



EDILIZIACROBATICA[®]



Consolidated Financial Statements

EdiliziAcrobatica S.p.A.

31.12.2021



EDILIZIACROBATICA SPA

Consolidated financial statements at 12.31.2021

Balance sheet

<u>ASSETS</u>	12.31.2021	12.31.2020
A. TO YOUR MEMBER'S CREDITS FOR OUTSTANDING PAYMENTS	-	-
B. FIXED ASSETS		
I. Intangible assets		
1) Installation and enlargement costs	1.580.586	2.767.701
2) Development costs	-	20.000
3) Industrial patent rights and intellectual property rights	501.577	326.638
4) Concessioners, licenses, trademarks and similar rights	978	1.751
5) Goodwill	603.254	236.684
6) Current assets and allowances	422.709	304.901
7) Other intangible assets	797.076	771.123
8) Difference from consolidation	-	-
Total intangible assets	3.906.180	4.428.798
II. Tangible fixed assets	-	
1) Land and buildings	-	-
2) Plant and machinery	236.372	155.849
3) Industrial and commercial equipment	310.887	465.061
4) Other goods	642.444	682.871
5) Current assets and allowances	-	-
6) Leasing fixed assets	-	-
Total material assets	1.189.703	1.303.781
III. Financial fixed assets	-	
1) Investments	-	
(a) in subsidiaries	-	-
(b) to related undertakings	-	-
(c) to Holding Companies	-	-
(d) undertakings under the control of the parent companies	-	-
(d-bis) other Companies	-	-
2) Credits	-	
(a) to subsidiaries	-	-
(b) to related undertakings	-	-
(c) to Holding Companies	-	-
(d) undertakings under the control of the Holdings companies	-	-
(d-bis) other Companies	420.000	-
<i>Payable by the financial year</i>	420.000	-
<i>Payable after the following financial year</i>	-	-
3) other titles	-	-

4) financial derivatives assets	12.327	33.224
Total financial assets	432.327	33.224
TOTAL FIXED ASSETS (B)	5.528.210	5.765.803
C. CURRENT ASSETS		
I. Inventories		
1) Raw materials, subsidiaries and consumer products	3.511.037	2.707.058
2) Products in process and semi-finished products	-	-
3) work-in-progress to order	-	-
4) finished goods and goods	-	-
5) advances	-	-
Total inventory	3.511.037	2.707.058
II. Credits	-	
1) Trade receivables	14.066.786	20.724.296
<i>Due within one year</i>	<i>14.066.786</i>	<i>12.253.395</i>
<i>Receivable beyond one year</i>	-	<i>8.470.901</i>
2) to Subsidiaries	-	-
<i>Due within one year</i>	-	-
<i>Receivable beyond one year</i>	316.806	-
3) to related undertakings	-	-
4) to Holding Companies	48.348.938	3.326.725
5) to undertakings under the control of the Holdings companies	48.348.938	3.326.725
5-bis) Tax credits	-	-
<i>Due within one year</i>	517.038	324.868
<i>Receivable beyond one year</i>	2.289.372	2.479.932
5-ter) advance taxes	2.289.372	2.479.932
5-c) other	-	-
Total credits	-	-
III. Financial activities that do not cost immobility.		
1) Investments in subsidiaries	-	-
2) Investments in related undertakings	-	-
3) Investments in Holding Companies	-	-
3-bis) Investments in undertakings under the control of the Holdings companies	-	-
4) Investments in other Companies	-	-
5) financial derivatives assets	-	-
6) other titles	11.820.673	9.244.404
Total financial Assets that do not cost immobility	11.820.673	9.244.404
IV. Cash in stock	-	
1) Bank and postal deposits	18.193.469	8.223.425
2) Assign	-	-
3) Cash and cash values	14.555	18.542
Total liquid stock	18.208.024	8.241.967
TOTAL CURRENT ASSETS (C)	99.078.674	47.049.250
	-	
D. PREPAYMENTS AND ACCRUED INCOME	661.488	682.175
	-	
TOTAL ASSETS	105.268.373	53.497.228
LIABILITIES	12/31/2021	12.31.2020

EQUITY		
I – Capital	815.415	803.250
II - share surcharge reserve	7.207.101	6.680.369
III - evaluation reserves	-	-
IV - Legal reserve	160.650	158.485
V - statutory reserves	-	-
VI - other reserves	879.583	4.389
VII - reserve for expected hedging operations	- 7.174	-22.839
VIII - profits (losses) carried over	2.614.761	3.481.007
IX - profit (loss) for the financial year	11.085.555	1.757.640
X - negative reserve for Treasury Shares held	- 654.824	-
CONSOLIDATED STAKEHOLDERS' EQUITY OF THE GROUP	22.101.067	12.862.301
Capital and reserves of third parties	20.300	-
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THIRD PARTIES	16.591	-
CONSOLIDATED SHAREHOLDERS' EQUITY OF THE GROUP AND THIRD PARTIES	22.137.958	12.862.301
B. FUNDS FOR RISKS AND CHARGES	-	
1) Funds for retirement treatment and the like	-	-
2) Funds for taxes, whether or not deposited	42.139	58.708
2a) Consolidation Fund for future risks and charges	-	-
3) Financial derivative instruments	19.501	56.062
4) Other	-	5.352
TOTAL FUNDS FOR RISKS AND CHARGES	61.640	120.122
	-	
C. SEVERENCE PAY	2.505.878	1.663.193
Q. DEBTS		
1) bonds	9.761.563	9.740.976
<i>Due within one year</i>	127.054	-
<i>Payable beyond one year</i>	9.634.509	9.740.976
2) Convertible bonds	-	-
3) debt to shareholders	-	-
4) debts to banks	16.575.121	14.926.067
<i>Due within one year</i>	6.482.873	3.868.618
<i>Payable beyond one year</i>	10.092.248	11.057.449
5) Amounts owed to other financiers	80.861	507.496
<i>Due within one year</i>	80.861	23.062
<i>Payable beyond one year</i>	-	484.434
6) advances received	22.718.476	1.396.781
<i>Due within one year</i>	22.718.476	1.396.781
<i>Payable beyond one year</i>	-	-
7) Accounts payable	6.889.170	5.269.421
<i>Due within one year</i>	6.889.170	5.269.421
<i>Payable beyond one year</i>	-	-
8) debts represented by credit securities	-	-
9) debt to subsidiaries	-	-
10) debts to related undertakings	-	-
11) debts to Holding Companies	312.008	70.028

<i>Due within one year</i>	312.008	70.028
<i>Payable beyond one year</i>	-	-
11-bis) Debts to undertakings under the control of the Holdings companies	-	-
12) Tax debts	15.528.668	2.297.784
<i>Payable by the financial year</i>	15.528.668	2.265.211
<i>Payable after the following financial year</i>	-	32.573
13) debt to social security and social security institutions	3.315.747	1.581.826
<i>Payable by the financial year</i>	3.315.747	1.581.826
<i>Payable after the following financial year</i>	-	-
14) other debts	4.957.791	2.719.767
<i>Payable by the financial year</i>	4.957.791	2.719.767
<i>Payable after the following financial year</i>	-	-
TOTAL DEBTS	80.139.405	38.510.146
ACCRUALS AND DEFERRED INCOME	423.494	341.466
	-	
TOTAL LIABILITIES	105.268.376	53.497.228

INCOME STATEMENT	12.31.2021	12.31.2020
A. SALES		
1) Revenue from sales and services	86.949.909	44.664.415
2) Change in inventories of work in progress, semi-finished and finished products	-	-
3) Change in work-in-progress to order	-	-
4) increases in fixed assets for internal works	121.000	829.457
5) other income		
(a) contributions	204.487	280.461
(b) other	402.408	394.425
Total other revenues and income	606.898	674.886
TOTAL SALES (A)	87.677.804	46.168.758
B. PRODUCTION COSTS		
6) for Raw materials, subsidiaries, consumer goods and other goods	8.801.691	5.409.372
7) for services	20.054.095	10.725.047
8) for the use of third-party assets	4.535.565	2.996.618
9) for staff:		
(a) wages and salaries	20.648.315	12.760.857
(b) social security contributions	10.516.497	7.054.797
c) severance pay	1.325.904	1.011.252
d) quiescent treatment and similar	-	-
e) other costs	479.752	440.942
Total personnel costs	32.970.468	21.267.848
10) depreciation and devaluations		
(a) amortization of intangible assets	1.931.070	924.401
(b) amortization of tangible fixed assets	371.109	197.512
(c) impairment of intangible and tangible assets	-	0
(d) depreciations of the receivables included in the Current assets	650.000	728.134
11) Change in inventories of raw materials, subsidiaries, consumption and goods	(887.341)	(285.928)
12) Provision for operational risks	-	5.352

