able to promote, at his own expense and with the prior written consent of the Issuer, advertising initiatives at a local level.

The *Franchising Contract* provides for a series of hypotheses in which it can be terminated by the Issuer, pursuant to article 1456 of the Civil Code (express termination clause) including: (i) the loss of the necessary administrative and/or health authorizations for carrying out the activity; (ii) violation of the exclusivity, of the license to use the trademark, of the non-competition commitment, of confidentiality; (iii) the improper use of distinctive signs.

By virtue of the *Franchising Agreement*, the *Franchisee* may not, without the prior written consent of the Issuer:

- a) assign the affiliation contract or in any case transfer to third parties the exercise of all or some rights arising from the affiliation contract, even in the context of a transfer of a company or business branch;
- b) sell or rent one's company or enter into any contractual agreement which has the effect of transferring the ownership, management or use of the company to third parties, even temporarily or indirectly.

In the event of offers from third parties to purchase the company or the shareholding held in the *franchisee's share capital*, the latter must offer the company or shareholding to the Issuer under the same conditions.

16.4. Standard procurement contract

In the event that the orders involve amounts equal to or greater than Euro 20,000, the Issuer signs procurement contracts with its customers regarding the scheduling of the agreed works and the related terms and conditions (the "Procurement Contract") .

By virtue of the Procurement Contract, the Issuer is responsible for (i) all charges and expenses, none excluded, for the execution of the works; (ii) all necessary materials and labor necessary for correct execution of the works; (iii) insurance and social security charges; (iv) any liability relating to remuneration; (v) the authorization for the exemption from compliance with the limits established by law 447/95 on noise pollution and (vi) the careful cleaning of the intervention areas.

However, the customer remains responsible for (i) the professional skills for the preparation of the administrative and authorization procedures for the works, as well as for the management of the works; (ii) the drafting of the safety and coordination plan pursuant to Legislative Decree 81/2008; (iii) the payment of VAT; (iv) the supply of water for the mixtures and the supply of electricity; (v) charges for the occupation of public land and the appointment of coordinators during the planning and execution of the works.

The price for carrying out the works is set per unit and not per measure. The Procurement Contract provides for penalties for the case of delay in the execution of the order (the verification of which must be carried out jointly); this penalty is identified as a lump sum to be paid to the customer for each day of delay which can vary from a minimum of approximately Euro 40 per day to a maximum of approximately Euro 150 per day.

The Procurement Contract provides for the possibility for the Issuer to subcontract part of the works to companies of its choice, which have the necessary technical and dimensional requirements; in this circumstance, the Issuer is required to check with its own personnel the correct execution of the subcontracted works, as well as the subcontractor's compliance with the provisions relating to safety.

It is specified that, with regard to orders of amounts lower than Euro 20,000, the Issuer draws up and issues a simple order confirmation containing the type of intervention to be carried out, the price and the payment method. The order confirmation is countersigned for acceptance by the customer.

17. INFORMATION FROM THIRD PARTIES, EXPERT OPINIONS AND DECLARATIONS OF INTEREST

17.1. Information from third parties, expert opinions and declarations of interests

The Admission Document does not contain expert opinions or reports.

17.2. Attestation regarding information from third parties, expert opinions and declarations of interests

The information contained in the Admission Document comes from third party sources only where expressly indicated. In relation to the latter information, the Issuer confirms that the same has been faithfully reproduced and that, as far as the Issuer knows or is able to ascertain on the basis of information published by the third parties in question, no facts have been omitted which could make any information reproduced that is inaccurate or misleading. The sources of the aforementioned information are specified in the same paragraphs of the Admission Document in which they are reported.

18. INFORMATION ON INVESTMENTS

The table below shows the main information as of the Admission Document Date regarding the shareholdings held by the Issuer in other companies.

Investee company	Percentage of participation	Book value in the balance sheet as of 06/30/2018 (Euro)
EDAC Versilia	85%	42,500
EDAC Biella	95%	47,500
EDAC Sicily	55%	27,500
EDAC Rome Trastevere	100%	0

As of 30 June 2018, the Issuer proceeded to write down the value of the investment in Edac Roma Trastevere (a currently non-operational company) by 100% as the book value recorded in the financial statements as of 31 December 2017 was higher than the pro quota of Shareholders' Equity as of 30 June 2018 of the investee company.

For further information on the organizational structure of the Issuer and of the companies controlled and owned by the Issuer, see Section One, Chapter 7, Paragraphs 7.1 and 7.2 of the Admission Document. For information on the activities of the companies owned by the Issuer, see Section One, Chapter 6 of the Admission Document.

SECTION II

1. INFORMATION RELATING TO THE PERSONS RESPONSIBLE FOR THE ADMISSION DOCUMENT

1.1. Responsible for the admission document

For information relating to the responsible persons, please refer to Section One, Chapter 1, Paragraph 1.1 of the Admission Document.

1.2. Declaration of responsibility

For information relating to the responsible persons, please refer to Section One, Chapter 1, Paragraph 1.2 of the Admission Document.

2. RISK FACTORS

For a detailed description of the risk factors relating to the Issuer and the Group as well as the sector in which the Issuer and the Group operate and the listing on AIM of the Issuer's Financial Instruments, please refer to Section One, Chapter 4 of the Document of Admission.

3. ESSENTIAL INFORMATION

3.1. Statements relating to working capital

The directors, after having carried out all the necessary and in-depth investigations, on the basis of the definition of working capital - as the means by which the Group obtains the liquid resources necessary to satisfy the maturing obligations - contained in the "ESMA update of the CESR recommendations . The consistent implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive" of 20 March 2013 (formerly CESR Recommendation 05-054b of 10 February 2005), consider that the working capital available to the Issuer and the Group is sufficient for current needs, meaning those relating to at least twelve months from the Admission Date.

3.2. Reasons for the capital increases and use of the proceeds

The Company believes that the listing of the Financial Instruments on AIM Italia will allow it to obtain further visibility on the reference markets. The proceeds deriving from the Capital Increases will be used in order to provide the Group with further financial resources for the pursuit of its growth strategy, described in Section One, Chapter 6, Paragraph 6.1.7, as well as contributing to strengthening the capital and financial structure of the group.

4. INFORMATION REGARDING THE FINANCIAL INSTRUMENTS TO BE ADMITTED TO NEGOTIATION

4.1. Type and class of financial instruments offered to the public and admitted to trading

The Financial Instruments for which Admission has been requested are the ordinary Shares *and Warrants* of the Issuer.

Actions:

The ISIN (*International Security Identification Number*) code assigned to the Shares traded on AIM Italia is IT0005351504.

Warrants:

The *Warrants* are assigned free of charge to the Shares that will be purchased and/or subscribed as part of the Offer as well as to the Shares that will be placed in the context of the exercise of the *Greenshoe* Option and/or the Employee Capital Increase, in the ratio of a *Warrant* for every 4 Shares held.

The *Warrants* are called “EDAC Warrants 2018 – 2021” and have the ISIN code IT0005351470.

Compendium Actions:

The subscription of the Conversion Shares by each holder of the *Warrants* may take place in the periods indicated in the *Warrant* Regulation - under the conditions and according to the methods established by the *Warrant* Regulation - at a rate of no. 1 Compendium Share for every 1 *Warrant*. The Conversion Shares will have regular enjoyment, equal to that of the Company Shares traded on AIM Italy from the date of the relevant issue following the exercise of the *Warrants*.

4.2. Legislation under which financial instruments will be issued

The Shares, Conversion Shares and *Warrants* are issued under Italian law.

4.3. Characteristics of actions

The Shares are nominative, indivisible, freely transferable and issued in dematerialized form, under centralized management at Monte Titoli SpA and have regular enjoyment.

The case of co-ownership is regulated by law.

Consequently, as long as the Shares are managed in dematerialized form at Monte Titoli SpA, the transfer of the Shares and the exercise of the related rights can take place exclusively through intermediaries participating in the centralized management system of the latter company.

4.4. Characteristics of Warrants and Consolidated Shares

The *Warrants* are bearer, circulate separately from the Shares to which they were combined at the time of the Placement and are freely transferable. The *Warrants* are admitted to the centralized administration system of Monte Titoli SpA under the dematerialisation regime.

The Conversion Shares will have regular enjoyment, equal to that of the Company Shares traded on AIM Italia from the date of the relevant issue following the exercise of the *Warrants*.

4.5. Currency of issue of the shares

The currency of issue of the Shares, Conversion Shares and *Warrants* is the Euro.

4.6. Description of rights, including any limitations thereon, attached to the actions and procedure for their exercise

All Shares and Conversion Shares will have the same characteristics and will attribute the same rights as the ordinary shares of the Company.

The holders of the *Warrants* have the right to subscribe to the Conversion Shares, in the ratio of no. 1 Compendium Action for each n. 1 *Warrant* held, at a subscription price equal to the IPO price of each Share increased by 10% on an annual basis (the "*Exercise Price*").

The Conversion Shares may be subscribed for at any time between 1 and 30 September 2019, between 1 and 30 September 2020, and between 1 and 30 September 2021 (each the "Exercise Period"), under the *terms* and under the conditions established by the *Warrant Regulation*.

The requests must be presented to the intermediary belonging to Monte Titoli SpA where the *Warrants are deposited*. The Exercise Price of the Conversion Shares must be paid in full upon submission of the exercise requests, without additional commissions and expenses to be borne by the applicants.

The *Warrant Regulation* is attached to this Admission Document.

4.7. Resolutions, authorizations and approvals by virtue of which the financial instruments have been or will be created and/or issued

For information regarding the resolutions of the extraordinary meeting of the Issuer relating to the issue of the Shares, Conversion Shares and Warrants, please refer to Section One, Chapter 15, Paragraph 15.1.7 of the Admission Document.

4.8. Expected date for the issue of financial instruments

Upon payment of the relevant subscription price, the newly issued Shares and *Warrants* will be made available to those entitled by the Start Date of Trading on AIM Italia, in dematerialized form, by accounting on the deposit accounts held at Monte Titoli SpA

4.9. Description of any restrictions on the free transferability of the shares

There are no limitations on the free transferability of the Shares, Conversion Shares and *Warrants* pursuant to the law and the Articles of Association. Arim Holding, which at the Admission Date holds n. 6,000,000 Shares of the Company, Mrs. Simonetta Simoni, who on the Admission Date holds the right of usufruct on n. 510,000 Shares and the Company, together with Mr. Riccardo Iovino and Ms. Anna Marras, as shareholders of Arim Holding, have undertaken lock-up commitments containing prohibitions on acts of disposal of their shares for a period of 24 months starting from the date of the start of trading.

The subjects who subscribe to the Shares issued in execution of the Employee Capital Increase will also be subject to a 24-month lock-up starting from the start date of trading.

For further information on lock-up commitments, please refer to Section Two, Chapter 5, Paragraph 5.3 of the Admission Document.

4.10. Applicability of the rules relating to public takeover bids and/or takeover offers residual

The art. 6 of the Articles of Association provides that, starting from the moment in which, and until, the Ordinary Shares issued by the Company are admitted to trading on AIM Italia, the provisions relating to listed companies referred to in the TUF

and the Consob implementing regulations on mandatory takeover and exchange offers, limited to articles 106 and 109 of the TUF (the "Referred Regulations"). The Regulation referred to is the one in force at the moment in which the shareholder's obligations come into force.

Exceeding the shareholding threshold envisaged by Article 106, paragraph 1, of the TUF without communication to the Board of Directors and the presentation of a total public offer within the terms established by the Referred Regulations entails the suspension of the right to vote on the excess shareholding, which can be ascertained at any time by the Board of Directors.

The provisions of art. 6 of the Articles of Association apply exclusively in cases in which the public purchase and exchange offer is not otherwise subject to the supervisory powers of Consob and the provisions regarding public purchase and exchange offers envisaged by the TUF.

For further information, please refer to the art. 6 of the Statute.

[4.11. Previous takeover bids on the issuer's shares](#)

During the last financial year and the current financial year, the Issuer's shares were not the subject of any public purchase and/or exchange offer.

[4.12. Tax regime relating to Shares](#)

Introduction - Tax regime relating to Shares

Below is some general information relating to the tax regime applicable to the purchase, holding and transfer of shares in joint-stock companies for certain categories of investors.

The information reported below summarizes some aspects of the tax regime specific to the purchase, possession and disposal of the Shares pursuant to Italian tax legislation in force on the Date of the Admission Document and in relation to specific categories of investors, without prejudice to the fact that the same may be subject to change, even with retroactive effect.

In particular, measures could be introduced regarding the revision of the rates of withholdings on capital income and other income of a financial nature or of the measures of substitute taxes relating to the same income. The approval of these legislative measures amending the regulations currently in force could, therefore, impact the tax regime as described in the following paragraphs.

On this point, it is underlined that the Company will not update this section to account for the changes that have occurred, even if, as a consequence, the information contained therein is no longer valid.