13) Other provisions	-	0
14) Miscellaneous Costs	921.530	1.054.881
TOTAL PRODUCTION COSTS (B)	69.348.186	43.023.237
DIFFERENCE BETWEEN VALUE OF PRODUCTION AND COST OF PRODUCTION (A-B)	18.329.618	3.145.521
C. FINANCIAL INCOME AND CHARGES		
15) income from investments	-	-
16) other financial income:		
(a) from credits entered in fixed assets	-	-
(b) securities entered in fixed assets which do not constitute Investments	-	-
(c) securities entered in Current assets which do not constitute Investments	-	-
(d) income other than previous		
- Interest and commissions from subsidiaries	-	-
- interest and commission from related undertakings	-	-
- interviews and commissions from Holding Companies	-	-
- interest and commissions from others and miscellaneous income	249.746	41.330
17) Interest and other financial charges		
(a) to subsidiaries	-	-
(b) to related undertakings	-	-
(c) to Holding Companies	-	-
(d) other	(1.787.800)	(432.664)
17-bis) profits and Foreign exchange losses	-	-
TOTAL FINANCIAL INCOME AND CHARGES (C)	(1.538.054)	(391.334)
Q. ADJUSTED VALUE OF FINANCIAL ASSETS		
18) evaluations		
(a) Investments	-	-
(b) financial fixed assets which do not constitute Investments	-	-
(c) securities entered in the current assets which do not constitute Investments	297.469	90.654
(d) derivative financial instruments	-	-
19) devaluations		
(a) Investments	-	-
(b) financial fixed assets which do not constitute Investments	-	-
(c) securities entered in the current assets which do not constitute Investments	-	-
(d) derivative financial instruments	-	-
ADJUSTED TOTAL VALUE OF FINANCIAL ACTIVITY. (D)	297.469	90.654
PROFIT (LOSS) BEFORE TAXATION (A-B+-C+-D)	17.089.033	2.844.841
20) taxes on income for the period, current, deferred and anticipated		
- currents	6.145.738	1.502.524
- deferred	(205.007)	(150.154)
- from previous exercises	46.159	(265.169)
21) RESULT FOR THE FINANCIAL YEAR INCLUDING THE SHARE OF THIRD PARTIES	11.102.146	1.757.640
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THIRD PARTIES	16.591	-
GROUP PROFIT (LOSS)	11.085.555	1.757.640

STATEMENT OF CASH FLOWS

	12.31.2021	12.31.2020
Statement of cash flows, indirect method		
(A) Cash flows raising from the operating activity (indirect method)		
Profit (loss) for the year	11.102.147	1.757.640
Income taxes	5.986.890	1.087.201
Interest payable/(assets)	1.538.054	391.334
(Divides)		
(Capital gains)/losses raising from the sale of assets		
1) profit (loss) for the year before income tax, interest, dividends and plus/ losses from disposal	18.627.091	3.236.175
Corrections for non-monetary items which have not been counterbalanced net working capital		
Accruals to funds	1.975.904	1.744.738
Depreciation of fixed assets	2.302.178	1.121.913
Impairment losses		
Value adjustments of financial assets and liabilities of instruments financial derivatives that do not involve monetary changes		(22.839)
Other adjustments increasing/(decreasing) for non-monetary items	53.388	(90.655)
Total adjustments for non-monetary items that they did not have counterpart in net working capital	4.331.470	2.753.157
2) Financial flow before changes in net working capital	22.958.561	5.989.332
Changes in net working capital		
Decrease/(increase) of inventories	(803.979)	(64.204)
Decrease/(increase) of the accounts receivable	6.007.510	(7.785.381)
Increase/(decrease) of the accounts payable	1.619.750	(106.128)
Decrease/(increase) of accruals and repayments	20.687	(559.115)
Increase/(decrease) in accruals and accrued income	82.028	45.191
Other decreases/(other increases) in net working capital	(12.992.956)	45.535
Total changes in net working capital	(6.066.961)	(8.424.102)
3) Financial flow after changes in net working capital	16.891.601	(2.434.769)
Other corrections		
Interest received/(paid)	(1.538.054)	(391.334)
(Income taxes paid)	(529.763)	(220.786)
Divisions received		
(Use of funds)		
Other receipts/(payments)		
Total other corrections	(2.067.817)	(612.120)
Financial flow of operational activity (A)	14.823.783	(3.046.889)
(B) cash flows raising from the investment activity		
Tangible fixed assets		
(Investments)	(257.030)	(272.748)
Disinvestments		
Intangible assets		
(Investments)	(1.408.452)	(1.437.412)
Disinvestments		
Financial fixed assets		
(Investments)		(33.224)
Disinvestments	-	
Non-immobilized financial assets		
(Investments)	(2.576.269)	(5.048.000)
Disinvestments		
<i>Acquisition of subsidiaries net of cash and cash equivalents</i>		
<i>Sale of subsidiaries net of cash and cash equivalents</i>		
Financial flow of investment activity (B)	(4.241.751)	(6.791.384)
(C) cash flows raising from the financing activity		
Means of third parties		
Increase/(decrease) short-term debts to banks	1.617.399	(9.287.274)
Loans taken	3.991.537	23.164.168
(Repayments)	(4.365.930)	(1.187.002)
Down means		
Capital increase payable	538.897	
(Repayment of capital)		
Sale/(Purchase) of Treasury Shares held	(654.824)	435.309
(Dividends and advances on dividends paid)	(1.743.053)	(760.727)

Financial flow of financing activity (C)	(615.975)	12.364.474
Consolidation perimeter changes (D)		
Increase (decrease) of the Cash and Cash equivalents (A ± B ± C ± D)	9.966.057	2.526.201
Effect of changes on Cash and Cash equivalents		
Cash and cash equivalents at the beginning of the exercise		
Bank and postal deposits	8.223.425	5.696.160
Checks		
Cash and cash values	18.542	19.606
Total Cash and Cash equivalents at the beginning of the exercise	8.241.967	5.715.766
Of which not freely usable		
Cash and cash equivalents at the end of the year		
Bank and postal deposits	18.193.469	8.223.425
Checks		
Cash and cash values	14.555	18.542
Total Cash and Cash equivalents at year-end.	18.208.024	8.241.967
Of which not freely usable		

Notes at the bottom of the Cash Flow Statement:

The change in the scope of consolidation is generated by the merger of the subsidiaries during the year.

Notes to the financial statements

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

This consolidated financial statements of Ediliziacrobatica S.p.A. and its subsidiaries (jointly, the “Ediliziacrobatica Group” or “EDAC”) have been drawn up in accordance with the rules of the Civil Code, supplemented and interpreted by the accounting principles adopted by the Italian accounting body (O.I.C.).

The financial statements were prepared based on business continuity, and there were no significant uncertainties in this respect.

It consists of the balance sheet and the income statement (prepared in accordance with the schemes referred to in Articles 1 and 2 respectively. 2424, 2424 bis c.c., to arts. 2425 and 2425 bis dc and art. 2425 b of the civil code) and from this addendum.

The function of the supplementary note is to provide the disclosure, analysis and in some cases an integration of the Balance Sheet data and to contain the information required by Articles 6 and 6 of the 2427 and 2427 bis of the civil code, other proposals of the civil code on budgetary matters and other previous laws. In addition, it provides all the additional information deposited necessary to give the most transparent and complete representation, even if not required by specific legal propositions.

Business continuity considerations

Article 2423 bis paragraph 1 n.1 bases the preparation of the financial statements on the principle of business continuity, which is also one of the principles to be considered in the continuous monitoring provided for by the company's crisis code.

Accounting standard OIC 11 provides that at the stage of preparation of the financial statements, the company management must carry out a prospective assessment of the company's ability to continue to constitute a functioning economic complex intended to produce income for a foreseeable future period, covering at least twelve months from the balance sheet date. In cases where, as a result of such forward-looking assessment, significant uncertainties are identified regarding such capacity, information relating to risk factors, assumptions made and identified uncertainties, as well as future business plans to address such risks and uncertainties shall be provided in the notes to the financial statements.

The notes to the financial statements must therefore report on the prospect of business continuity.

A careful analysis of the Group's situation and its prospects for future activities makes it possible to positively assess its ability to continue to constitute a functioning economic complex intended to produce income for a foreseeable future period, lasting several years: therefore, there are no risks for business continuity, and it is not necessary to resort to the aforementioned derogation.

Regarding the Covid 19 emergency, as is known, the 2021 financial year continued to be characterized by the public health emergency of international importance. In this context, the Group is committed to maintaining all the necessary measures to ensure the health of its employees and at the same time maintain business continuity both from an operational and organizational point of view. The Group has used rotary smart working for its administrative functions in addition to the prevention measures already adopted last year.

The Company, as mentioned, continues to manage very carefully, through the adoption of all preventive safety measures and distancing, the Covid emergency. In addition, to promote the national vaccination campaign, the Company has carried out an internal information campaign to encourage its adhesion. In the 2021 financial year, no social safety nets were used, much less reductions in working hours. In contrast to the general trend of companies, no staff reductions have been made, but 400 new operators have been recruited at group level, bringing the total number to 771. As better highlighted in the Annual Report, the Company, both in terms of turnover volumes and financial terms, is not suffering negative effects due to the pandemic and continues in any case to monitor the situation by preparing forecast situations to highlight potential critical issues and implement, if necessary, corrective actions.