The recipients of this Admission Document are, therefore, invited to consult their consultants regarding the tax regime of the purchase, holding and transfer of shares and to verify the nature and origin of the sums received by way of distribution (dividends or reserves) on the aforementioned shares.

Financial Transaction Tax (Tobin Tax)

Article 1, paragraphs 491 to 500 of Law no. 228 of 24 December 2012 ("2013 Stability Law") introduced a tax on financial transactions (so-called "Tobin Tax") applicable, among others, to transfers of ownership of (i) shares issued by companies resident in the territory of State, (ii) participatory financial instruments referred to in paragraph 6 of article 2346 of the civil code issued by companies resident in the territory of the State and (iii) securities representing the aforementioned instruments

regardless of the residence of the issuer of the certificate and the place of conclusion of the contract.

The tax also applies to the transfer of bare ownership of the aforementioned securities.

For the purposes of determining the State of residence of the issuing company, reference is made to the place where its registered office is located.

For the purposes of the application of the Tobin Tax, the transfer of ownership of the shares entered into the centralized deposit system managed by Monte Titoli is considered to have occurred on the date of registration of the transfers carried out following the settlement of the relevant operation. Alternatively, the person responsible for paying the tax, subject to the taxpayer's consent, can take the contractually foreseen settlement date as the date of the operation.

The tax established for transfers of ownership of shares applies at a rate of 0.20% on the value of the transaction. The rate is reduced to 0.10% for transfers that take place in regulatory markets and multilateral trading systems.

The reduced rate also applies in the case of the purchase of shares through the intervention of a financial intermediary who intervenes between the parties to the transaction and purchases the shares on a regulated market or a multilateral trading system, provided that between the transactions of purchase and sale there is coincidence in price, total quantity and settlement date. Transactions concluded on regulated markets and multilateral trading systems are also considered to be those relating to agreed transactions, pursuant to Article 19 of Regulation (EC) No. 1287/2006 of the Commission of 10 August 2006, if foreseen by the market. Conversely, transactions concluded outside regulated markets and multilateral trading systems are considered to be those concluded bilaterally by intermediaries, including those concluded in internationalization systems and so-called crossing networks, regardless of the methods of fulfilling the post-negotiation transparency obligations.

The reduced rate does not apply to transfers of ownership of shares following the settlement of derivatives referred to in Article 1, paragraph 3, of the TUF, or following transactions on securities referred to in Article 1, paragraph 1 -bis, letters c) and d) of the TUF.

The tax is calculated on the value of the transaction that the person responsible for paying the tax determines, for each taxable person, on the basis of the net balance of the transactions settled daily and relating to the same security, or on the basis of the consideration paid.

The Tobin Tax is payable by the subjects in whose favor the ownership of the shares is transferred, regardless of their residence and the place where the contract was concluded.

The tax does not apply to subjects who intervene in the operation. However, subjects located in states or territories with which there are no agreements in force for the exchange of information and for assistance in the recovery are considered buyers for all intents and purposes, regardless of the title with which they intervene in the execution of the operation. of credits for tax purposes, identified in a specific provision of the Director of the Revenue Agency issued on 30 May 2016, as integrated by the Provision of the Director of the Revenue Agency of 9 June 2016, without a permanent establishment in Italy, always who do not identify themselves according to the procedures defined by the provision of the Director of the Revenue Agency of 18 July 2013, as amended by the Provision of the Director of the Revenue Agency of 9 March 2017.

The tax must be paid by the sixteenth day of the month following the one in which the transfer takes place by the intermediaries or other subjects involved in the execution of the transfer such as, for example, banks, trust companies and investment firms of which

to article 18 of the TUF, as well as by notaries who intervene in the preparation or authentication of documents relating to the same operations. In other cases the tax is paid by the taxpayer. For the obligations due in relation to operations subject to the Tobin Tax, intermediaries and other non-resident subjects without a permanent establishment in Italy who intervene in such operations may appoint a tax representative identified among the subjects indicated in article 23 of Presidential Decree no. 600 of 1973. If more than one of those indicated above are involved in the execution of the operation, the tax is paid by the person who receives the execution order directly from the buyer.

If the person in whose favor the ownership of the shares is transferred is a bank, a trust company or an investment company referred to in Article 18 of the TUF, the same person will directly pay the tax.

Among other things, the following are excluded from the scope of application of the Tobin Tax:

- transfers of ownership of shares that occur following inheritance or donation;
- operations relating to the issue and cancellation of shares, including operations of repurchase by the issuer;
- the purchase of newly issued shares, even if it occurs following the conversion of bonds or the exercise of an option right belonging to the shareholder of the issuing company;
- the assignment of shares, participatory financial instruments and representative securities against distribution of profits, reserves or return of share capital;
- the temporary acquisition of securities operations indicated in article 2, point 10, of the regulation (EC) no. 1287/2006 of the Commission of 10 August 2006;
- transfers of ownership between companies between which there is a control relationship referred to in article 2359, paragraph 1, no. 1) and 2), and paragraph 2 of the civil code, those deriving from corporate reorganization operations referred to in article 4 of Directive 2008/7/EC, as well as mergers and splits of UCITS

Transfers of ownership of shares traded on regulated markets or multilateral trading systems issued by companies whose average capitalization in the month of November of the year preceding the one in which the transfer takes place is less than 500 million Euros. CONSOB, by 10 December of each year, draws up and transmits to the Ministry of Economy and Finance the list of companies with shares traded on regulated markets or in Italian multilateral trading systems that respect the aforementioned capitalization limit. Based on the information received, the Ministry of Economy and Finance draws up and publishes on its website, by 20 December of each year, the list of companies resident in the territory of the State for the purposes of the exemption. The exclusion also applies to transfers that do not take place in markets and multilateral trading systems. In case of admission to trading on regulated markets or on multilateral trading systems, verification of inclusion in the aforementioned list takes place starting from the financial year following that for which it is possible to calculate an average capitalization for the month of November; until this financial year, a capitalization lower than the limit of 500 million euros is assumed.

The tax does not apply, among other things:

- a) to the subjects who carry out transactions as part of the exchange support activity, and limited to the same as defined by Article 2, paragraph 1, letter k), of Regulation (EU) no. 236/2012 of the European Parliament and of the Council of 14 March 2012;
- b) to subjects who carry out transactions in the exercise of liquidity support activities within the framework of permitted market practices, accepted by the financial markets authority of Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 and Commission Directive 2004/72/EC of 29 April 2004;
- c) to pension funds subject to supervision pursuant to Directive 2003/41/EC and to compulsory social security institutions, established in the Member States of the European Union and in the States adhering to the Agreement on the European Economic Area which guarantee an adequate exchange of information, as well as the other complementary pension forms referred to in Legislative Decree 252/2005;
- d) transactions and operations relating to products and services classified as ethical or socially responsible pursuant to article 117-ter of the TUF, and the related implementing legislation; And
- e) to purchases and operations carried out by a financial intermediary who interposes himself between two parties acting as counterparty of both, purchasing from one party and selling to the other a security or a financial instrument, if there is coincidence between the two transactions of price, total quantity and settlement date of purchase and sale transactions, with the exception of cases in which the person to whom the financial intermediary transfers the security or financial instrument does not fulfill his obligations.

The exemption provided for the subjects referred to in points a) and b) is recognized exclusively for the activities specified in the same points and the tax remains applicable to the counterparty in the event that the same is the subject in favor of whom the transfer takes place.

Furthermore, operations whose counterparty is the European Union, the European Central Bank, the central banks of the member states of the European Union and the central banks and bodies that also manage the official reserves of other states are exempt from the Tobin Tax, as well as international bodies or organizations established on the basis of international agreements made enforceable in Italy.

The Tobin tax is not deductible for the purposes of income taxes (IRPEF and IRES), substitute taxes thereof and IRAP.

"High Frequency" Operations

Pursuant to art. 1, paragraph 495, of Law 228/2012, operations carried out on the Italian financial market are subject to a tax on high-frequency trading relating to the financial instruments referred to in the art. 1, paragraphs 491 and 492, of Law 228/2012.

They are considered so-called operations. "high frequency", that generated by a computer algorithm that automatically determines decisions relating to the sending, modification or cancellation of orders and related parameters, where the sending, modification or cancellation of orders on instruments financial transactions of the same type are carried out with an interval not exceeding the value established by the decree of the Minister of Economy and Finance of 21 February 2013.

The tax is applied at a rate of 0.02% on the value of canceled or modified orders which on a trading day exceed the numerical threshold established by the Minister's decree

of the economy and finances of 21 February 2013. This threshold cannot in any case be less than 60 percent of the orders transmitted.

The tax is payable by the person who, through the algorithms indicated in the art. 12 of the Decree of the Minister of Economy and Finance of 21 February 2013, enters the purchase and sale orders and the related modifications and cancellations referred to in the art. 13 of the same ministerial decree.

Tax regime of capital gains and losses deriving from the sale of shares

a) Natural persons fiscally resident in Italy.

Following the changes introduced by the art. 1 paragraphs 999 to 1006 of the Budget Law for 2018, capital gains, other than those achieved in the exercise of commercial businesses, realized from 1 January 2018 to 31 December 2018 by natural persons and simple companies fiscally resident in Italy through transfer for consideration of company shareholdings, as well as securities or rights through which the aforementioned shareholdings can be acquired, are subject to a different tax regime depending on whether they are qualified or non-qualified shareholdings.

The transfer of shares, other than savings shares, and any other participation in the capital or assets of the companies referred to in article 5 of the TUIR, excluding the associations referred to in paragraph 3, letter c), constitutes the transfer of qualified shareholdings. and of the subjects referred to in article 73, paragraph 1, letters a), b) and d), of the TUIR, as well as the transfer of rights or securities through which the aforementioned shareholdings can be acquired, if the shares, rights or securities transferred represent, overall, a percentage of voting rights exercisable in the ordinary meeting greater than 2 or 20 percent or a participation in the capital or assets greater than 5 or 25 percent, depending on whether they are securities traded on markets regulated or other holdings.

For the rights or securities through which shareholdings can be acquired, the percentages potentially linked to the aforementioned shareholdings are taken into account. The percentage of voting and participation rights is determined taking into account all the transfers made over the course of twelve months, even if to different parties.

a1) Qualified shareholdings.

Capital gains deriving from the sale of qualified shareholdings, achieved outside the exercise of commercial enterprises by resident natural persons, net of deductible capital losses relating to the same sector, constitute "other income" pursuant to article 67, letter. c), Presidential Decree no. 917/1986 and contribute to forming the recipient's overall taxable income, limited to 58.14% of their amount, subject to taxation based on the progressive IRPEF rates.

If the transfer of Qualified Shareholdings generates a capital loss, the portion corresponding to 58.14% of the same is reported as a deduction, up to the amount of the taxable amount of capital gains of the same nature realized in subsequent tax periods, but not beyond the fourth , provided that this capital loss is indicated in the tax return relating to the tax period in which it was realised.

Pursuant to art. 2. of the Ministerial Decree of 26 May 2017, the measure of 49.72% remains unchanged for capital gains and losses deriving from realization acts carried out by natural persons not carrying out business activities before 1 January 2018, but whose considerations are received in whole or in part starting from the same date and for capital gains and losses realized by simple companies even after 1 January 2018 and before 1 January 2019.

a2) Unqualified equity investments

Capital gains deriving from the sale of non-qualified shareholdings, achieved outside the business activity of resident natural persons, net of any deductible capital losses, constitute "other income" pursuant to article 67, letter. c bis, Presidential Decree n. 917/1986 and are subject to substitute tax at the rate of 26% for income realized from 1/7/2014. The taxpayer can opt for three different taxation methods:

1. Taxation based on the annual income declaration (art. 5 of Legislative Decree no. 461/1997): the declaration must indicate the overall income for the period consisting of the algebraic sum of the capital gains and losses relating to the individual sales made in the period of tax, as well as any other positive or negative results deriving from other operations. The substitute tax of 26% is paid within the deadlines set for the payment of the income taxes due on the basis of the declaration. Excess capital losses, provided they are shown in the tax return, can be deducted (starting from 1 July 2014, (a) to the extent of 76.92% for capital losses realized from 1 January 2012 to 30 June 2014, and (b) to the extent of 48.08% for capital losses realized up to 31 December 2011), up to the amount of the relative capital gains of the same nature realized in subsequent tax periods, but not beyond the fourth. The declaration criterion is mandatory in the event that the subject does not choose one of the two regimes referred to in the following points (2) and (3).

2. Administered savings regime (art. 6 of Legislative Decree no. 461/1997): this is a regime applicable at the option of the taxpayer provided that the securities are in custody or administration by certain authorized entities. The regime consists in the application of the substitute tax at the rate of 26% for the proceeds realized starting from 1 July 2014. It is determined and paid at the time of the individual transfer by the intermediary with whom the shares are deposited in custody or in administration, on each capital gain realized. The taxpayer maintains anonymity by not having to indicate these operations in the tax return. Any capital losses can be offset within the same ratio by calculating the amount of the decreasing capital losses (starting from 1 July 2014, (a) to the extent of 76.92% for capital losses realized from 1 January 2012 to 30 June 2014, and (b) to the extent of 48.08% for capital losses realized up to 31 December 2011), up to the amount of the capital gains of the same nature realized in subsequent operations carried out in the same tax period or in the periods subsequent tax periods, but not beyond the fourth. If the custody or administration relationship ceases, any residual capital losses can be deducted, no later than the fourth tax period following the one of realization, from the capital gains realized in the context of another managed savings relationship in their name. holders of the relationship or deposit of origin, or can be deducted when filing tax returns. In the case of the option for the administered savings regime, the taxpayer is not required to include capital gains and/or losses in his tax return.

3. Managed savings regime (article 7, Legislative Decree no. 461/1997): a prerequisite for choosing this regime is the assignment of an asset management task to an authorized intermediary. Taxation occurs by the asset manager who applies the 26% substitute tax to the positive management result accrued in the tax period; therefore, unlike the other two regimes, taxation occurs on the basis of accrual and not on the basis of realisation. The accrued management result is determined by the manager, calculating the difference between the value of the assets managed at the end of each calendar year

and the value of the same at the beginning of the year net of income subject to withholding, income exempt or in any case not subject to taxes and income which contributes to forming the taxpayer's overall income. Any negative management result achieved in a tax period can be calculated as a reduction of the positive management result of the four subsequent tax periods (respectively, (a) to the extent of 76.92% for the negative results recorded and not compensated from 1 January 2012 to 30 June 2014, and (b) to the extent of 48.08% for the negative results detected and not compensated as of 31 December 2011) for the entire amount that is available in each of them .

In the event of termination of the management relationship, the negative management results accrued (resulting from a specific certification issued by the managing body) can be deducted, no later than the fourth tax period following the accrual period, from the capital gains realized in the context of another relationship to which the administered savings regime is applicable, or used (for the amount that is available in it) within the context of another relationship for which the option for the managed savings regime has been made, provided that the relationship or deposit in question is registered in the name of the same individuals who own the relationship or deposit of origin, or can be deducted by the same subjects when filing their tax returns, according to the same rules applicable to excess capital losses referred to in the previous point (to). In the case of the option for the managed savings regime, the taxpayer is not required to include capital gains and/or losses in his tax return.

Following the changes introduced by the art. 1 paragraphs 999 to 1006 of the Budget Law for 2018, capital gains, other than those achieved in the exercise of commercial businesses, realized starting from 1 January 2019 by natural persons and simple companies fiscally resident in Italy through transfer of company shareholdings, as well as securities or rights through which the aforementioned shareholdings can be acquired, are subject to a substitute tax of 26% according to one of the tax regimes described above in points (a), (b) and (c), whether they derive from the sale of non-qualified shareholdings or whether they derive from the sale of qualified shareholdings.

b) Natural persons fiscally resident in Italy carrying out business activities, general partnerships, limited partnerships and equivalent companies referred to in Article 5, TUIR.

Capital gains realized through the transfer of shares for consideration by natural persons in the exercise of business, general partnerships, limited partnerships and equivalents referred to in Article 5, TUIR contribute, for the entire amount, to forming the income of taxable company, subject to taxation in Italy according to the ordinary regime.

Based on what has been clarified by the Financial Administration, the negative elements of income realized by natural persons in the exercise of individual businesses, general partnerships, limited partnerships and equivalents referred to in Article 5, TUIR through the transfer for consideration of shares would be fully deductible from the taxable income of the transferor based on the ordinary criteria provided for by article 56 of the TUIR.

However, if the conditions highlighted in points (I), (II), (III) and (IV) of the following paragraph are satisfied, the capital gains realized starting from 1 January 2018 contribute to the formation of taxable business income to an extent equal to 58.14% for natural persons carrying out business activities (49.72% for the subjects referred to in art. 5 of the TUIR, which include general partnerships, limited partnerships and similar ones) . .

Losses realized relating to shareholdings meeting the requirements referred to in points ((I), (II), (III) and (IV) of the following paragraph are deductible to the same extent as provided for the taxation of capital gains.

Where certain requirements are met, natural persons fiscally resident in Italy carrying out business activities can opt for the application of the Corporate Income Tax ("IRI") in relation to the income deriving from their business activity. In this case, capital gains and losses realized through the transfer of shares for consideration contribute to the determination of the income according to the ordinary rules on business income referred to in Chapter VI, Title I of the TUIR and are subject to taxation at a rate of 24%. Any subsequent withdrawal of resources from the business activity should be fully taxed for IRPEF purposes in respect of the individual and deducted from the IRI base.

c) Companies and bodies referred to in article 73, first paragraph, letter. a) and b), TUIR tax resident in Italy.

Capital gains realized through the transfer of shares for consideration by companies and entities referred to in article 73, paragraph 1, letter. a) and b), TUIR, i.e. joint-stock companies and limited partnerships, limited liability companies, public and private bodies whose exclusive or main object is the exercise of commercial activities, contribute to forming the taxable business income for their entire amount or, for shareholdings held for a period of no less than three years (one year for amateur sports clubs) and registered among financial fixed assets in the last three financial statements, on option, in constant installments in the financial year itself and in the subsequent ones, but not beyond the fourth.

However, pursuant to article 87, TUIR, the capital gains realized in relation to shares issued by companies and entities indicated in article 73, TUIR, do not contribute to the formation of taxable income as they are exempt to the extent of 95% percent, if the the aforementioned actions have the following requirements:

- I. uninterrupted possession from the first day of the twelfth month preceding that of the transfer, considering the shares or quotas acquired on the most recent date to have been transferred first;
- II. classification in the financial fixed assets category in the first balance sheet closed during the possession period. For entities that prepare financial statements based on the international accounting standards referred to in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, shares other than those held for trading are considered financial fixed assets;
- III. tax residence of the investee company in a State or territory other than those with a privileged tax regime included in the decree issued pursuant to article 167, paragraph 4 of the TUIR, or alternatively the demonstration that the shareholdings have not been achieved, since the beginning of the possession period, the effect of locating the income in States or territories included in the aforementioned decree.
- IV. the investee company carries out a commercial business according to the definition set out in article 55, TUIR. However, this requirement is not relevant for shareholdings in companies whose securities are traded on regulated markets.

The requirements referred to in points (III) and (IV) must exist uninterruptedly, at the time of realization of the capital gains, at least from the beginning of the third tax period prior to the realization itself. The transfers of shares or quotas belonging to the category of financial fixed assets and those

belonging to the category of current assets must be considered separately with reference to each category. In the presence of the aforementioned requirements, capital losses realized from the sale of shareholdings are non-deductible from business income.

Capital losses and negative differences between revenues and costs relating to shares that do not meet the requirements for exemption are not relevant up to the amount of the non-taxable amount of the dividends, or their advances, received in the thirty-six months preceding their realization/ achievement. This provision applies with reference to shares acquired in the 36 months preceding the realisation/achievement, provided that the conditions referred to in the previous points (III) and (IV) are satisfied, but does not apply to subjects who prepare the financial statements based on the International Accounting Standards IAS/IFRS.

In relation to capital losses and negative differences between revenues and costs relating to shares deductible from business income, it must also be noted that, pursuant to article 5-quinquies, paragraph 3, of Legislative Decree 30 September 2005, n. 203, converted with amendments by Law 2 December 2005, n. 248, if the amount of the aforementioned capital losses, deriving from operations on shares traded on regulated markets, is greater than 50,000.00 Euros, even following multiple operations, the taxpayer must communicate to the Revenue Agency by completing a specific form section of the tax return, the data and information necessary in order to allow the verification of the conformity of the related operations with the provisions of article 37-bis of Presidential Decree 600/1973.

The omitted, incomplete or unfaithful communication of capital losses of a total amount exceeding Euro 50,000.00, deriving from the sale of shareholdings which constitute financial fixed assets, is punished with an administrative sanction of 10% of the capital losses whose communication is omitted, incomplete or unfaithful, with a minimum of Euro 500 and a maximum of Euro 50,000.

The obligation to communicate data relating to the sale of shareholdings in listed companies, which have generated capital losses and negative differences, lies with the subjects who hold such assets under a corporate regime. The obligation to communicate does not, therefore, concern natural persons and other subjects who do not hold the shareholdings as a business.

Unlike what is foreseen for capital losses of an amount exceeding Euro 5,000,000.00 which will be discussed later, capital losses and negative differences on shareholdings of an amount exceeding Euro 50,000.00 are subject to the obligation to communicate pursuant to article 5-quinquies co. 3 of Legislative Decree 30.9.2005 n. 203, also companies that adopt international accounting standards for the preparation of their financial statements.

Based on article 5-quinquies co. 3 of Legislative Decree 30.9.2005 n. 203, the communication obligation concerns:

- both the negative components relating to fixed equity investments (losses) and the negative components relating to equity investments recorded in current assets (other negative differences);

- from a different perspective, only capital losses and losses relating to shareholdings listed on regulated markets, Italian or foreign.

Furthermore, pursuant to article 1, paragraph 4, of the legislative decree of 24 September 2002, n. 209, converted with amendments by Law 22 November 2002, n. 265, in relation to capital losses of a total amount exceeding 5,000,000.00 Euros, deriving from the sale of shareholdings which constitute financial fixed assets, also realized following multiple acts of realization, the taxpayer must communicate, by completing a specific section from the

tax return, to the Revenue Agency the necessary data and information in order to allow the verification of the conformity of the transfer operations with the provisions of article 37-bis of Presidential Decree no. 600/1973.

The omitted, incomplete or unfaithful communication of capital losses of a total amount exceeding Euro 5,000,000.00, deriving from the sale of shareholdings which constitute financial fixed assets, is punished with an administrative sanction of 10% of the capital losses whose communication is omitted, incomplete or unfaithful, with a minimum of Euro 500 and a maximum of Euro 50,000.

This last obligation does not apply to subjects who prepare the financial statements based on international accounting standards.

For some types of companies and under certain conditions, the capital gains realized by the aforementioned subjects through the sale of shares also contribute to forming the relative net value of production, subject to regional tax on productive activities (IRAP).

d) Entities referred to in article 73, paragraph 1, letter c), TUIR, tax resident in Italy.

Capital gains realized, outside of business activities, by non-commercial entities resident in Italy are subject to taxation with the same rules provided for capital gains realized by natural persons on shareholdings held not under business regime (except as indicated in the following paragraph under (e) for the UCIs referred to in art. 73, paragraph 5-quinquies, of the TUIR).

e) Italian pension funds and UCITS

Capital gains realized by Italian pension funds referred to in Legislative Decree 252/05, through the transfer of shares for consideration, must be included in the calculation of the accrued annual management result, subject to substitute tax at a rate of 20%.

The art. 1, paragraph 92 et seq., of Law 232/2016 has provided for the pension funds in question, starting from 1 January 2017, the occurrence of certain conditions (including a minimum holding period of 5 years) and with some limitations, the exemption from income tax of income deriving from the investments referred to in the aforementioned paragraph 92 (including Shares) and, therefore, the non-competition of the same to the formation of the taxable base of the tax provided for by the art. 17 of Legislative Decree no. 252 of 5 December 2005. Mechanisms are envisaged for the recovery of the substitute tax on the net operating result in the event that the Company's shares are sold before the minimum holding period of 5 years required for the purposes of the exemption has elapsed.

Capital gains realized by UCITS established in Italy, other than collective investment undertakings for real estate savings, referred to in Article 73, paragraph 5-quinquies, of the TUIR, are not subject to income taxes, provided that the fund or the person in charge of management is subjected to forms of prudential supervision. Taxation will generally be borne by the participants at the time of receipt of the proceeds or in the event of redemption or liquidation of the shares by applying a withholding tax of 26%. This withholding tax operates as an advance payment, or tax, based on the legal nature of the subscriber of the relevant shares.

f) Real estate investment funds.

Capital gains realized by mutual real estate investment funds established pursuant to article 37 of Legislative Decree no. 58 of 24 February 1998 or article 14/bis of Law no. 86 of 25 January 1994 are not subject to any taxation on the fund. These funds are not subject to income taxes and the regional tax on productive activities.

The proceeds deriving from participation in the aforementioned funds are subject to the recipients of a withholding tax of 26%, applied as an advance or tax (depending on the legal nature of the recipient), with the exclusion of the proceeds received by certain subjects, beneficiaries actual amounts of such proceeds, fiscally resident in foreign states that guarantee an adequate exchange of information with the Italian financial administration (for example if the recipient is a foreign pension fund or a supervised collective investment undertaking for foreign savings, provided they are established in states and territories included in the list referred to in the Decree of the Minister of Finance of 4 September 1996 and subsequent amendments, no withholding tax will be made by the fund).