Subsequent events

– **Implementation of the new IT system:** the implementation of the Oracle ERP continues. The project, also in the perspective of new acquisitions, aims to equip all the companies of the group with a cutting-edge technological IT environment;

– **“Bonus facciate”:** The “bonus facciate” was introduced by the 2020 Budget Law and was extended and kept unchanged by the 2021 Budget Law. With the 2022 Budget Law, it has been extended also for the 2022 financial year, but with a reduction to 60%. The tax deduction is provided for interventions aimed at the recovery or restoration of the external facade of existing buildings, of any cadastral category, including instrumental buildings. The buildings concerned must be located in zones A and B, identified by Ministerial Decree No. 1444/1968, or in areas similar to these according to regional legislation and municipal building regulations.

In addition, it should be noted that the Group is continuing its growth strategy in the first months of 2022 as better specified in the Annual Report. Regarding the pandemic crisis, it is highlighted how the Group has been able to face the state of emergency in the past and is ready to face the challenges caused by a possible resurgence of the Covid 19 pandemic thanks to its organizational flexibility as well as the solidity of the financial situation.

Concerning the effects deriving from the Russian-Ukrainian conflict, the management analyzed the possible impacts that the extension of the Russia-Ukraine crisis could have on the Group's business, developing alternative scenarios of increases in the prices of raw materials, transport, and fuel. However, the Group has excellent financial stability, therefore, no significant and relevant impacts on the Group's operations deriving from the current state of crisis are expected.

In compliance with art. 2423 paragraph 5, the consolidated financial statements have been prepared in euro units.

The consolidated financial statements include the financial statements of Ediliziacrobatica S.p.A. (the "Company" or "Holding Company"), the financial statements of the following companies over which the Holding Company has control:

- EDAC France S.a.s., based in Paris, with a share capital of 550,509 Euros, 100% owned
- Energy Ediliziacrobatica 110 S.r.l, established on April 7, 2021 with headquarters in Milan, with a total share capital of Euro 100 thousand owned at a total of 80%.
- EDAC Iberica, Sociedad Limitada, acquired at 90% in 2021, established within an agreement between Ediliziacrobatica S.p.A and the Spanish company Access Vertical to develop within the Spanish territory.

Please refer to the comment about the management for the main initiatives of the investee companies.

PRINCIPLES OF CONSOLIDATION

The consolidation principles used are as follows:

- The accounting values of the investments in EDAC France S.a.s. were eliminated against the related equity due to the assumption of the assets and capabilities of the subsidiary, according to the global integration method. The differences between the cost of the investments and the corresponding equity shares of the investment were entered entirely in the item of equity called “new profit (loss)”.
- Transactions that give rise to credit and debit matches and costs and revenues among companies consolidated using the global integration method have been eliminated.

- Profits not yet realized, resulting from intra-group transactions between companies, included in the valuation of intangible assets, have been eliminated.
- The equity shares and the result attributable to minority shareholders in the seven subjects were shown separately in a special item in the financial statements.

ACCOUNTING STANDARDS

The accounting principles set out below have been adapted with the amendments, additions and innovations introduced to the rules of the Civil Code by Legislative Decree 139/2015, which transposed in Italy the Accounting Directive 34/2013 / EU. In particular, the national accounting standards were applied in the version reformulated by the OIC on 22 December 2016.

The application of these principles, where required, has been agreed with the Board of Statutory Auditors.

EVALUATION CRITERIA

The criteria adjusted in the valuation and value adjustments of the various categories of goods are those set out in Article 2426 of the Civil Code, interpreted, and supplemented by accounting principles, processed to the Italian Accounting Body (OIC) and, where missing and as not contrary to Italian accounting standards and principles, by those issued by *the International Accounting Standard Board* (I.A.S.B.), in view of the continuation of the business, with the further details set out below.

They were applied in a prudent manner, considering the economic function of the asset and liability element concerned.

The most significant criteria adopted in the valuation of items of consolidated financial statements in compliance with Art. 2426 c.c. and the above accounting principles are as follows:

Intangible fixed assets -- are recorded at the purchase or production cost, including ancestral costs and costs directly attributing to the product, and are systematically depreciated in constant shares in relation to the residual possibility of using the assets.

The costs of installation and enlargement and the costs of applied research and development having a multi-annual utility are amortized in constant installations, based on their estimated future utility over five years. Until depreciation is completed divides may be distributed only if sufficient available reserves remain to cover the amount of undepreciated costs. The costs incurred for basic research are charged to the income statement in the period in which they are incurred.

The costs of installation and expansion are amortized over a period of five years, with amortization at constant shares. Development costs are amortized according to their useful life, in exceptional cases where it is not possible to estimate their useful life properly, they shall be amortized within a period not exceeding five years. Until depreciation is completed divides may be distributed only if sufficient available reserves remain to cover the amount of undepreciated costs.

Advertising and research costs are fully charged at the cost of the period in the period in which they are incurred.

Improvements in third-party assets are capitalist and recorded as "other intangible assets" if they are not separable from the assets themselves (otherwise they are entered as "tangible assets" in the specific item of ownership), They are depreciated systemically to the minor between the period of expected future use and the remaining period of the lease, considering the possible renewal period, if dependent on the company.

It should be noted that as of 31 December 2021, the Holding Company did not make use of the derogation provided for by Legislative Decree 228/2021 to suspend the depreciation quotas for the 2021 financial year.

If, irrespective of the depreciation already accounted for, there is an impairment loss, the immobilization is correspondent and valued; if in subsequent periods the reasons for the depreciation are lost, the original value is restored, within the limits of the value that the asset

would have had if the value adjustment had never taken place, except for item Goodwill and “Multiannual charges” referred to in Article 5 of the EC Treaty. 2426 of the civil code.

The registration and valuation of intangible assets is charged out with the consent of the Board of statutory auditors in the cases provided for by law.

Tangible fixed assets -- are recorded at the cost of purchase or internal construction, net of depreciation made in the year and in the previous years. The cost includes ancestral costs and direct and indirect costs for the reasonably attributable part of the asset, relating to the manufacturing period and up to the time from which the asset can be used. Tangible assets may only be reviewed in cases where special laws require or permit it.

Fixed assets recognized at the cost in foreign currency shall be entered at the exchange rate at the time of their purchase or at the rate lower than the date of closure of the financial year, if the reduction is reduced to be durable.

Fixed assets are systematically depreciated in each financial year at constant shares, which are considered representative of the residual use of the assets. The applied rates are shown in the asset comment notes section. For fixed assets operating in the financial year, the rates are reduced to 50%, assuming that purchases are distributed over the financial year. Decrease is also calculated on assets that are temporarily not used. Land, which is not used to the end of its useful life, is excluded from depreciation.

If, irrespective of the depreciation already accounted for, there is a lasting loss of value, the immobilization is corresponding devalued; if in subsequent periods the reasons for the devaluation are lost, the original value is restored, within the limits of the value that the asset would have had the value adjustment never taken place.

Maintenance and repair costs of an ordinary nature shall be charged in full to the profit and loss account. Maintenance costs of an incremental nature are attributed to the assets to which they relate and amortized in relation to the residual possibilities of use there.

The costs involved in extending, modernizing, or improving the structural elements of a material immobilization are capitalist if they produce a significant and measurable increase in production capacity, safety, or useful life. If these costs do not produce these effects, they are treated as routine maintenance and charged to the income statement.

Tangible fixed assets at the time they are destined for disposal are recruited in a specific item in the Current assets and therefore valued at the lower of the net carry amount and the carry amount that can be deduced from the market trend. Goods for sale are no longer the object of abortion.

Fixed assets are depreciated in constant shares based on economic and technical rates determined in relation to the residual possibilities of use of the assets.

Fast-use assets of a unit value of less than Euro 516 are fully spent in the acquisition period.

Plant contributions are recognized when there is reasonable certainty that the conditions for the recognition of the contribution are met and that the contributions will be paid. They are indirectly brought to cost reduction as they are charged to the income statement in Item A5 “other income and income” and are then sent back to subsequent financial years by means of the entry of “passive payments”.

Impairment losses of tangible and intangible assets -- at each balance sheet date, the Group assesses the existence of indicators of potential impairment losses of tangible and intangible assets, including goodwill. If these indicators exist, the value of these assets is reduced to the relative recoverable amount, understood as the greater of the value of use, and the fair value or “fair value”.

The loss of value shall be recorded if the recoverable amount is less than the net carrying amount of the immobilization.

Any impairment due to loss of value shall be restored if the reasons for loss have been lost, within the limits of the original value net of depreciation.

Financial fixed assets -- these are represented by investments in subsidiaries, associates, and others, not consolidated with the global integration method, debt securities and credits entered in fixed assets if they are intended for a lasting permanence in the Group's assets.

Investments in other companies, where the percentage held is less than 30% or in subsidiaries and related companies which are not operational, in liquidation or which are not very significant within the Group, or where information for the application of the full consolidation method is not available in a timely manner or without propagated costs, it shall be assessed by the cost method. The balance sheet

value is determined based on the purchase price. The cost is reduced, in cases where the pro-share of the company's equity is less than the carrying amount of the investment entered in the balance sheet, if this condition presents a lasting loss of value; the original value is restored in subsequent periods if the reason for the Depreciation is lost. Losses exceeding the carrying value of the investments are set aside in a special fund of liabilities.