In some cases, the income earned by a non-institutional Italian real estate investment fund could be attributed for transparency to (and therefore contribute to the formation of the taxable income of) the relevant non-institutional investors who hold a stake exceeding 5% of the fund's assets.

g) Subjects not fiscally resident in Italy who hold the shareholding through a permanent establishment in the territory of the State.

With regard to non-resident subjects who hold the shareholding through a permanent establishment in Italy, these sums contribute to the formation of the income of the permanent establishment according to the tax regime envisaged for capital gains realized by companies and entities referred to in article 73, paragraph 1, letter. a) and b), TUIR, tax resident in Italy. If the participation is not connected to a permanent establishment in Italy of the non-resident individual, please refer to what is set out in the following paragraph.

h) Subjects who are not fiscally resident in Italy, without a permanent establishment in the territory of the State.

Disposal of non-qualified shareholdings.

Pursuant to Article 23, paragraph 1, letter f), point 1) of the TUIR, capital gains realized following the sale of shares listed on regulated markets which qualify as sales of non-qualified shareholdings are not subject to taxation in Italy.

Otherwise, capital gains deriving from the sale of non-qualified shareholdings not traded on regulated markets are subject to taxation at the rate of 26%. In the event that such capital gains are achieved by tax residents in States and Territories included in the list referred to in the Decree of the Minister of Finance of 4 September 1996 and subsequent amendments (i.e., States and Territories which allow the Italian Financial Administration an adequate exchange of information) and without a permanent establishment in Italy through which said shareholdings are held, are not subject to taxation in Italy. For shareholders who are not fiscally resident in Italy to whom the administered savings regime applies or who have opted for the managed savings regime referred to in Articles 6 and 7 of Legislative Decree 461/1997, the benefit of the exemption is subject to presentation of a self-certification certifying non-tax residence in Italy.

However, where possible, the application of the provisions of international conventions against double taxation remains unchanged.

Transfer of qualified shareholdings.

Capital gains deriving from the transfer for consideration of qualified shareholdings realized from 1 January 2018 to 31 December 2018 by non-tax resident subjects without a permanent establishment in Italy through which said shareholdings are held, contribute to the formation of taxable income according to the same rules provided for resident natural persons not carrying out business activities.

These capital gains are subject to taxation only in the annual tax return, since they cannot be subject to either the administered savings regime or the managed savings regime. However, where possible, the application of the provisions of international conventions against double taxation remains unchanged.

Capital gains realized from 1 January 2019 by subjects not fiscally resident in Italy, without a permanent establishment in Italy (through which the shareholdings are held), deriving from the Transfer of Qualified Shareholdings are subject to taxation at the rate of 26% according to the same rules provided for resident natural persons, not carrying out business activities, for capital gains from the sale of Qualified Shareholdings realized from 1 January 2019. However, where applicable, the application of the provisions of the international conventions against double taxation remains unchanged.

Tax regime of dividends

Dividends attributed on shares are subject to the tax treatment ordinarily applicable to dividends paid by companies tax resident in Italy. More specifically, the following different methods of taxation of dividends are envisaged depending on the recipient:

a) Natural persons fiscally resident in Italy.

a1) Natural persons fiscally resident in Italy who do not carry out business activities.

Following the changes introduced by the art. 1 paragraphs from 999 to 1006 of Law 27 December 2017, n. 205 (the "Budget Law for 2018"), dividends received starting from 1 January 2018 by resident natural persons in relation to shares held outside the business activity, entered into the centralized deposit system managed by Monte Securities (such as the shares of the Company which are the subject of this offer) are subject to a substitute tax, with the obligation of reimbursement, pursuant to the combined provisions of the article. 27 ter Presidential Decree no. 600 of 19 September 1973 and art. 3, c. 1 DL24/4/14, converted by L. 23/6/14 n. 89, to the extent of 26% with no obligation on the part of shareholders to indicate the dividends collected in the tax return.

This substitute tax is applied by the resident subjects with whom the securities are deposited, adhering to the centralized deposit system managed by Monte Titoli, as well as by a tax representative appointed in Italy (in particular, a bank or a SIM resident in Italy, a permanent establishment in Italy of non-resident banks or investment companies, or a centralized management company of financial instruments authorized pursuant to Article 80 of the TUF), by non-resident subjects (custodians) who join the Monte Titoli System or Sistemi foreign centralized deposits adhering to the Monte Titoli System.

However, dividends paid to natural persons who are tax resident in Italy on shares held outside the scope of the business and constituting qualified shareholdings which (a) consist of profits produced up to the financial year in progress at 31 December 2017 and (b) whose distribution is approved from 1 January 2018 to 31 December 2022, are not subject to any withholding tax or substitute tax provided that those entitled, at the time of collection, declare that the profits collected are pertaining to Qualified Shareholdings. These dividends partially contribute to the formation of the overall taxable income of the member subject to personal income tax ("IRPEF"), levied with a tiered system with progressive rates between 23% and 43% (increased by municipal surcharges and regional). The Decree of the Ministry of Economy and Finance of 2 April 2008 (the Ministerial Decree of 2 April 2008), implementing the art. 1, paragraph 38, of Law 24 December 2007 n. 244 (the 2008 Finance Law), redetermined the percentage of contribution to the formation of income to the extent of 49.72%. This percentage applies to dividends formed with

profits produced by the company starting from the financial year following the one in progress as of 31 December 2007. The application of the previous percentage of contribution to the formation of income, equal to 40%, remains unchanged for the profits produced up to the financial year in progress as of 31 December 2007. Furthermore, starting from the distribution resolutions subsequent to that concerning the profit for the financial year in progress as of 31 December 2007, for the purposes of taxation of the recipient, the distributed dividends are considered primarily to be made up of profits produced by the company up to that financial year. The Decree of the Ministry of Economy and Finance of 26 May 2017 (the "DM 26 May 2017"), implementing the art. 1, paragraph 64, of Law 28 December 2015, n. 208 ("2016 Stability Law"), redetermined the percentage contributing to the formation of income to 58.14%. This percentage applies to dividends formed with profits produced by the company starting from the financial year following the one in progress as of 31 December 2016. Furthermore, starting from the distribution resolutions subsequent to the one concerning the profit of the current financial year as of 31 December 2016, for the purposes of taxation of the recipient, the distributed dividends are considered primarily to be made up of profits produced by the company up to the financial year in progress as of 31 December 2007, and then up to the aforementioned financial year in progress as of 31 December 2016.

For qualified shareholdings (as defined by article 67, paragraph 1, letter c), of Presidential Decree no. 917/1986) must be understood as those having as their object shareholdings, other than savings shares, and any other shareholding in the capital or assets of the companies referred to in article 5 of Presidential Decree no. 917/86, excluding the associations referred to in paragraph 3, letter c), and the subjects referred to in article 73, paragraph 1, letters a), b) and d) of Presidential Decree 917/86, as well as the rights or titles through which the aforementioned shareholdings can be acquired, if the shares, rights or securities transferred represent, overall, a percentage of voting rights exercisable in the ordinary meeting greater than 2 or 20 percent or a higher shareholding in the capital or assets 5 or 25 percent, depending on whether they are securities traded on regulated markets or other shareholdings. For the rights or securities through which shareholdings can be acquired, the percentages potentially linked to the aforementioned shareholdings are taken into account. The percentage of voting and participation rights is determined taking into account all the transfers made over the course of twelve months, even if to different parties. This provision applies from the date on which the shareholdings, securities and rights held represent a percentage of voting or participation rights greater than the percentages indicated above.

a2) Natural persons fiscally resident in Italy not carrying out business activities who hold non-qualified shareholdings within the managed savings regime.

Following the changes introduced by the art. 1 paragraphs 999 to 1006 of the Budget Law for 2018, dividends received starting from 1 January 2018 by natural persons tax resident in Italy in relation to shares, held outside the business exercise, placed in a asset management relationship maintained with an authorized intermediary, in relation to which the option for the managed savings regime referred to in art. 7 of Legislative Decree 21 November 1997 n. 461 (Legislative Decree 461/1997), are not subject to any withholding tax or substitute tax and contribute to the formation of the accrued annual management result, to be subject to a substitute tax of 26%.

However, dividends paid to natural persons who are tax resident in Italy on shares held outside the scope of the business and constituting qualified shareholdings which (a) consist of profits produced up to the financial year in progress at 31 December 2017 and (b) whose distribution is approved from 1 January 2018 to 31 December 2022, cannot be subject to the aforementioned managed savings regime. These dividends partially contribute to the formation of the overall taxable income

of the member subject to personal income tax ("IRPEF"), as described in the previous paragraph.

a3) Natural persons fiscally resident in Italy carrying out business activities.

Dividends paid to natural persons tax resident in Italy on shares relating to the company are not subject to any withholding tax or substitute tax provided that the entitled parties, at the time of receipt, declare that the profits collected relate to relevant shareholdings. to business activity. In this case, in fact, the dividends partially contribute to the formation of the overall taxable income, subject to taxation at a marginal rate of 49.72%. This percentage applies to dividends formed with profits produced by the company starting from the financial year following the one in progress as of 31 December 2007. The application of the previous percentage of contribution to the formation of income, equal to 40%, remains unchanged in the case of distribution of profits produced up to the financial year in progress as of 31 December 2007. Furthermore, starting from the distribution resolutions subsequent to that concerning the profit of the financial year in progress as of 31 December 2007, for the purposes of taxation of the recipient, the Dividends distributed are considered primarily formed with profits produced by the company up to that financial year.

The Ministerial Decree of 26 May 2017 redetermined the percentage contributing to the formation of income to 58.14%. This percentage applies to dividends formed with profits produced by the company starting from the financial year following the one in progress as of 31 December 2016. Furthermore, starting from the distribution resolutions subsequent to the one concerning the profit of the current financial year as of 31 December 2016. 31 December 2016, for the purposes of taxation of the recipient, the distributed dividends are considered primarily to be made up of profits produced by the company up to the financial year in progress as of 31 December 2007, and then up to the aforementioned financial year in progress as of 31 December 2016.

Where certain requirements are met, natural persons fiscally resident in Italy carrying out business activities can opt for the application of the Corporate Income Tax ("IRI") in relation to the income deriving from their business activity. In this case, the dividends contribute to the determination of the income according to the ordinary rules on business income referred to in Chapter VI, Title I of the TUIR and are subject to taxation at a rate of 24%. Any subsequent withdrawal of resources from the business activity should be fully taxed for IRPEF purposes in respect of the individual and deducted from the IRI base.

b) General partnerships, limited partnerships and equivalent companies referred to in Article 5 of Presidential Decree no. 917/1986, companies and entities referred to in article 73, first paragraph, letters a) and b), Presidential Decree no. 917/1986, tax resident in Italy.

Dividends received from general partnerships, limited partnerships and equivalent partnerships (excluding simple partnerships) referred to in Article 5, Presidential Decree no. 917/1986, by companies and entities referred to in article 73, first paragraph, letters a) and b), Presidential Decree no. 917/1986, i.e. joint-stock and limited partnerships joint stock companies, limited liability companies, public and private bodies whose exclusive or main purpose is the exercise of commercial activities, fiscally resident in Italy, are not subject to any substitute tax or withholding tax. In particular, dividends received by subjects:

b1) IRPEF (e.g. general partnerships, limited partnerships) partially contribute to the formation of the overall taxable income, subject to taxation at a marginal rate, to the extent of 49.72%. This percentage applies to dividends formed with profits produced by the company starting from the financial year following the one in progress as of 31 December 2007. The application of the previous percentage of contribution to the formation of income, equal to 40%, remains unchanged in the case of distribution of profits produced up to the current financial year as of 31 December 2007. Furthermore, starting from the distribution resolutions subsequent to that concerning the profit of the current financial year as of

31 December 2007, for the purposes of the recipient's taxation, the distributed dividends are considered to be primarily made up of profits produced by the company up to that financial year. Furthermore, starting from the distribution resolutions subsequent to the one concerning the profit of the financial year in progress as of 31 December 2007, for the purposes of taxation of the recipient, the distributed dividends are considered to be primarily made up of profits produced by the company up to that financial year. . The Ministerial Decree of 26 May 2017 redetermined the percentage contributing to the formation of income to 58.14%.

This percentage applies to dividends formed with profits produced by the company starting from the financial year following the one in progress as of 31 December 2016. Furthermore, starting from the distribution resolutions subsequent to the one concerning the profit of the current financial year as of 31 December 2016. 31 December 2016, for the purposes of taxation of the recipient, the distributed dividends are considered primarily to be made up of profits produced by the company up to the financial year in progress as of 31 December 2007, and then up to the aforementioned financial year in progress as of 31 December 2016.

Distributions in favor of simple companies and similar entities referred to in art. 5 of the TUIR should partially contribute to the formation of the recipient's overall taxable income according to the percentages indicated in the Ministerial Decree of 26 May 2017 and in the Ministerial Decree of 2 April 2008, reported above.