The claims entered in the financial fixed assets are applied to the assumed realistic value, determined, where appropriate, by adjusting the nominal value of the claims so as to take into account all risks of non-collection.

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

- In the income statement in items D18 or D19 in the case of covering the fair value of an asset or liability entered in the balance sheet as well as changes in the fair value of the items covered (where the change in fair value of the hedged item is greater in absolute value than the change in fair value of the hedging instrument, the difference is recognized in the income statement item concerned by the hedged item);
- In a special reserve of equity (in item AVII "reserve for transactions covering expected cash flows") in the case of hedge of cash flows in such a way as to offset the effects of hedged flows (the ineffective component, As well as the change in the time value of options and forward, it is classified in items D18 and D19).

Inventories – inventories are recorded at the lower between the purchase or production cost and the value of assumed realization that can be deduced from the market trend (art. 2426 number 9 dc). Purchase cost is the actual purchase price plus ancestral costs, excluding financial charges.

In the case of goods, finished goods, semi-finished products, and products in the process of processing, reference is made for the determination of the realization value which can be derived from market developments directly by the net realization value of these goods. Inventories are reduced in the balance sheet when the carrying amount resulting from market performance is less than the carrying amount. Obsolete and slow-running stocks are valued in relation to their possibility of using or realization.

Receivables -- the amortized cost criterion is not applied when the effects are insignificant, i.e when transaction costs, fees paid between the parties and any other difference between initial value and maturity value are of little importance or if the credits are short-term (i.e. less than 12 months).

The value of the claims, as determined above, is adjusted, where necessary, by a special depreciation fund, posed to a direct decrease in the value of the claims shall, to adapt them to their presumed realizable value.

The amount of the depreciation is recognized in the income statement.

The credits generated by cash pooling are recognized, if the time limits allow, in a specific item of the Current assets. If short-term time limits are not met, these claims are recognized as financial assets.

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

Prepayments and accruals – Prepayments and accruals were entered cost and revenue shares for the financial year, but payable in subsequent financial years and cost and revenue shares incurred by the end of the financial year, but for suffer equal financial years, in agreement with the principle of time competence.

Provisions for risks and charges – Provisions for risks and charges are allocated to cover losses or losses of a specific nature, of a certain or probable existence, of which, however, at the end of the financial year, the amount or the date of the contingency cannot be determined. The appropriation is the best possible estimate based on the facts available. The risks for which the occurrence of a liability is only possible are indicated in the notes on the funds, without the provision of a risk and burden fund. Provisions for the risks and charges funds are entered primarily in the income statement cost items of the relevant classes (B, C or D). Whenever this correlation between the nature of the provision and one of the items in the above classes is not feasible, submissions for risks and charges are entered in items B12 and B13 of the income statement.

Provisions for employee benefits -- in the end of employment treatment item, the amount of employment involvement to receive in the event of termination of employment at the date of closure of the financial statements was entered. The seniority allowances forming part of that item, i.e. the accrual portion for the year and the annual evaluation of the pre-existing fund, shall be determined in accordance with the rules in force. The end-of-report treatment is entered in item C of the capabilities and the provision in item B9 of the income statement.

The above relates to employees who, in almost totality, have chosen to leave in the company the TFR accrued in their favor. For employees who, following the legislation introduced by Law no. 296 of 27 December 2006, have opted for the payment of the portion of severance pay accrued to supplementary pension funds, the cost borne by the company for the portion accrued in the year is recorded in item B 9 of the income statement.

The proposal for end-of-relationship treatment presents the actual debt accrued to employees in accordance with the law and the employment contract in force, pursuant to art. 2120 C.C. and has been entered in each financial year based on economic competence. According to L. 27 December 2006, n. 296 (Financial Law 2007), the shares of TFR accrued until 31 December 2006

Retained accrues on the holding; subsequent shares, at the employee's choice, could be allocated to supplementary insurance or paid to the Treasury Fund managed by the INPS or be held on the holding company.

Debts -- the debts are entered according to the amortized cost criterion, considering the time factor. The amortized cost criterion shall not be applied to debits where its effects are negligent. The effects are considered irrelevant for short-term debts (i.e., with a maturity of less than 12 months). For the amortized cost criterion, see the above about credits.

Debt for leave earned by employees and for deferred salaries, including what is due to social security institutions, are allocated based on the amount that should be paid in the event of termination of employment at the date of the budget.

Leasing operations (leases) -- in civil financial statements, the assets leased by third parties, in agreement with the consolidated practice followed in Italy, are accounted for in the assets only at the time of redemption, while the income statement includes the rents, broken down in line with the duration of the contract (asset method).

The financial Methodology applied in the Annex to the consolidated financial statements to Leasing operations provides for the following:

- the value of the assets received in financial leases is entered in tangible fixed assets and amortized on the estimated useful life;
- the residual debt to the leasing companies is included in the debt to other lenders;
- interest accrues and included in the fees for the financial year is included in the financial charges, while the remaining part of the fees for the financial year is deleted from the income statement;
- the balance sheet is deleted from the balance sheet.

In the balance sheet between the Holding Company's net worth and the consolidated results, the effects of accounting for assets left by third parties according to the financial Methodology are highlighted in the context of consolidation adjustments.

Revenues -- revenues for the sale of goods are recognized when the substantial and non-formal transfer of the property title occurred, assuming as a benchmark, for the substantial transition, the transfer of risks and benefits.

Revenues from the sale of products and goods or from the provision of services related to the characteristic management are recognized net of returns, discounts, rates, and awards, as well as taxes directly linked to the sale of the products and the provision of services.

Revenues for the services are recognized at the completion and/or maturity of the services.

Transactions with related entities were conducted under normal market conditions.

Costs -- Costs are accounted basing on the competence principle, less of the date of collection and payment, net of returns, discounts, rebates and awards.

Dividends -- Dividends are accounted for in the period in which they are decided by the stakeholders' Meeting. Divides are recognized as financial income without the nature of the reserves being distributed.

Financial income and charges -- Financial income and charges are entered by competence. The costs relating to the demobilization of credits in any way (pro-sold and pro-sold) and of any kind (commercial, financial, other) are charged to the exercise of competence.

Income taxes for the financial year -- are recorded based on the estimated taxable income in accordance with the proposals in force, taking into account the applicable exemptions and the tax credits two.

Decreased tax liabilities and decreased tax assets are calculated on the temporary differences between the values of assets and capabilities determined according to the civil criteria and the corresponding values recognized for tax purposes. Their assessment is made considering the likely tax rate that the company is expected to sustain in the year in which such differences will contribute to the formation of the tax result, taking into account the rates in force or already opted on the balance sheet date and are recorded respectively in the "referred tax liability" entered in the capabilities under the risk and expense funds and in the item "deferred tax assets" of the Current assets. Deleted tax assets are recognized for all deductible temporary differences, in respect of the principle of prudence, if there is reasonable certainty of existence in periods in which they will pay a taxable income not less than the amount of the differences which will be canceled.

On the other hand, referred tax liabilities are recognized on all taxable temporary differences.

Fixed taxes relating to spent reserves are not recognized if there is little chance of distributing such reserves to shareholders.

CURRENCY CONVERSION CRITERIA

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

The assets and capabilities originally expressed in foreign currency of a monetary nature are converted into the balance sheet at the spot exchange rate at the date of the financial year's close; the relative profits and foreign exchange losses are entered in the income statement and any net profit is placed in a special reserve that cannot be distributed until realized.

At the date of the Consolidated Financial Statements at 12/31/2021 there are no currency items of a monetary or non-monetary nature to which to apply the dictates concerning the conversion provided for by the UCIs.

USE OF ESTIMATES

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

Estimates are used in several areas, such as allowance for doubtful accounts, impairment, employee benefits, income taxes, other risk funds, and the assessment of any impairment losses of tangible, intangible and financial assets (including equity investments).

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

CASH FLOW STATEMENT

The Statement of Cash flows includes all Cash and Cash equivalents Cash flows in and out during the period. In the Statement of Cash flows, individual Cash flows are presented separately in one of the following categories:

- a. operational management;
- b. investment activities;
- c. financing activities.

The cash flow categories are presented in the above sequence.

The financial flow of the operating activity is determined by the indirect method, or by adjusting the profit or loss for the period reported in the income statement.

The algebraic sum of the cash flows of each category mentioned above represents the net change (increase or decrease) of the cash and cash equivalents during the period. The presentation form of the statement of cash flows is of an indirect type.

Interest paid and collected is presented separately along cash flows of income management, except in cases where they relate directly to investment (investment activity) or financing (financing activity).

Divides received and paid are presented separately, respectively, in the income management and in the financing activity. Cash flows relating to income taxes are separately indicated and classified in the income management.

MORE INFORMATION

Deliveries pursuant to the fourth paragraph of art. 2423 -- it should also be noted that no exceptional cases have occurred which have required derogations from the legal rules relating to the budget relevant to the fourth paragraph of Art. 2423.

According to art. 2427 dc:

- in the financial year, no financial charges were charged to the values entered in the assets of the balance sheet;
- there are no commitments outside those set out in the supplementary note;

COMMENTS ON THE MAIN ITEMS OF ASSETS

Introduction, active addendum

Introduction

A detailed description of the items establishing the balance sheet assets on 31 December 2021 is given below.