According to a minority interpretation, following a lack of regulatory coordination resulting from the changes introduced by the Budget Law for 2018 (which presupposes the tacit repeal of Article 1 of the aforementioned Ministerial Decree of 26 May 2017), distributions in favor of simple companies and equivalent bodies referred to in the art. 5 of the TUIR could contribute fully to the formation of the recipient's overall taxable income;

b2) IRES (e.g. joint-stock company, limited liability company, limited partnership by shares) contribute to forming the total taxable income of the recipient (subject to the ordinary IRES rate of 24% starting from the financial year following the current one as of 31 December 2016, with the exception of the Bank of Italy and the credit and financial institutions referred to in Legislative Decree no. 87 of 27 January 1992 - excluding mutual investment fund management companies and securities brokerage companies pursuant to Legislative Decree no. 58 of 24 February 1998 - to which an additional IRES of 3.5 percentage points is applied, for an overall IRES taxation of 27.5%)

limited to 5% of their amount or for the entire amount if relating to securities held for trading (in accordance with the provisions of art. 2 of the Decree of the Ministry of Economy and Finance of 10 January 2018 currently being published in the Official Journal) by subjects who prepare the financial statements in compliance with the international accounting standards IAS/IFRS.

For some types of companies, such as, for example, banks and insurance companies fiscally resident in Italy, and under certain conditions, the dividends obtained partially contribute to also forming the related net value of production, subject to regional tax on productive activities (IRAP).

c) Bodies referred to in article 73, first paragraph, letter c), Presidential Decree no. 917/1986, tax resident in Italy.

Dividends received by the entities referred to in article 73, first paragraph, letter. c), of the TUIR, i.e. by public and private entities fiscally resident in Italy, other than companies, not having as their exclusive or main object the exercise of commercial activities, are not subject to any withholding tax or substitute tax in Italy and contribute to the formation of taxable income to the extent of 100% of their amount (except as indicated in the following paragraph f) for the UCIs referred to in the art. 73, paragraph 5-quinquies, of the TUIR). Pursuant to art. 1, paragraph 3 of the Ministerial Decree of 26 May 2017, dividends formed with profits produced up to the current financial year as of 31 December 2016 do not contribute to the formation of taxable income to the extent of 22.26% of their amount.

d) Subjects exempt and excluded from corporate income tax resident in Italy.

For shares, such as shares issued by the Company, entered into the centralized deposit system managed by Monte Titoli, dividends received by resident subjects exempt from corporate income tax (IRES) are subject to a substitute tax at a rate of 26%. applied by the entity (adhering to the centralized deposit system managed by Monte Titoli) with which the shares are deposited, or, through a tax representative appointed in Italy, by the non-resident entity (custodian) adhering to the Monte Titoli system or foreign systems of centralized deposit participating in the Monte Titoli system.

However, this substitute tax is not applicable to subjects "excluded" from income tax pursuant to Article 74, paragraph 1, TUIR (i.e. State bodies and administrations, including those with an autonomous system, even if they have legal personality, municipalities, consortia between local authorities, associations and bodies managing collective state property, mountain communities, provinces and regions).

e) Real estate investment funds.

Pursuant to Legislative Decree no. 351 of 25 September 2001, converted with amendments by Law no. 410 of 23 November 2001 and following the amendments made by article 41-bis of Legislative Decree no. 269 of 30 September 2003, converted with amendments into Law 326/2003, the distributions of profits received from mutual real estate investment funds established pursuant to article 37 of the TUF or article 14-bis of Law no. 86 of 25 January 1994, as well as by real estate investment funds established before 26 September 2001 for which the option referred to in paragraph 4 of the art. was exercised by 25 November 2001. 5 of Legislative Decree no. 351 cited, are not subject to withholding tax or substitute tax.

These funds are not subject to income taxes and the regional tax on productive activities. The proceeds deriving from participation in the aforementioned funds are subject to the recipients of a withholding tax of 26%, applied as an advance or tax (depending on the legal nature of the recipient), with the exclusion of the proceeds received by certain subjects, beneficiaries actual amounts of such proceeds, fiscally resident in foreign states that guarantee an adequate exchange of information with the Italian financial administration (for example if the recipient is a foreign pension fund or a supervised collective investment undertaking for foreign savings, provided they are established in states and territories included in the list referred to in the Decree of the Minister of Finance of 4 September 1996 and subsequent amendments, no withholding tax will be made by the fund or by the collective savings investment organisation).

In some cases, the income earned by a non-institutional real estate UCITS could be attributed for transparency and therefore contribute to the formation of the taxable income in Italy of the relevant non-institutional investors who hold a stake greater than 5% of the investment body's assets.

Pursuant to article 9 of Decree 44 and the related Ministerial Decree of 5 March 2015, n. 30, the tax regime described above also applies to Fixed Capital Investment Companies that invest in real estate in the measures indicated by the civil provisions ("SICAF Real Estate"), referred to in letter i-bis) of article 1, paragraph 1 of the TUF (Revenue Agency, Circular no. 21/E of 10 July 2014).

f) Italian pension funds and collective savings investment organizations (investment funds and SICAVs).

The profits received by (a) Italian pension funds referred to in Legislative Decree no. 252 of 5 December 2005 and (b) by collective investment savings undertakings established in Italy other than real estate collective investment savings undertakings, and by those based in Luxembourg, already authorized for placement in Italy, referred to in Article 11 -bis of Legislative Decree no. 512 of 30 September 1983, subject to the provisions of article 73, paragraph 5-quinquies, of the TUIR (hereinafter the "OICR"), are not subject to withholding tax or substitute tax.

The profits received by (a) Italian pension funds referred to in Legislative Decree no. 252 cit. contribute to the formation of the overall accrued annual management result, subject to substitute tax at a rate of 20%, while those received by the (b) UCIs referred to in article 73, paragraph 5-quinquies, of the TUIR are not subject to income taxes, provided that the fund or the entity in charge of management is subject to forms of prudential supervision; taxation (withheld at source at the rate of 26% from 1 July 2014) is instead borne by the participants of the OICR at the time of receipt of the proceeds or in the event of redemption or liquidation of the units. This withholding tax operates as an advance payment, or tax, based on the legal nature of the subscriber of the relevant shares.

The art. 1, paragraph 92 et seq., of Law 232/2016 has provided for the pension funds in question, starting from 1 January 2017, the occurrence of certain conditions (including a minimum holding period of 5 years) and with some limitations, the exemption from income tax of income (including dividends) deriving from the investments referred to in the aforementioned paragraph 92 (including Shares) and, therefore, the non-competition of the same to the formation of the taxable base of the tax provided for by 'art. 17 of Legislative Decree no. 252 cit.. There are mechanisms for recovering the substitute tax on the net operating result in the event that the Company's shares are sold before the minimum holding period of 5 years required for the exemption has elapsed.

g) Persons not fiscally resident in Italy who do not hold the shares through a permanent establishment in the territory of the State.

Dividends, deriving from shares or similar securities entered into the centralized deposit system managed by Monte Titoli, received by subjects who are not fiscally resident in Italy and without a permanent organization in the territory of the State to which the participation refers, are ordinarily subject to a substitute tax of 26% pursuant to art. 27-ter Presidential Decree 600/1973 and art. 3 DL 66/2014. This substitute tax is applied by the resident subjects with whom the securities are deposited, adhering to the centralized deposit system managed by Monte Titoli, as well as, through a tax representative appointed in Italy (in particular, a bank or a SIM resident in Italy, a permanent establishment in Italy of non-resident banks or investment companies, or a centralized management company of financial instruments authorized pursuant to Article 80 of the TUF) by non-resident subjects who join the Monte Titoli System or participating foreign centralized deposit systems to the Monte Titoli System.

Non-resident subjects, other than savings shareholders, and pension funds referred to in the second sentence of paragraph 3 of the art. 27 of Presidential Decree 600/1973 and by companies and entities respectively resident in member states of the European Union or in states adhering to the Agreement on the European Economic Area, indicated in paragraph 3-ter of the art. 27 of Presidential Decree 600/1973 are entitled, upon request for reimbursement to be presented according to the conditions and deadlines of the law together with the certification of the tax office of the foreign country, to the reimbursement of the tax which they demonstrate to have paid abroad in final payment on the same profits (subject to presentation to the competent Italian tax authorities of the relevant certification from the tax office of the foreign state), up to an amount of 11/26 of the substitute tax suffered in Italy pursuant to art. 27 c. 3 Presidential Decree 600/1973.

As an alternative to the aforementioned refund, individuals resident in states with which agreements to avoid double taxation are in force can request the application of the substitute tax on dividends in the (reduced) amount provided for by the agreement applicable from time to time.

To this end, the subjects with whom the shares are deposited, adhering to the centralized deposit system managed by Monte Titoli, must promptly acquire:

- a declaration from the non-resident individual who is the actual beneficiary of the profits, which shows the identification data of the individual himself, the existence of all the conditions to which the application of the conventional regime is subject and any elements necessary to determine the amount of the rate applicable under the convention;
- a certificate from the competent tax authority of the State where the actual beneficiary of the profits has residence, which demonstrates residence in the State itself pursuant to the agreement. This certification is effective until March 31st of the year following the year of presentation.

The Italian financial administration has also agreed with the financial administrations of some foreign states on specific forms aimed at guaranteeing a more efficient and easier total or partial reimbursement or exemption of the withholding tax applicable in Italy. With the Provision of the Director of the Revenue Agency dated 10 July 2013, the forms for the request for application of the reduced rate pursuant to the conventions against double taxation on income stipulated by Italy were then approved. If the documentation is not presented to the custodian prior to payment of the dividends, the substitute tax is applied at a rate of 26%. In this case, the beneficial owner of the dividends can still request from the Financial Administration the reimbursement of the difference between the substitute tax applied and that applicable pursuant to the agreement by means of a specific request for reimbursement, accompanied by the above documentation, to be presented according to the conditions and within the terms of the law.

Pursuant to article 1, paragraph 62, of Law no. 208/2015, starting from 1 January 2017, with effect from the tax periods following the one in progress on 31 December 2016, the withholding tax as substitute tax applicable to outgoing dividends is reduced to 1.20% in the event that the recipients of the same dividends are companies or entities: (i) fiscally resident in one of the member states of the European Union, or in states adhering to the Agreement on the European Economic Area included in the list referred to in the Ministerial Decree of 4 September 1996 and subsequent amendments, and (ii) therein subject to corporate income tax⁽²⁸⁾. For the purposes of applying the substitute tax of 1.20%, non-resident beneficiaries must promptly make a specific request to the custodian of the Shares required to collect the substitute tax, accompanied by suitable certification of residence and tax status issued by the competent authorities of the country of origin.

In the event that the recipients of the dividends are pension funds established in one of the member states of the European Union or in one of the states adhering to the Agreement on the European Economic Area which guarantee an adequate exchange of information and which are included in the lists referred to in Ministerial Decree 4 September 1996, issued pursuant to article 11, paragraph 4, letter c) of legislative decree 1 April 1996, n. 239, these recipients will be able to benefit from the application of a substitute tax on dividends at a reduced rate of 11%. For the purposes of applying the 11% substitute tax, non-resident pension funds must promptly make a specific request to the custodian of the Shares required to collect the substitute tax, accompanied by suitable documentation.

The art. 1, paragraph 95 of Law 232/2016 provided for the pension funds in question, starting from 1 January 2017, upon the occurrence of certain conditions (including a minimum holding period of 5 years) and with some limitations, the non-application from the aforementioned substitute tax to the profits deriving from the investments referred to in paragraph 95 of the aforementioned Law (including Shares).

Pursuant to article 27-bis of Presidential Decree 600/1973, approved in implementation of Directive no. 435/90/EEC of 23 July 1990, later transposed into Directive no. 96/2011 of 30 November 2011, in the event that the dividends are received by a company (a) which has one of the forms provided for in the annex to the same Directive, (b) who is tax resident in a Member State of the European Union without being considered, pursuant to a convention on double taxation of income with a third State, resident outside the European Union, (c) who is subject, in the State of residence, without the possibility of benefiting from option or exemption regimes that are not territorially or temporally limited, to one of the taxes indicated in the annex to the aforementioned Directive and (d) which holds a direct shareholding in the Issuer not less than 10 percent of the share capital, for an uninterrupted period of at least one year, such company has the right to request from the Italian tax authorities the reimbursement of the substitute tax applied on the dividends received by it. To this end, the non-resident company must produce a certification, issued by the competent tax authorities of the foreign country, which certifies that the non-resident company satisfies the aforementioned requirements as well as the documentation certifying the existence of the conditions indicated above. Furthermore, as clarified by the Italian tax authorities, upon the occurrence of the aforementioned conditions and as an alternative to the submission of a refund request following the distribution of the dividend, provided that the minimum annual holding period of the shareholding in the Issuer has already elapsed at the time of the distribution of the dividend itself, the non-resident company can directly request from the intermediary custodian of the Shares the non-application of the substitute tax by promptly presenting the same documentation indicated above to the intermediary in question. With provision dated 10 July 2013, the Revenue Agency approved the forms for the purposes of disapplying the substitute tax. In relation to non-resident companies that are directly or indirectly controlled by subjects not resident in European Union states, the aforementioned regime for reimbursement or non-application of the substitute tax can be invoked only on condition that the same companies demonstrate that they do not hold participation in the Company for the exclusive or main purpose of benefiting from the scheme in question

(pursuant to paragraph 5, of art. 27-bis, Presidential Decree 600/1973, EU Directive no. 2015/121/EU amending Directive no. 96/2011, "It is implemented by national law through the application of article 10-bis of law 27 July 2000, n. 212", containing the regulation of abuse of rights or tax avoidance).

In this regard, the tax authorities of each member state of the European Union have the power to deny the exemption from withholding tax provided for by the Directive "... to a construction or a series of constructions which, having been put in place for the main purpose or for one of the main purposes of obtaining a tax advantage which is contrary to the object or purpose of this Directive, is not genuine having regard to all the relevant facts and circumstances". For these purposes "... a construction or series of constructions is considered non-genuine to the extent that it was not put in place for valid commercial reasons that reflect economic reality" (see par. 2 and 3 of the new art.1 of the Directive).

Dividends pertaining to international bodies or organizations that enjoy tax exemption in Italy as a result of laws or international agreements made enforceable in Italy are not subject to the substitute tax.

(h) Persons not fiscally resident in Italy who hold the Shares through a permanent establishment in the territory of the State.

Distributions of profits received by non-residents in Italy who hold the shareholding through a permanent establishment in Italy to which the shareholding is effectively connected are not subject to any withholding tax in Italy nor to substitute tax and contribute to forming the overall income of the stable organization to be subject to taxation according to the ordinary rules to the extent of 5% of their amount, or for the entire amount if relating to securities held for trading (in accordance with the provisions of art. 2 of the Decree of the Ministry of Economy and Finance 10 January 2018 in the Official Journal General Series n.19 of 24-01-

2018) by subjects who apply the international accounting standards IAS/IFRS. If the distributions are attributable to a shareholding not connected to a permanent establishment in Italy of the non-resident recipient, please refer to the information set out in the following paragraph.

In addition, dividends received from certain types of companies that hold the shareholding through a permanent establishment in Italy (such as banks and other financial companies, insurance companies, etc.) and under certain conditions, contribute, limited to form the relative value of net production, subject to IRAP.

[Tax regime for the distribution of reserves referred to in article 47, paragraph 5, of the TUIR](#)

The information provided in this Paragraph summarizes the tax regime applicable to the distribution by the Issuer - other than in the case of reduction of exuberant capital, withdrawal, exclusion, redemption or liquidation - of the Capital Reserves referred to in article 47, fifth paragraph, of the TUIR, i.e., among other things, reserves or other funds established with share premiums, with equalization interests paid by the subscribers, with payments made by the shareholders as a non-repayable fund or in capital account and with balances of monetary revaluation tax-exempt (hereinafter also "Capital Reserves").

The art. 47, paragraph 1, last sentence, of the TUIR establishes an absolute presumption of priority in the distribution of profits by the companies referred to in the art. 73, of the TUIR: "Regardless of the meeting resolution, the profit for the year and the reserves other than those of paragraph 5 are presumed to be distributed as a priority for the portion of them not set aside in tax suspension". In the presence and up to the capacity of these reserves (the so-called "profit reserves"), therefore, the sums distributed qualify as dividends and are subject to the tax regime set out in the previous paragraphs.

a) Natural persons not carrying out business activities who are tax resident in Italy and simple companies.

Pursuant to the provision contained in Article 47, first paragraph, of the TUIR, regardless of the shareholders' resolution, the sums received by natural persons who are fiscally resident in Italy and do not carry out business activities by way of distribution of capital reserves constitute profits for the recipients. within the limits and to the extent that operating profits and profit reserves exist for the distributing company (except for the portion of them set aside in tax suspension) for the company providing the disbursement. The sums classified as profits are subject to the same regime reported above for dividends. The sums received by way of distribution of the Capital Reserves, net of any amount that may be classified as profit, reduce the fiscally recognized cost of the participation by the same amount. It follows that, upon subsequent disposal, the taxable capital gain is calculated as the difference between the sale price and the fiscally recognized cost of the shareholding reduced by an amount equal to the sums received by way of distribution of the capital reserves (net of amount that may be qualified as profit). According to the interpretation of the Financial Administration, the sums received by way of distribution of the Capital Reserves, for the part exceeding the fiscal cost

of the participation constitute profits, being an income deriving from the use of capital.

In relation to shareholdings for which the natural person has opted for the so-called "managed savings" regime referred to in Article 7 of Legislative Decree 461/1997, in the absence of any clarification from the Financial Administration, following a systematic interpretation of the rules, the sums distributed by way of distribution of the Capital Reserves should contribute to forming the annual management result accrued relating to the tax period in which the distribution took place.

The value of the shareholdings at the end of the same tax period (or upon termination of the "managed savings" regime if earlier) must also be included in the calculation of the annual management result accrued in the tax period, to be subject to substitute tax by 26%.

b) General partnerships, limited partnerships and equivalent partnerships referred to in Article 5 of the TUIR, partnerships, companies and entities referred to in Article 73, first paragraph, letter. a) and b) of the TUIR and natural persons carrying out business activities, fiscally resident in Italy.

For natural persons carrying out business activities, general partnerships, limited partnerships and equivalent companies (excluding simple companies) referred to in Article 5 of the TUIR, companies and entities referred to in Article 73, first paragraph, lit. a) and b), of the TUIR, tax resident in Italy, the sums received by way of distribution of the Capital Reserves constitute profits within the limits and to the extent that there are operating profits and profit reserves (without prejudice to the shares set aside in tax suspension) on the part of the company providing the provision. Amounts classified as profits should be subject to the same tax regime as dividends. The sums received by way of distribution of the Capital Reserves, net of any amount that may be classified as profit, reduce the fiscally recognized cost of participation by an equal amount. The sums received by way of distribution of the Capital Reserves, for the part possibly exceeding the tax cost of the participation, constitute capital gains and as such are subject to the same tax regime as capital gains deriving from the sale of shares.

c) Bodies referred to in article 73, first paragraph, letter. c), Tuir, fiscally resident in Italy.

The sums received by way of distribution of the Capital Reserves, net of the amount qualifying as profit, by subjects resident in Italy for tax purposes and exempt or excluded from IRES do not constitute income for the recipient and reduce the fiscally recognized cost by the same amount of participation. The sums received by way of distribution of the Capital Reserves constitute profits for the part exceeding the fiscally recognized cost of the participation and, as such, are subject to the tax regime of capital gains deriving from the sale of shares.

d) Subjects exempt and excluded from corporate income tax.

The sums received by way of distribution of the Capital Reserves, net of the amount qualifying as profit, by subjects resident in Italy for tax purposes and exempt or excluded from IRES do not constitute income for the recipient and reduce the fiscally recognized cost by the same amount of participation. The sums received by way of distribution of the Capital Reserves constitute profits for the part exceeding the fiscally recognized cost of the participation and, as such, are subject to the tax regime of capital gains deriving from the sale of shares.

e) Italian pension funds and collective savings investment organizations (investment funds and SICAVs).

Based on a systematic interpretation of the rules, the sums received by Italian pension funds referred to in Legislative Decree 252/05, by way of distribution of the Capital Reserves, should contribute to forming the net operating result accrued relating to the period of tax in which the distribution occurred, subject to a substitute tax of 20%. The value of the investments at the end of the same tax period must also be included in the calculation of the annual operating result.

The art. 1, paragraph 92 et seq., of Law 232/2016 has provided for the pension funds in question, starting from 1 January 2017, the occurrence of certain conditions (including a minimum holding period of 5 years) and with some limitations, the exemption from income tax of income deriving from the investments referred to in the aforementioned paragraph 92 (including Shares) and, therefore, the non-competition of the same to the formation of the taxable base of the tax provided for by the art. 17 of Legislative Decree no. 252 of 5 December 2005. Mechanisms are envisaged for the recovery of the substitute tax on the net operating result in the event that the Company's shares are sold before the minimum holding period of 5 years required for the purposes of the exemption has elapsed.

As already highlighted previously, UCIs established in Italy subject to supervision (other than real estate UCIs) are exempt from income taxes pursuant to art. 73, paragraph 5-quinquies, TUIR, and the sums received by way of distribution of the Capital Reserves by such investment bodies should not be subject to any taxation on them.

f) Real estate investment funds.

Pursuant to Legislative Decree no. 351 of 25 September 2001, the sums received by way of distribution of Capital Reserves from mutual real estate investment funds are not subject to withholding tax or substitute tax and are not subject to any taxation on the part of such investment organisations. These funds are not subject to income taxes or IRAP.

If certain conditions are met, the income earned by an Italian real estate mutual fund could be attributed for transparency to (and therefore contribute to the formation of the taxable income in Italy of) the relevant non-institutional investors if they hold a stake of more than 5% of the investment undertaking's assets.

g) Subjects who are not fiscally resident in Italy without a permanent establishment in the territory of the State.

For subjects who are not fiscally resident in Italy (be they natural persons or joint-stock companies), without a permanent establishment in Italy to which the participation can be traced back, the fiscal nature of the sums received by way of distribution of the Capital Reserves is the same as the one highlighted for natural persons not carrying out business activities who are tax resident in Italy. Similarly to what has been highlighted for natural persons and joint-stock companies fiscally resident in Italy, the sums received by way of distribution of the Capital Reserves, net of any amount that may be classified as profit, equally reduce the fiscally recognized cost of the participation while the burden of evaluating the tax treatment of this case in his country of tax residence remains with the recipient.

h) Subjects who are not fiscally resident in Italy and have a permanent establishment in the territory of the State.

With regard to non-resident subjects who hold the shareholding through a permanent establishment in Italy, these sums contribute to the formation of the income of the permanent establishment according to the tax regime envisaged for companies and entities referred to in article 73, first paragraph, letter. a) and b) of the TUIR, tax resident in Italy.

If the distribution of Capital Reserves derives from a shareholding not connected to a permanent establishment in Italy of the non-resident recipient, please refer to what is set out under g) above.

Inheritance and gift tax

The Legislative Decree n. 262 of 3 October 2006, converted into law 286 of 27 December 2006, reinstated the inheritance and donation taxes referred to in Legislative Decree no. 346/1990 in the text in force on 24 October 2001, providing, among other things, the taxation of transfers due to death, donation or other gratuitous acts of shares and other securities. Therefore, pursuant to the aforementioned decree, the transfer of shares by inheritance and donation is subject to taxation in the following ways:

- transfers to the spouse or relatives in a direct line: 4% tax on the value net total exceeding, for each beneficiary, 1 million Euros;
- transfers to brothers and sisters: 6% tax with an exemption of Euro 100 thousand for each beneficiary;
- transfers in favor of other relatives up to the 4th degree, of relatives in the direct line and of relatives in collateral line up to 3rd degree: 6% tax, without deductible;
- transfers to all other subjects: tax at 8% without exemption;
- the deductible has increased to 1.5 million euros for transfers in favor of severely disabled individuals.

For the purposes of determining the taxable amount subject to inheritance or gift tax, for unlisted shares the value of the fraction of the investee company's assets resulting from the latest published financial statements must be assumed.

For individuals resident in Italy, inheritance and gift tax is generally applied to all assets and rights transferred, wherever they exist (with some exceptions). For non-resident subjects, inheritance and gift tax is applied exclusively to assets and rights existing in Italian territory. In any case, shares in companies which have their registered office or administrative headquarters or main object in Italy are considered to exist in Italian territory.

Stamp duty

The art. 13, paragraphs 2-bis and 2-ter, of the Tariff, part one, attached to the Decree of the President of the Republic of 26 October 1972, n. 642, and the related notes 3-bis and 3-ter dictate the proportional stamp duty rules generally applicable (except for some exclusions/exceptions) to periodic communications sent by Italian banks and financial intermediaries to their customers, in relation to financial products deposited with them, which also includes Shares, even if not subject to deposit obligations, including bank and postal deposits, even if represented by certificates.

Among other things, the reports and communications that Italian intermediaries send to parties other than customers, as defined in the Provision of the Governor of the Bank of Italy of 30 September 2016 and subsequent amendments, are not subject to the proportional stamp duty. . The proportional stamp duty does not apply, among other things, to communications received from pension funds and health funds.

Paragraph 2-ter of the art. 13 of the Tariff, part one, attached to Presidential Decree no. 642 of 1972 provides that, where applicable, the proportional stamp duty is applied at the rate of 2 per thousand per year.

There is no minimum size. For subjects other than natural persons there is a maximum limit of 14,000 Euros per year.

The tax is collected by banks and other financial intermediaries and is related to the reported period. Periodic communications to customers are presumed, in any case, to be sent at least once a year, even if the Italian intermediary is not required to draft and send communications. In this case, the stamp duty is applied based on the value, as identified above, of the financial products calculated on 31 December of each year and, in any case, at the end of the relationship with the customer.