FIXED ASSETS

For fixed assets (intangible and tangible), special prospects have been prepared, which are shown on the following pages, indicating for each item in the two categories, historical costs, previous depreciation and previous evaluations and deflations, changes during the period, the final balances and the total evaluations existing at the end of the financial year.

Introduction, intangible fixed assets

The item "Intangible fixed assets" amounted to a total of Euro 3,906,180 on December 31, 2021 (Euro at 4,428,798 on December 31, 2020).

The item "Installation and enlargement costs" of Euro 1,580,586 (Euro 2,767,701 on December 31, 2020) includes multi-year utility costs relating to the constituent expenses and start-up costs of the new direct offices.

The item "Concessions, licenses, trademarks, and similar rights" equal to Euro 978.

The "Goodwill" item of Euro 603,254 on December 31, 2021 (Euro 236,684 on December 31, 2020) includes consolidation differences resulting from the elimination of the value of the investments against the relative pro rata of shareholders' equity.

The item "Industrial patent rights of use of works of ingenuity" for Euro 501,577 (Euro 326,638 on December 31, 2020) refers to the rights of use of the software.

The item "Intangible fixed assets in progress and advance payments" for Euro 422,709 (Euro 304,901 on 31 December 2020) consists of costs incurred by the Holding Company for the creation and development of new software for the implementation of IT systems to improve the company's functionality.

The item "Other intangible assets", equal to Euro 797,076 (Euro 771,123 on December 31, 2020), includes improvements on third-party assets at the end of the year.

As of 31 December 2021, there were no commitments relating to intangible fixed assets held.

Introduction, variances of intangible fixed assets

Intangible Fixed Assets has a balance of Euro 3,906,180 (Euro 4,428,798 on December 31, 2020).

Below, is the detail of the changes of the items of intangible fixed assets.

Analysis of variances of intangible assets

	Installation and enlargement costs	Developments costs	Industrial patent rights and intellectual property rights	Concessioners, licenses, trademarks and similar rights	Goodwill	Current assets and allowances	Others intangible Assets	Total Intangible assets
Value at the beginning of the exercise								
Cost	4.677.800	278.978	806.863	5.562	236.684	304.901	1.375.571	7.686.360
Revaluations	-	-	-	-	-	-	-	-
Depreciation (Amortization Fund)	1.910.100	258.978	480.225	3.812	-	-	604.448	3.257.561
Devaluations	-	-	-	-	-	-	-	-
Final value	2.767.701	20.000	326.638	1.751	236.684	304.901	771.124	4.428.799
Changes in the exercise								
Increments for acquisitions	178.244	-	325.605	-	407.300	204.117	390.698	1.505.963
Reclassifications (of balance sheet value)	-	-	-	-	-	(86.309)	-	(86.309)
Decreases in alienation and disposals (of balance sheet value)	-	-	-	-	-	-	-	-
Revaluations made in the period	-	-	-	-	-	-	-	-
Amortization of the exercise	1.356.396	20.000	150.666	773	40.730	-	364.745	1.933.310
Write downs made in the exercise	-	-	-	-	-	-	-	-
Other variations	-	-	-	-	-	-	-	-
Total variations		(20.000)	174.939	(773)	-	117.808	28.684	300.658
End of year value								
Cost	4.856.044	278.978	1.132.468	5.562	643.984	422.709	1.766.269	9.106.014

Revaluations	-	-	-	-	-	-	-	-
Depreciation (Amortization Fund)	3.266.495	278.978	630.891	4.584	40.730	(0)	969.193	5.190.871
Devaluations	-	-	-	-	-	-	-	-
Final value	1.580.586	-	501.577	978	603.254	422.709	797.076	3.906.180

Comment, variances of intangible fixed assets

The item Industrial patent rights and intellectual property rights at the end of the year amounts to Euro 501,577 (Euro 326,638 the previous year) and is mainly composed of costs related to software programs developed internally. The increase in the year is mainly attributable to the Holding Company for the expenses incurred for the "App Condominio" project, a project in collaboration with Jakala for geolocation and profitability study of the areas, and the expenses related to the implementation of the management software in use.

The item Development costs, equal to Euro zero at 12.31.2021 (Euro 20,000 the previous year), the reduction in net book value compared to the previous year is attributable to the depreciation portion of the year.

The Goodwill item was recorded in the financial statements of Edac France S.a.S. against the acquisition of the assets acquired by the bankrupt company Etair Méditerranée S.a.S. following the agreement signed by the Holding Company with the Bankruptcy Court of Perpignan. The increase for the year of Euro 366,570 refers to the difference deriving from the consolidation of the Spanish subsidiary.

The increase in "Current assets and allowances" is attributable to the implementation of software projects during 2021. It consists of costs incurred by the Holding Company for the design and development of some IT projects, with particular reference to the Delta management system.

The increase in the exercise of the item "Other intangible assets" recorded an increase of Euro 25,953 mainly due to expenses incurred by the Holding Company, equal to Euro 390 thousand, mainly related to costs incurred for improvements on third-party assets, in particular, these are works carried out on the company's Points spread throughout the territory.

Assessment of the recoverability of investments.

When preparing the financial statements and in the presence of indicators of lasting loss of value, the Group assesses the recoverability of the intangible assets held. The analysis carried out did not reveal indicators of a lasting loss of value.

Introduction, tangible fixed assets

Tangible fixed assets net of amortization amounts to Euro 1,189,703 (Euro 1,303,781 on December 31, 2020).

The ordinary depreciation, shown in the appropriate prospectus, was calculated based on rates considered representative of the residual possibility of using the related tangible fixed assets. The rates applied are as follows:

- Plant and machinery 15%
- Industrial and commercial equipment 20.00%
- Other assets:
- Electronic office machines 20.00%
- Office furniture and equipment 12.00%
- Vehicles 25,00%

Introduction, Variances of tangible fixed assets

Below, there are the detail of the handling of the items of tangible fixed assets: final balances as well as the total of revaluations existing at the end of the financial year.

Analysis of Variances intangible fixed assets

	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other tangible assets	Tangible fixed assets in progress and payments on account	Total material assets
Value at the beginning of the exercise						
Cost	-	204.083	519.107	1.350.477	-	2.073.666
Revaluations	-	-	-	-	-	-
Depreciation (Amortization Fund)	-	48.234	54.046	667.605	-	769.885
Devaluations	-	-	-	-	-	-
Final value	-	155.849	465.061	682.871	-	1.303.781
Changes in the exercise	-	-	-	-	-	-
Increments for acquisitions	-	32.676	2.630	221.574	-	256.880

Reclassifications (of balance sheet value)	-	148.335	(160.260)	11.927	-	2
Decreases in alienation and disposals (of balance sheet value)	-	-	-	-	-	-
Revaluations made in the period	-	-	-	-	-	-
Amortization of the exercise	-	70.581	75.075	225.453	-	371.109
Write downs made in the exercise	-	29.906	(26.203)	(3.553)	-	149
Other variations	-	-	-	-	-	-
Total variations	-	(28.180)	(53.420)	19.279	-	(62.322)
End of year value	-	-	-	-	-	-
Cost	-	385.093	387.641	1.557.963	-	2.330.697
Revaluations	-	-	-	-	-	-
Depreciation (Amortization Fund)	-	148.721	76.754	915.519	-	1.140.994
Devaluations	-	-	-	-	-	-
Final value	-	236.372	310.887	642.444	-	1.189.703

Comment, Variances of tangible fixed assets

The main increases for the year mainly concerned the Holding Company:

- purchase of furniture and furnishings for the points of sale opened during the year, recorded under "Other tangible fixed assets", for Euro 83,411 net of the depreciation portion for the year incurred by the Holding Company.
- purchase of electronic machines, necessary for the performance of the activity for the company and the EdilizAcrobatica points of sale", registered under "Other tangible fixed assets", for Euro 118,121 net of the amortization portion for the year

Comment, variances of financial fixed assets

Concerning financial fixed assets, the negative change in derivative financial instruments of Euro 20,897 due to the recognition of the alignment of derivatives concerning the mark-to-market value at the balance sheet date of 12.31.2021 is to be highlighted.

Among the increases that took place during the year, euro 420,000 of credit to Cine Italia 1 Srl was noted, already present in the Holding Company's financial statements in the previous year but partially reclassified into fixed assets beyond the year. The remaining portion of Euro 180,000 is reclassified among other receivables within the current assets, payable within the year.

Leasing transactions (lessee)

Following IAS 17, existing financial leasing contracts have been reclassified using the following scheme:

- the cost of leased assets has been included among the tangible fixed assets under "Industrial and commercial equipment" and systematically amortized based on the estimated useful life; in return, financial debt to the lessor has been entered;
- any maxi-fee paid initially is considered as an immediate repayment of the loan in the capital line;
- the rents of the leasing contract are accounted for in such a way as to separate the interest expense from the principal portion, which reduces the residual debt.

As of 12.31.2021, properties were leased for Euro 83,164 (Euro 128,352 on December 31, 2020).