The stamp duty is applied on the market value of the financial instruments or, failing that, on the nominal or redemption value, as resulting from the communication sent to customers.

The tax applies both to resident investors and to non-resident investors, for financial instruments held with Italian intermediaries.

[Tax on the value of financial assets held abroad](#)

Pursuant to art. 19, paragraph 18 of Legislative Decree 6 December 2011, n. 201, converted by Law 22 December 2011, n. 214, natural persons resident in Italy who hold financial products abroad - such as shares - by way of ownership or other real rights (regardless of the methods of their acquisition and, therefore, even if such products come from inheritances or donations), must generally pay a tax on their value (so-called "IVAFE").

The tax also applies to shareholdings in the capital or assets of subjects resident in Italy held abroad. Certain clarifications have been provided by the Revenue Agency for the case of financial products held abroad through intermediaries.

The tax, calculated on the value of the financial products, due proportionally to the share of ownership and the holding period, is applied at a rate of 2 per thousand.

The IVAFE tax base corresponds to the market value of financial products held abroad recorded at the end of each calendar year in the place where they are held, or - if this value is not available - to the nominal or redemption value, also using the documentation of the foreign intermediary of reference. If the products are no longer owned on 31 December, reference is made to the market value of the products recorded at the end of the possession period. For financial products that are listed on regulated markets, this value must be used.

Regardless of the residence of the issuing entity or the counterparty, the IVAFE does not apply to financial products - such as shares - held abroad, but entrusted to Italian financial intermediaries for administration (in this case, in fact, they are subject to the tax stamp duty referred to in the previous paragraph) and to foreign assets physically held by the taxpayer in Italy.

A tax credit equal to the amount of any property tax paid in the State in which the financial products are held is deducted from the tax due, up to its amount. The credit cannot in any case exceed the tax due in Italy. No tax credit is due if an agreement for the avoidance of double taxation is in force with the country in which the financial product is held (also concerning property taxes) which provides, for such financial products, exclusive taxation in the Owner's country of residence. In these cases, for any property taxes paid abroad, a refund can generally be requested from the tax administration of the country in which the aforementioned taxes were applied despite the conventional provisions. Data on financial products held abroad must be indicated in part RW of the annual tax return.

Tax monitoring obligations

For the purposes of the legislation on tax monitoring, natural persons, non-commercial entities and simple companies and equivalent subjects, fiscally resident in Italy, are required to indicate in the RW part of the annual tax return (or in a specific form, in some cases of exemption from the obligation to submit the annual tax return), the amount of investments (including any Shares) held abroad in the tax period, through which taxable income in Italy can be obtained. The subjects belonging to the categories listed above who, despite not being direct owners of the investments and foreign assets of a financial nature, are beneficial owners of the investment in accordance with the provisions of the art. are also required to comply with the aforementioned declaration obligations. 1, paragraph 2, letter pp), and by art. 20 of Legislative Decree 21 November 2007, n. 231.

In relation to the Shares, these monitoring obligations are not applicable if the Shares are not held abroad and, in any case, if they are entrusted for management or administration to intermediaries resident in Italy and for contracts concluded through the their intervention, if the financial flows and income deriving from the Shares and contracts are subject to withholding or substitute tax by the intermediaries themselves (Revenue Agency Circulars no. 38/E of 23 December 2013, no. 19/E of 27 June 2014 and 10/E of 13 March 2015 provided further clarifications regarding the monitoring obligations).

Finally, following the intergovernmental agreement between Italy and the United States of America with reference to the implementation of the legislation on the Foreign Account Tax Compliance Act (FATCA) and the law of 18 June 2015, n. 95, containing the ratification and execution of this agreement as well as the provisions concerning the obligations of financial institutions for the purposes of implementing the automatic exchange of information deriving from the aforementioned agreement and from agreements between Italy and other foreign states (Common Reporting Standard), implemented with Ministerial Decree of 28 December 2015, holders of financial instruments (including Shares) may be subject, in the presence of certain conditions, to certain information requirements.

4.13. Tax regime relating to *Warrants*

Income taxes

The following constitutes exclusively a summary of the main aspects of the tax regime connected to the holding and disposal of warrants - pursuant to Italian tax legislation - applicable to some specific categories of investors and is not intended to be an exhaustive analysis of all the possible consequences tax related to the holding and disposal of such securities.

Investors, therefore, are required to consult their advisors regarding the tax regime of the purchase, holding and disposal of warrants.

Despite the uncertainty of the matter, the capital gains deriving from the transfer for consideration or the redemption of warrants and realized by natural persons not carrying out business activities, private or public bodies other than companies which do not have as their exclusive or main object the exercise of commercial activity and subjects exempt from corporate income tax, resident in Italy, should constitute different incomes of a financial nature and therefore be subject to the rules already described in Paragraph 4.12 regarding the tax regime of capital gains, which is I'll postpone it from now on.

In the present case, it is appropriate to point out that for the purposes of defining a Participation as Qualified, the titles or rights through which they can be acquired must also be taken into account Qualified Shareholdings (for example: subscription and purchase warrants, shareholding purchase options, option rights referred to in articles 2441 and 2420-bis of the civil code, bonds

convertibles). It follows that a case of Transfer of Qualified Shareholding can occur even if only securities or rights are transferred which, considered independently or together with the other shares transferred, represent a percentage of voting and participation rights exceeding the limits indicated. . In order to identify the percentages of voting and participation rights, it is necessary to accumulate the transfers made over a twelve-month period, even if to different parties. Therefore, for each transfer, all transfers made by the same person that took place in the twelve months from the date of the transfer must be considered, even if they fall in different tax periods. If a person, after having made a first non-qualified transfer, implements - within twelve months from the first transfer -

other transfers which lead to exceeding the aforementioned percentages of voting or participation rights, as a result of the aforementioned cumulation rule, are considered to have been carried out as a Transfer of Qualified Shareholding. The application of the rule which requires taking into account all sales carried out over the course of twelve months is, however, subject to the condition that the taxpayer holds, at least for one day, a shareholding greater than the percentages indicated above.

When the capital gain is realized by Italian companies or commercial entities, or permanent organizations in Italy of non-resident subjects to which the warrants are connected, it contributes to determining the investor's taxable income for IRES purposes and, upon the occurrence of certain conditions, also for IRAP purposes.

In more detail:

a) Capital gains deriving from transfers of warrants - also carried out to different parties within a twelve-month period, even if falling in different tax periods - which, also taking into account the direct transfers of the Shares, represent a transfer of a Shareholding Non-Qualified, carried out by natural persons resident in Italy who do not act as businesses, by simple companies and by equivalent entities are subject to a substitute tax of 26%. In this case, the transferor may opt to subject the capital gain to taxation on the basis of the declaration, administered savings or managed savings regimes, respectively pursuant to articles 5, 6 and 7 of the Legislative Decree. 461/1997.

b) capital gains deriving from transfers of warrants - also carried out to different parties within twelve months, even if falling in different tax periods - which, also taking into account direct transfers of the Shares, represent a transfer of a Shareholding Qualified realized by natural persons fiscally resident in Italy who do not operate under a business regime contribute to forming the taxable income of the transferor limited to 49.72% (or limited to 58.14% where this capital loss is realized starting from 1 January 2018) of the relevant amount. In the event that the transfer generates a capital loss, the same can be deducted, up to 49.72% (or up to 58.14% where such capital loss is realized starting from 1 January 2018) of the amount of capital gains from subsequent tax periods, but not beyond the fourth, provided that it is indicated in the tax return relating to the tax period in which the capital loss was realised.

c) capital gains realized by subjects referred to in article 73, paragraph 1, letters a) and b) of the TUIR, or by subjects not fiscally resident in Italy through a permanent establishment in Italy to which the warrant is effectively connected, contribute integrally to the formation of the transferor's taxable income in the financial year in which they were made. However, in the event that the conditions envisaged for the participation exemption regime referred to in Article 87 of the TUIR apply, such capital gains are exempt from taxation to the extent of 95% of the relevant amount (on the conditions for the applicability of the regime referred to in cited article 87 of the TUIR, please refer to

as reported in the tax of capital gains deriving from the sale of shares.). According to the interpretation provided by the Revenue Agency in Circular no. 36/E of 4 August 2004 with reference to the participation exemption regime, the capital gain deriving from the transfer of option rights (such as warrants) qualifies for the exemption regime only if the option right is transferred by the owner of the relevant participation, from which the right of option derives. On the contrary, the exemption regime does not apply - and the ordinary tax regime applies - if the option right is transferred by a third party to whom the option right was received separately from the shareholding to which the option right is connected. This interpretation also applies in the case in which the object of the transfer is the warrants.

d) capital gains realized by natural persons in the exercise of business activities, by general partnerships, limited partnerships and equivalent companies referred to in art. 5 TUIR contribute entirely to the formation of the transferor's taxable income. In the event that the conditions envisaged for the participation exemption regime referred to in Article 87 of the TUIR apply, such capital gains are subject to taxation limited to 49.72% of the relevant amount. Starting from 1 January 2018, where the conditions referred to in Article 87 TUIR are met and such capital gains are realized by natural persons carrying out business activities, they should contribute to the formation of taxable business income in an amount equal to 58, 14%. By express provision of the Ministerial Decree of 26 May 2017, published in the Official Journal of 11 July 2017, the aforementioned increase does not apply to the subjects referred to in the art. 5 TUIR.

e) capital gains realized by subjects referred to in article 73, paragraph 1, letter c) of the TUIR, i.e. by public and private entities fiscally resident in Italy, other than companies (with the exclusion of collective savings investment organisations, " OICR"), not having as their exclusive or main object the exercise of commercial activities, are subject to taxation on the basis of the same provisions applicable to natural persons not carrying out business activities who are tax resident in Italy, to which reference should be made.

f) capital gains realized by Italian pension funds referred to in Legislative Decree no. 252 of 5 December 2005 are included in the annual operating result accrued subject to substitute tax at a rate of 20%.

g) capital gains realized by UCIs (other than real estate mutual funds and fixed capital investment companies that invest in real estate, "Real Estate UCIs") referred to in art. 73, paragraph 5-quinques are exempt from income taxes, provided that the fund or the person in charge of management is subject to forms of prudential supervision.

h) capital gains realized by Italian real estate UCIs established pursuant to article 37 of the TUF or article 14-bis of Law no. 86 of 25 January 1994 are not subject to any taxation on the fund.

i) capital gains deriving from transfers of warrants - also carried out to different subjects within a twelve-month period, even if falling in different tax periods - which, also taking into account the direct transfers of the Shares, allow the acquisition of a Non-Qualified Participation, carried out by subjects not resident in Italy, without a permanent establishment in the territory of the State, without prejudice to the application of the provisions of the international conventions against double taxation, where possible, are subject to a substitute tax of 26%; in the event that the transferor is tax resident in States and Territories included in the list referred to in the Ministerial Decree referred to in art. 11, paragraph 4, letter. c), Legislative Decree. 1 April 1996, n. 239 (i.e. States and Territories which allow the Italian Financial Administration an adequate exchange of information) such capital gains are not fiscally relevant.

l) capital gains deriving from transfers of warrants - also carried out to different parties within twelve months, even if falling in different tax periods - which, also taking into account the direct transfers of the Shares, allow the acquisition of a Qualified Participation, carried out by subjects not resident in Italy, without a permanent establishment in the territory of the State, without prejudice to the application of the provisions envisaged by the international conventions against double taxation, where possible, contribute to the formation of the taxable income of the recipient subject according to the same rules provided for natural persons fiscally resident in Italy who do not carry out business activities.

For further tax aspects related to the holding and transfer of warrants, please refer to the provisions - as far as they are compatible in compliance with current legislation and existing practice of the Revenue Agency - analyzed in the previous Paragraph 4.12 in particular with regard to capital gains realized from 1 January 2019:

(i) other than those obtained in the exercise of commercial enterprises, by natural persons and simple companies fiscally resident in Italy are subject to a substitute tax of 26% whether they derive from Transfers of Non-Qualified Shareholdings or from Transfers of Shareholdings Qualified;

(ii) by subjects who are not fiscally resident in Italy, without a permanent establishment in Italy (through which the shareholdings are held), deriving from the Transfer of Qualified Shareholdings are subject to taxation at the rate of 26% according to the same rules provided for natural persons residents, not carrying out business activities, for capital gains from the sale of Qualified Shareholdings realized from 1 January 2019.

However, non-residents still have the possibility of requesting the application of the non-taxation regime in Italy possibly provided for by the international conventions against double taxation in force between Italy and their country of residence.

4.14. Stabilization

Banca Profilo, as a Specialist, will be able to carry out stabilization activities on the Shares in compliance with current legislation. This activity may be carried out from the date of commencement of trading of the Shares and up to 30 days following that date. However, there is no certainty that the stabilization activity will actually be carried out; the same, however, may be interrupted at any time. Stabilization operations, if undertaken, could result in a market price higher than the price that would otherwise occur.