	Amount
Total amount of the leased assets at the end of the financial year	83.164
Appreciation for the financial year	45.189
Adjustments and value adjustments for the financial year	48.257
Current value of the fees not expired at the end. of the period of the financial year	80.861
Financial charges for the financial year on the basis of the interest rate actual	6.749

Introduction, current assets

For the item in question, special detailed tables have been prepared, shown on the following pages, which highlight the nature of the individual items and the relative changes of the period.

Introduction, inventories

The inventories of the warehouse consist of the goods that contribute to the production of the services provided by the company and more specifically consist

of the equipment with which each team of rope operators must be equipped such as harnesses, ropes, and safety equipment and the remnants of building materials, used for the execution of the works.
 On December 31, 2021, the value of inventories at the Group level amounted to Euro 3,511,037 of building materials (Euro 738,430 on December 31, 2020). The stocks recorded in the financial statements mainly include inventories at the Holding Company's warehouses for Euro 1,051,736 (Euro 616,364 on December 31, 2020) relating to the building materials used for the execution of the works. In addition, the Holding Company registers inventories for Euro 2,332,138 (Euro 1,894,628 on December 31, 2020) relating to goods that contribute to the production of the services provided by the Company, and more specifically consist of the equipment that each team of rope operators must be equipped with such as harnesses, ropes, and safety equipment.

Analysis of variances in inventories

	Raw materials, subsidiaries and consumer	Total inventory
Value at the beginning of the exercise	2.707.058	2.707.058
Variation in the exercise	803.979	803.979
End of year value	3.511.037	3.511.037

Comment, inventories

Within the consolidated item, any profits concerning the Intercompany resale of harnesses and protective equipment for rope operators have been eliminated. The increase compared to the previous year of Euro 803,879 is mainly attributable to the Holding Company for Euro 798,882, attributable to the substantial increase in the number of kits needed and contextual to the increase in the workforce that occurred in the last financial year.

Introduction, current assets: receivables

Receivables from customers

Receivables from customers amounted to Euro 14,066,786 (Euro 20,724,296 on December 31, 2020) and relate to receivables deriving from normal sales transactions only to customers. For the portion of receivables from customers due within the year of Euro 14,066,786, the expected recovery of which takes place in normal commercial terms, the Group did not use the method of assessing the amortized cost.

It should be noted that the trade receivables attributable to the Holding Company's customers amounted to Euro 12,608,965.

Trade receivables on 31 December 2021 are recorded net of a Depreciation fund allocated to adjust their value to that of presumed realization. The provision for the Depreciation of receivables on December 31, 2021, amounted to Euro 1,286,555 (Euro 1,321,115 the previous year).

The Depreciation of receivables is considered appropriate overall, also concerning the trend of recovery, through legal proceedings, of receivables in litigation.

The credit Depreciation fund according to art. 106 Tuir, accepts the Depreciation carried out according to a flat-rate criterion and by mass of all the receivables entered in the balance sheet, within the limits provided for in the fiscal terms.

Receivables from customers, which are fully due within the financial year, relate to receivables deriving from normal sales transactions on the national market.

It should be noted that there are no receivables with a residual maturity of more than 5 years (art. 2427 co. 1 n. 6 c.c.) and that a breakdown by Geographical Area of the receivables is not provided for the 2021 report because the most significant part of the business is still carried out in Italy.

Below is the detail of the composition and handling of depreciations:

	12.31.2020	Accrual	Uses	12.31.2021
Allowance for doubtful accounts	1.321.115	650.000	(684.560)	1.286.555
Total	1.321.115	650.000	(684.560)	1.286.555

Tax credits and Deferred taxes

The tax receivables item includes certain, determined, and in some cases allocated amounts deriving from credits for which a right of realization has arisen through reimbursement or set-off.

The item "Tax receivables" mainly includes the following tax credits recorded in the Holding Company's financial statements:

- Receivables for withholding taxes suffered for Euro 2,172,012
- Bonus Credit 50-90% of Euro 45,091,514 relating to the discounts on the invoice granted by the Company to customers for the works carried out according to the discipline of the transfer to third parties according to art. 121 of the Relaunch Decree. It should be noted that the Italian Accounting Body (OIC), following a specific request by the Revenue Agency, has issued the "Communication on how to account for tax bonuses". This communication provides that the company, which has carried out works according to the discipline of the transfer to third parties according to art. 121 of the Relaunch Decree converted into Law 77/2020 of 19 July 2020 and granted a discount on the invoice to the customer, is required to record the revenues in return for receivables

recognized at the deducible market value (i.e. fair value). The market value of these receivables was derived from the agreements for the sale of receivables relating to tax bonuses concluded during the year with Banca Intesa San Paolo.

Deferred tax receivables of Euro 517,039 relate to temporary differences between statutory profit and taxable income in addition to the effect deriving from consolidation entries; these receivables have been affixed because based on the multi-year plans drawn up by the management of the Holding Company there is a reasonable certainty that the Group will produce sufficient taxable income in future years for their recovery.

Other credits

The item "Receivables from others" amounted to Euro 2,289,372 (Euro 2,479,932 the previous year) mainly includes the following receivables recorded in the Holding Company's financial statements: Euro 54,158 receivables for advances to suppliers, Euro 208,786 for security deposits, Euro 1,378,112 for receivables against social security institutions for CIG events.

Introduction, variances, and maturity of receivables recorded in current assets

The most significant changes during the year concerning receivables recorded in current assets are reported in the following changes prospectus.

Analysis of changes and maturity of receivables recorded in current assets

	Accounts receivable	Tax credit	Subsidiaries	Deferred tax	Other Assets	Total Assets
Value at the beginning of the exercise	20.724.296	3.326.725	-	324.868	2.479.932	26.855.821
Variation in the exercise	(6.657.510)	45.022.213	-	192.170	(190.560)	38.366.313
End of year value	14.066.786	48.348.938	316.806	517.038	2.289.372	65.538.940
Poor share within the financial year	14.066.786	48.348.938	316.806	517.038	2.289.372	65.538.940
Poor share beyond the year						
Of which lasting more than five years						

Introduction, changes in financial assets that do not constitute fixed assets

Financial assets that do not constitute fixed assets amount to Euro 11,820,673 and relate to investments made during the previous years by the Holding Company in capitalization financial products and a new investment made in 2021. EdiliziAcrobatica SpA has made investments in the following financial instruments:

- " Aviva soluzione valore UBI Edition 2017 ", the contract was signed on 27 February 2018 for a value of Euro 1,000,000;
- "Eurovita Valore Private", the contract was signed on December 13, 2018 for a value of Euro 3,000,000.
- "Ezum Bnl Policy", the contract was signed on November 5, 2020 for a value of Euro 5,000,000
- Purchase of other marketable securities on November 9, 2020 for a value of Euro 48,000
- " Capitale protetto BPM 3 anni ", has a value at 30 June 2021 of Euro 2,084,400.
- Purchase of shares in "Nusco Spa" during 2021, for a total of 249,000 shares with a nominal value of Euro 298,000

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

The valuation is carried out at the adjusted acquisition cost of a revaluation, equal to Euro 297,469 to take into account the higher realization value on December 31, 2021

	Non-immobilized and Investments in subsidiaries	Non-immobilized and holdings in related undertakings	Non-fixed and holdings in parent companies	Holdings in undertakings under the control of the Holding Company	Other non-immobilized Investments	Financial derivatives assets	Other securities not fixed	Total financial assets that do not constitute fixed
Value at the beginning of the exercise	-	-	-	-	-	-	9.244.404	9.244.404
Changes in the exercise	-	-	-	-	-	-	2.576.269	2.576.269
End of year Value	-	-	-	-	-	-	11.820.673	1.820.673

Introduction, variances in cash and cash equivalents

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

It should be noted that the Group's cash and cash equivalents amounted to Euro 18,208,024 (Euro 8,241,967 at December 31, 2020), this amount is distributed between the Holding Company for Euro 16,147,779, Edac France S.a.S. for Euro 49,897, Energy Acrobatica 110 S.r.l for Euro 1,885,945 and Edac Iberica for Euro 124,403.

Analysis of variances in cash and cash equivalents

Below, the analysis of changes in cash and cash equivalents.

	Bank and postal deposit	Checks	Cash and Cash Values	Total Liquid Stock
Value at the beginning of the exercise	8.223.425	-	18.542	8.241.967
Variation in the exercise	9.970.044	-	(3.987)	.966.057
End of year value	18.193.469	-	14.555	18.208.024

Comment, variances in cash and cash equivalents

The increase in "Cash and Cash" is due to the difference between positive and negative cash flows. In particular, this positive change, significant in terms of amount, occurred thanks to the significant increase in turnover compared to the previous year (an increase of 98.8%) and a faster ability to collect receivables.

ACCRUALS AND DEFERRED INCOME

The item in question includes deferred income of Euro 661,488 due to insurance premiums, mortgage investigation costs, and rents. The most significant amount is the sponsorship contract with Torino Calcio stipulated by the Holding Company.

	Accruals	Deferred income	Total accruals and deferred income
Value at the beginning of the exercise	-	682.175	682.175
Variation in the exercise	-	20.687	20.687
End of year value	-	661.488	661.488

COMMENTS ON THE MAIN LIABILITIES

Introduction, passive notes to the financial statements

Regarding the year at the end of the year, the following are the comments on the main items of shareholders' equity and liabilities.

Introduction, equity

The handling of the items constituting the Shareholders' Equity of the last two financial years is provided below.

Prospectus of changes of Equity items

	Capital	Share surcharge reserve	Legal reserve	Reserve for cash flow hedging operations expected	Various other reserves	Profits (losses) carried over	Profit (loss) for the year	Negative reserve for Treasury Stock in portfolio	Total Group Net assets	Capital and reserves of third parties	Profit (loss) from third parties	Total Group and equity third parties
Value at the beginning of the exercise	803.250	6.680.369	158.485	(22.839)	4.389	3.481.007	1.757.640	-	12.862.301	-	-	12.862.301

Target of the result of the previous financial year			2.165		878.668	876.808	(1.757.640)		-			(932.914)
Dividend allocation						(1.743.053)			(1.743.053)			(1.743.053)
Other destinations									-			-
Other variations									-	36.891	16.591	91.138
Increments	12.165	526.732		15.665				(654.824)	(100.262)			774.932
Decrements					(3.474)				(3.474)			-
Reclassifications									-			-
Operating result							11.085.555		11.085.555	-		11.085.555
End of year value	815.415	7.207.101	160.650	(7.174)	879.583	2.614.761	11.085.555	(654.824)	22.101.067	20.300	16.591	22.137.958

We comment below on the main items that make up shareholders' equity and the related changes.

SHARE CAPITAL

The share capital is fully subscribed and paid-up on December 31, 2021, and amounts to Euro 815,415, represented by 815,414 ordinary shares. Compared to the previous year, the share capital increased by an amount equal to Euro 12,165.

Regarding the Holding Company, with the resolution of the Shareholders' Meeting of 29 November 2021, it should be noted that a free increase in the conditional share capital for a maximum nominal amount of € 24,462 was approved to serve the Stock Grant plan called "2021-2023 Stock Grant Plan" in favor of certain categories of employees

LEGAL RESERVE

The legal reserve of Euro 160,650 increased compared to the previous year by Euro 2,165 as a result of the allocation of profits for 2020 as per the shareholders' resolution of April 29, 2021.

SHARE PREMIUM RESERVE

The reserve recorded in the financial statements amounts to Euro 7,207,100 and increased by Euro 526,731 as a result of the exercise of the Warrants on September 30, 2021, for a total amount of Euro 538,897 of which Euro 12,165 for the increase in share capital and the remaining portion allocated to the share premium reserve.

OTHER RESERVES

Other Reserves consist mainly of Euro 878,668 relating to an unavailable reserve established by the Holding Company following the suspension of the amortization quotas for 2021, as approved at the time of allocation of the 2020 profit. Please refer to what is described in the paragraph "Profits carried over". To this is added a reserve for hedging operations for the fair value valuation of financial instruments (Euro 7,174 at 12.31.2021)

NEGATIVE RESERVE FOR TREASURY SHARES HELD

In 2021, the Holding Company also established the negative reserve for treasury shares 654,824, formed following the purchase of treasury shares by the Company.

PROFITS CARRIED OVER

This item, recorded for Euro 2,614,761, includes the results carried forward by the Holding Company and its subsidiaries. The decrease that occurred during the year is attributable to the distribution of dividends by the Holding Company for Euro 1,743,053 in two tranches; the payment of dividends took place as a shareholders' resolution of 29/04/2021 for Euro 1,285,200 followed by an extraordinary dividend distribution of Euro 457,853. A further decrease in the item is attributable to the loss achieved by Edac France on the 2020 financial statements.

SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THIRD PARTIES

On 31 December 2021, the shareholders' equity (capital and reserves) and the net result attributable to Third Parties refer to the minority stake held by third-party shareholders in the Group Companies. In particular, third-party capital and reserves amounted to Euro 20,300 and the profit (loss) for the year of third parties amounted to Euro 16,591.

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

The comparison between the composition of the Shareholders' Equity indicated in the Financial Statements of the Holding Company on 31 December 2021 and the corresponding values shown in the Consolidated Financial Statements on the same date is as follows.

	EDAC S.p.A.	Consolidated financial statements
Share capital	815.415	815.415
- Share surcharge reserve	7.207.101	7.207.101
- Legal reserve	160.650	160.650
- Other reserves, cleared stated	875.883	872.409
-Results carried over	3.443.653	2.614.761
- Net profit for the year	12.085.813	11.085.555
Negative reserve for treasury shares in the portfolio	(654.824)	(654.824)
Total	23.933.691	22.101.067

These differences can be explained as follows:

Table 1.11

	Equity	Net result
EDAC S.P.A. FINANCIAL STATEMENTS	23.933	12.085
- EDAC Iberica consolidation	(70)	(67)
- EA 110	116	96
-EDAC France consolidation	(1.832)	(1.009)
IAS 17	(10)	(4)
CONSOLIDATED FINANCIAL STATEMENTS	22.137	11.101
- amounts attributable to third-party stakeholders	(36)	(16)
VALUES ATTRIBUTABLE TO THE GROUP	22.101	11.085

Introduction, information on funds for risks and charges

On December 31, 2021, they amounted to Euro 61,640 (Euro 120,122 on December 31, 2020) and are composed as follows:

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

	Fund for retirement treatment and obligations similar	Fund for taxes also deferred	Financial derivatives	Other funds	Total funds for risks and charges
Value at the beginning of the exercise	-	58.708	56.062	5.352	120.122
Changes in the exercise			(36.561)		(36.561)
Accrual in the period					
Use in the exercise		(16.569)		(5.352)	(21.921)
Other variations					
Total variations					
End of year value	-	42.139	19.501	-	61.640

Comment, variances, and maturity of debts

The total amount of debts is placed in the "liabilities" section of the Balance Sheet at class "D" for an amount of Euro 80,139,405 (Euro 38,510,144 on December 31, 2020). The new formulation of art. 2426 c.c. provides that receivables and payables must be recognized in the balance sheet according to the criterion of amortized cost, considering the time factor (and as regards receivables, the value of presumable realization). An assessment of the debt items showed that the effect of the application of the amortized cost to the Debt items on the Balance Sheet compared to a valuation at nominal value was irrelevant.

We comment below on the composition of the main items that make up this grouping.

Bonds

On 31 July 2020, Ediliziacrobatica S.p.A. issued a 10 million euro bond subscribed by the Intesa Sanpaolo bank, while at the same time the bonds listed on the ExtraMOT Pro segment of the Italian Stock Exchange for € 5 million were repaid early. The main terms that regulate the Bond Loan are:

Interest: fixed-rate (with deferred semi-annual coupon) equal to 3.30% (three-point thirty percent) on an annual basis;

Maturity/duration: 7 (seven) years from the date of issue

Repayment: on an amortizing basis, with a pre-amortization period of 2 (two) years.

The issuance of the Bond Is aimed at the development of new markets through the strengthening of the commercial presence, continuation, and consolidation of the internationalization process, new business lines also through merger & acquisition operations of companies or individual business units, as well as the strengthening and/or rationalization and/or efficiency of both Italian and foreign production areas, to strengthen its presence on the reference markets and develop working capital concerning revenue growth.

Bonds are valued using the amortized cost method. Therefore, the Holding Company has led to a reduction in the value of the bond issued the transaction costs incurred for an amount of Euro 238,437 thousand.

As of 12.31.2021, the Company verified that it had complied with the Covenants provided for in the agreement signed with Banca Intesa Sanpaolo.

Debts to banks

Debts to banks are thus made up.

Table 1.17

	12.31.2021	12.31.2020
Advance on invoices	2.259.205	654.145
Credit cards	11.623	7.429
Financing	14.304.293	14.264.493
Total	16.575.121	14.926.067

The "Payables to banks" concern Euro 2,259,205 the ordinary loans to primary credit institutions with which the Company maintains regulated relationships at rates in line with the market and Euro 14,304,293 loan contracts aimed at investments necessary to strengthen production activities. In this regard, the Holding Company has entered into a new loan agreement with Credem for Euro 1,000,000 during the 2021 financial year, and the subsidiary Edac France has entered into two new financing contracts with Banque Populaire Du Sud in the amount of Euro 380,000 and Euro 320,000.

Below is the breakdown of debts to banks due within the year and payable beyond the year.

	12.31.2021	12.31.2020
Payable by the financial year	6.482.873	3.868.618
Payable after the following financial year	10.092.248	11.057.450
Total	16.575.121	14.926.068

The following is the time breakdown for the main financing with a share within and beyond the financial year:

Table 1.19

	By the year	Beyond exercise
UNICREDIT MORTGAGE 7697470	71.239	41.969
Mutual loan (January 2018)	379.519	127.380
Mortgage Credem November 2018	100.810	-
UniCredit mortgage May 2019	-	-
Mortgage Credem July 2019	-	-
Loan payable Ubi Bank January 2020	-	-
Loan liabilities Carige February 2020	375.840	-
Negative loan Intesa April 2020	250.257	-
Negative loan bpm June 2020	883.458	2.240.214
Deutsche Bank loan July 2020	495.757	1.380.829
Loan Intesa September 2020	1.000.000	3.000.000
Bank mortgage loans	6.070	-
Credem loan 2021	198.904	801.096
BCC LOAN	-	-
Advances SPA	2.270.828	-
Edac loan 110	450.190	1.800.760
Edac France loan		700.000

Debts to other lenders

Debts to other lenders consist of financing for a company car and leasing fees.