5. OWNERS OF FINANCIAL INSTRUMENTS WHO PROCEED WITH THE SALE

5.1. Selling Shareholders

Not applicable. There are no shareholders of the Issuer who will proceed with the sale of Ordinary Shares owned by them as part of the Placing.

5.2. Number and class of financial instruments offered by each of the holders of the financial instruments proceeding with the sale

Not applicable

5.3. Lock-up agreements

Without prejudice to the limitations indicated below, there are no limits to the transferability and availability of the Shares.

On 15 November 2018, the sole shareholder of the Issuer and Mrs. Simonetta Simoni, holder of the right of usufruct on 510,000 Shares of the Company, together with Mr. Riccardo Iovino and Mrs. Anna Marras, as shareholders of Arim Holding (sole shareholder of the Issuer), have signed a lock-up agreement with the Company and with Banca Profilo in their capacity as Nomad and Global Coordinator.

Pursuant to the lock-up agreement, Arim Holding irrevocably undertakes, starting from the date of signing of this Agreement and for a period of 24 months following the start of trading of the Issuer's ordinary shares, towards Banca Profilo to :

- (i) not carry out sales, transfers, dispositions or in any case operations which have as their object or effect, directly or indirectly, the attribution or transfer to third parties, for any reason and in any form, of the EDAC Restricted Shares – which by definition are (i) the Shares in its ownership at the time of signing the lock-up agreement, and (ii) the *Price Adjustment Shares* of which he will be the owner starting from the start date of trading of the Company's Shares on AIM Italia, as well as of the Company's Shares Company in which the *Price Adjustment Shares* were to be converted upon reaching the profitability objective - (or other financial instruments, including participatory ones, which attribute the right to purchase, subscribe, convert into, or exchange with, EDAC Restricted Shares or other financial instruments, including participatory ones, which attribute inherent or similar rights to such shares or financial instruments), not to grant options for the purchase or exchange of the Restricted Shares EDAC, as well as not to stipulate or in any case conclude *swap* contracts or other contracts having as their object such shares;
- (ii) not approve and/or carry out transactions on derivative instruments which have the same effects, even if only economic, as the transactions mentioned above;
- (iii) not promote and/or approve capital increase operations or the issue of bonds convertible into (or exchangeable with) EDAC Restricted Shares or in purchase/ subscription vouchers for EDAC Restricted Shares or other financial instruments, including participatory ones, which attribute inherent or similar rights to such shares or financial instruments, except for the Capital Increases envisaged in the context of the Listing, increases or other capital operations that are mandatory by law, capital increases carried out pursuant to articles 2446 and 2447 of the Code Civil, up to the threshold necessary to comply with the legal limit, capital increases against contributions in kind, it being understood that in this last hypothesis (i) the subscription price cannot be lower than the placement price; and (ii) the capital increase operation must not lead to a change of control of the Company, meaning the occurrence of any event or circumstance as a consequence of which the total sum of the shareholdings in the share capital of the Company held by Arim Holding, is less than 51% (fifty-one percent) of the Issuer's share capital (calculated on a *fully diluted* basis and therefore *post* conversion of any financial instrument convertible into shares representing the share capital),

without the prior written consent of Banca Profilo, which cannot be unreasonably denied.

In any case, the following are excluded from lock-up commitments: (a) disposal operations deriving from mandatory provisions of law and/or regulations, from orders from the judicial authority; (b) the

disposal operations in the event of acceptance of a possible public purchase or exchange offer promoted on the Company's shares and aimed at all holders of the Company's financial instruments; (c) the establishment or pledging of the EDAC Restricted Shares under the mandatory condition that Arim Holding has the right to vote, without prejudice to the fact that any enforcement of the pledge by the pledgee must be considered as a failure to comply with the prohibitions on alienation that precede; (d) transfers *mortis causa*; and (e) any transfers by Arim Holding to one or more companies directly and/or indirectly controlled by or controlling the same, pursuant to art. 2359, paragraph 1, of the civil code.

In addition to the exclusion hypotheses, Banca Profilo reserves the right to authorize the transfer of the EDAC Restricted Shares also in other hypotheses, according to the circumstances of the case and on the terms and conditions that will be agreed from time to time.

Also excluded from the aforementioned commitments of Arim Holding, if the profitability objective is not achieved, the *Price Adjustment Shares* subject to cancellation following the mechanism conversion.

Riccardo Iovino and Anna Marras have irrevocably committed themselves, starting from the date of signing the lock-up agreement and for a period of 24 months following the start of trading of the Issuer's Ordinary Shares, towards Banca Profilo to:

- (i) not carry out sales, transfers, disposals or in any case operations which have as their object or effect, directly or indirectly, the attribution or transfer to third parties, for any reason and in any form, of the shares held by them held in Arim Holding, including options for the purchase or exchange of the aforementioned shareholdings in Arim Holding, as well as other contracts and/or operations - including on derivative instruments, to the extent applicable - which have the same effects, even if only economic, as the operations mentioned above;
- (ii) not promote and/or approve capital increase operations or the issue of bonds convertible into (or exchangeable with) Arim Holding shareholdings or in rights to purchase/subscribe Arim Holding shareholdings, as a result of which an exchange occurs of control of Arim Holding, meaning the occurrence of any event or circumstance as a consequence of which the total sum of the shareholdings in the share capital of Arim Holding held by

Riccardo Iovino is less than 51% (fifty-one percent) of the share capital of Arim Holding (calculated on a *fully diluted* basis and therefore *post* conversion of any financial instrument convertible into shares representing the share capital),

without the prior written consent of Banca Profilo, which cannot be unreasonably denied.

In any case, disposal operations deriving from mandatory legal and/or regulatory provisions, orders from the judicial authority, as well as transfers *mortis causa*.

Simonetta Simoni has irrevocably undertaken, starting from the date of signing the lock-up agreement and for a period of 24 months following the start of trading of the Issuer's ordinary shares, towards Banca Profilo not to carry out sale, transfer, acts of disposal or in any case operations which have as their object or effect, directly or indirectly, the attribution or transfer to third parties, for any reason and under

any form, of their usufruct rights on the Issuer's Shares, without the prior written consent of Banca Profilo, which cannot be unreasonably denied.

In any case, disposal operations deriving from mandatory legal and/or regulatory provisions, orders from the judicial authority, as well as transfers *mortis causa*.

Finally, the Company has irrevocably undertaken, starting from the date of signing the lock-up agreement and for a period of 24 months following the start of trading of the Issuer's ordinary shares, towards Banca Profilo to:

- (i) not carry out, directly or indirectly, sales, transfers, disposals or in any case operations which have as their object or effect, directly or indirectly, the attribution or transfer to third parties (including the granting of rights of option, creation of pledges or other constraints or securities lending), for any reason and in any form, of the Shares issued by the Company which may be held by it (or other financial instruments, including equity instruments, which confer the right to purchase, subscribe for, convert into, or exchange for, Shares of the Company or other financial instruments, including participatory ones, which give inherent or similar rights to such shares or financial instruments), except for the operations necessary for the execution of the overallotment *option* and of the *greenshoe* option granted to Banca Profilo;
- (ii) not propose or decide on capital increase operations of the Company, or issues of Shares, nor place (even through third parties) on the market either directly or in the context of the issue of bonds convertible into Shares by the Company or by third parties and/or in the context of the issuance of warrants by the Company or third parties, nor in any other way, except for capital increases possibly carried out pursuant to articles 2446 and 2447 of the civil code, up to the threshold necessary for compliance with the legal limit, except for Capital Increases in the context of the Listing;
- (iii) not issue and/or place on the market bonds convertible or exchangeable with, Shares of the Company or in purchase or subscription vouchers for Shares of the Company, or other financial instruments, including participatory ones, which attribute inherent or similar rights to such shares or financial instruments;
- (iv) not make, without having previously informed Banca Profilo, any changes to the size and composition of its capital (including capital increases), as well as to the corporate structure of the Issuer;
- (v) not approve and/or carry out transactions on derivative instruments which have the same effects, even if only economic, as the transactions mentioned above.

The commitments undertaken by the Company pursuant to the lock-up agreements may only be waived with the prior written consent of Banca Profilo, consent which cannot be unreasonably denied, or in compliance with legal or regulatory obligations or following the issue of measures or requests from competent authorities.

Finally, it should be noted that the subscribers to the Employee Capital Increase are also subject to a lock-up obligation on the shares subscribed and issued by them in execution of the Employee Capital Increase. The lock-up is effective from the subscription date until the expiration of 24 months starting from the date of the start of trading of the Company's Shares on AIM Italia.

6. EXPENSES RELATED TO ADMISSION

6.1. Total net proceeds and estimated total admission-related expenses

The net proceeds deriving from the Placement, net of expenses relating to the admission process of the Company on the AIM, (including placement commissions) are equal to approximately Euro 4,817,076.

The Issuer estimates that the expenses relating to the process of admission to trading of the Issuer's Shares, including advertising costs and excluding Placement commissions, will amount to approximately Euro 617,210 entirely borne by the Issuer.

For information on the destination of the proceeds of the Capital Increases, please refer to Section Two, Chapter 3, Paragraph 3.2, of this Admission Document.

7. DILUTION

7.1. Amount and percentage of immediate dilution resulting from the Offer

The subscription price of the Shares allocated as part of the Capital Increase Offer and the *Greenshoe* Capital Increase was equal to Euro 3.33 per Share, while the subscription price of the Shares allocated as part of the Capital Increase Employees was equal to Euro 3.00 per share.

Therefore, assuming the full subscription of the Offered Capital Increase, the Employee Capital Increase and the *Greenshoe* Capital Increase, a high dilutive effect may occur for the Issuer's shareholders.

In particular:

- (i) assuming the full subscription of the Offered Capital Increases and the Increase of Employee Capital, Arim Holding will hold a stake equal to 79.2% of the Issuer's share capital; assuming also the full exercise
- (ii) of the *Greenshoe Option*, Arim Holding will hold a stake equal to 77.7% of the Issuer's share capital;
- (iii) also assuming the maximum penalizing cancellation of all *Price Adjustment Shares*, Arim Holding will hold a stake equal to 73.6% of the Issuer's share capital.

7.2. Dilutive effects in case of failure to subscribe to the Offer

Not applicable.

8. ADDITIONAL INFORMATION

8.1. Subjects participating in the operation

Below are the subjects participating in the operation:

Subject	Role
EdiliziAcrobatica SpA	Issuer
Banca Profilo SpA	Nominated Adviser and Global Coordinator
Banca Profilo SpA	Specialist
Deloitte & Touche SpA	Auditing firm
Emintad Srl	Financial advisor
LCA Law Firm	Legal advisor of the Issuer
Pedersoli Law Firm	Legal advisor to the Global Coordinator
Iccrea Bancaimpresa SpA	Co-lead manager
ADB Corporate SpA	Financial advisor

In the opinion of the Issuer, the Nomad operates independently of the Issuer and its members of the Issuer's Board of Directors.

8.2. Indication of other information contained in the second section subject to revision or limited review by the audit firm

Section Two of the Admission Document does not contain information that has been subjected to audit (full or limited). Please refer to Section One, Chapter 3, of the Admission Document regarding the accounting data extracted from the consolidated financial statements of the Group as of 31 December 2017 and 31 December 2016, subject to audit by the Auditing Firm, included in this Document of Admission and, as regards the Group's accounting data as of 31 March 2018, subject to *limited review*.

8.3. Expert opinions or reports

In this Admission Document there are no opinions or reports attributed to experts.

8.4. Information from third parties

In this Admission Document there is no information coming from third parties. In any case, the reference to the sources is inserted in the notes to the relevant parts of the Admission Document where they are used.

INDEX OF ATTACHMENTS

The following documents are attached to the Admission Document:

1. the consolidated financial statements of the Group as of 31 December 2017, approved by the Board of Directors of the Company on 30 April 2018, together with the report of the Independent Auditors issued on 27 April 2018;
2. the consolidated financial statements of the Group as of 31 December 2016, drawn up on a voluntary basis and according to the National Accounting Principles, approved by the Board of Directors of the Company on 23 June 2017 together with the report of the Auditing Firm issued on 23 June 2017;
3. the Group's half-yearly data as of 30 June 2018, approved by the Board of Directors on 28 September 2018, together with the Independent Auditors' report issued on 31 October 2018;
4. the *"EDAC Warrants 2018 – 2021" Regulation*.

Annex 1 - CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP AS OF 31 DECEMBER 2017 AND RELATED REPORTS

Annex 2 - CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP AS OF 31 DECEMBER 2016 AND RELATED REPORTS

Annex 3 – HALF-YEARLY GROUP REPORT AS OF 30 JUNE 2018 AND RELATED REPORTS

Annex 4 – “WARRANT EDAC 2018 – 2021” REGULATION