Advances Received

The item "Advance received", equal to Euro 22,718,476 (Euro 1,396,781 the previous year), includes advances received from customers relating to supplies of goods and services not yet made. It should be noted that the entire advance payment item is attributable to the Holding Company, this amount includes advances received from customers relating to supplies of services not yet made. It mainly welcomes the receipts already received for productions not yet completed at 12.31.2021, almost entirely related to the practices with discounts on the invoice granted by the Company to customers for the works carried out according to the discipline of the sale to third parties according to art. 121 of the Relaunch Decree. The change in advance payments in the accounts for the year amounted to Euro 21,321,695, this significant increase occurred due to the high number of files stipulated during the year and not yet completed at the balance sheet date.

Account Payables

The "Payables to suppliers" relate to transactions of a commercial nature in the normal terms of payment all due within the year. For these debts, the Company, therefore, did not use the amortized cost valuation method. On December 31, 2021, the item had an amount of Euro 6,889,170 (Euro 5,269,421 on December 31, 2020).

The increase in the year, mainly concerning the Holding Company, of Euro 1,619,750, is due to the increase in volumes of activity, the company does not present situations of significant debts to suppliers expired beyond the year.

Tax debts

The item "Tax payables", equal to Euro 15,528,668 (Euro 2,297,784 the previous year), is mainly related to the current tax debt for the year, net of the advance payments for June and November, equal to Euro 5,802,039 for the Group companies, to the VAT debt of the Group companies for Euro 9,414,178, the debt of the Holding Company for taxes in installments or in the process of being defined as facilitated for Euro 65,145 and debts of the Group Companies for withholding taxes on employees and self-employed for Euro 247,307.

	12.31.2021
Income taxes and minor taxes	5.867.184
VAT due	9.414.178
Tax withholding on employee work	219.879
Withholding tax on self-employment	27.428
Total	15.528.668

The breakdown of tax liabilities is as follows:

Table 1.22

	12.31.2021
Payable by the financial year	15.528.668
Payable after the following financial year	-
Total	15.528.668

Debts to social security institutions

This item refers to the payables to the social security institutions of the Holding Company for Euro 3,102,071, of the subsidiary Edac France S.a.s. for Euro 196,300, of the subsidiary Energy Acrobatica 110 S.r.l for Euro 2,709, and the subsidiary Edac Iberica for Euro 14,667. In particular, the debts are mainly towards the pension funds and building funds whose increase on the Holding Company compared to the previous period is due to the acquisition of employees in force on the subsidiaries hired from the first of January 2021.

Other debts

The item "Other payables", equal to Euro 4,957,791, is mainly composed of Euro 1,970,239 of payables to employees for skills accrued in December 2021 and settled in January 2022, payables to employees for deferred remuneration of Euro 816,836 and the debts of the Holding Company for Euro 1,054,821 to Shareholders for profits to be paid and for Euro 1,009,333 to payables to directors.

The composition of the voice is shown below:

	12.31.2021	12.31.2020
Debts to staff	2.787.148	2.000.862
Payables to Members for profits to be paid	1.054.822	85.000
Debts to Franchising	42.125	21.402
Other different debts	1.073.696	612.501
Total	4.957.791	2.719.766

Introduction, information on accruals and accrued income

According to art. 2424 bis, paragraph 6, of the civil code, the costs of the financial year payable in subsequent financial years and income received by the end of the financial year but failing within the scope of subsequent financial years.

Comment, information on accruals and deferred income

On December 31, 2021, the accruals and deferred liabilities item, equal to Euro 423,494, mainly related to the liability accrual of Euro 263,392 in Edac France and the deferred liabilities of Euro 104,329 recorded following the obtaining by the Mise and the Revenue Agency of the authorization on the validity of the tax credit for the IPO accrued on the consultancy costs of the year of listing and from rebates on bond loans. As of 31 December 2021, no accruals and deferred income were lasting more than five years.

Introduction, notes to the income statement

Before proceeding with the analysis of the individual items, it is recalled that the comments on the general trend of costs and revenues are exposed, following art. 2428, paragraph 1, of the Civil Code, as part of the annual report.

Introduction, the value of production

The value of production amounts to Euro 87,677,804 (Euro 46,168,759 on December 31, 2020) with a significant increase compared to the same period of the previous year; the increase in this item is mainly due to the effect that the Ecobonus maneuver has had on the Company. Please refer to the Annual Report for an analysis of the trend in revenues for the 2021 financial year.

As already reported in the "Tax receivables" section, the revenues attributable to the Holding Company, relating to the works carried out according to the regulations of the sale to third parties according to art. 121 of the Relaunch Decree converted into Law 77/2020 of 19 July 2020, were recorded net

of the adjustment to the market value of the receivables relating to tax bonuses deriving from the practices carried out according to the discipline of the sale to third parties for an amount equal to Euro 11,758,064 of which Euro 7,129,049 relating to charges for practices already sold during the 2021 financial year.

Item A4) "Increases in fixed assets for internal works" includes capitalized costs that have generated increases in balance sheet assets in the item "Fixed assets in progress and advance payments" recorded for Euro 121,000 among intangible assets. For details of the increases, please refer to the comment on the item "Fixed assets in progress and advance payments".

Item A5) "Other revenues and income" includes contributions for the year recorded under "Contributions" for Euro 204,487 and other revenues recorded under "Others" for Euro 402,408.

Breakdown of sales and performance revenues by asset category

Introduction

The breakdown of the value of production by asset category is given below, net of the increase in fixed assets for internal work:

<i>Values in thousands of Euros</i>	12.31.2021	12.31.2020
Direct operating location revenue	81.800.993	42.188.647
Revenue from franchised operating locations	5.347.519	2.674.862
Contributions	204.487	280.092
Other lower operating income	402.408	394.760
Increases in fixed assets for internal works	121.000	829.000
Total	87.677.804	46.168.807

Comment

On December 31, 2021, the item "Revenues from sales and services" includes revenues from production carried out on construction sites for euro 87,149 thousand (in 2020 for euro 44,664 thousand); this increase is due both to the opening of new direct operating areas and to the further development in terms of sales and production activities of those already present in addition to the evolution of the volume of the business linked to the practices with discounts on the invoice granted by the Company to customers for the works carried out according to the discipline of the sale to third parties according to art. 121 of the Relaunch Decree.

The increase in royalties is due to the increase in the production volume of the areas managed by the franchisees; this has also led to an increase in sales of material to the latter.

PRODUCTION COSTS

The costs and charges of Class B of the Income Statement, equal to Euro 69,348,186 (Euro 43,023,237 on 31 December 2020), classified by nature, were reported net of returns, commercial discounts, rebates, and premiums, while the financial discounts were recognized in item C.16, constituting financial income. The costs for the purchase of goods also include the ancillary costs of purchase (transport, insurance, loading, and unloading, etc.) if the supplier has included them in the purchase price of the materials. Otherwise, these costs were included in the costs for services (item B.7). It should be noted that non-recoverable VAT has been incorporated into the purchase cost of the goods. Items B.6, B.7, and B.8 have not only been charged with certain amounts resulting from invoices received from suppliers but also those of an estimated amount not yet documented, for which special investigations have been carried out. It should be noted that since the criterion of the classification of costs "by nature" must prevail, the provisions to the funds.

COSTS FOR RAW MATERIALS, SUBSIDIARIES, AND CONSUMPTION

Costs for raw materials, subsidiaries, and consumption amounted to Euro 8,801,691 (Euro 5,409,372 the previous year). This item is mainly composed of the costs for the purchase of harnesses, equipment, and materials for the operating teams in the production process.

COSTS FOR SERVICES

The costs for services are shown for an amount of Euro 20,054,095 (Euro 10,725,047 the previous year). This item consists mainly of consultancy costs related to administrative staff (Euro 958,027), commercial consultancy costs (Euro 5,742,597), reimbursement of expenses of workers, collaborators, and coordinators (Euro 1,571,722), labor costs at construction sites (Euro 1,293,915), waste disposal costs (Euro 344,827), insurance costs (Euro 75,352), fuel costs (Euro 851,717), representation and advertising expenses (Euro 657,311) and utility expenses (Euro 314,956).

COSTS OF USE OF THIRD-PARTY ASSETS

Item B 8) includes Euro 4,535,565 (Euro 2,996,618 on 31 December 2020) the costs of use of material third-party assets. This item mainly includes the rents for the properties of the direct operating offices for Euro 119,843, the fees for software licenses for Euro 174,737, leasing fees of Euro 65,573, vehicle rental fees for Euro 1,467,770, construction and office equipment rental fees of Euro 499,658 and Euro 23,106 respectively, other rentals for Euro 82.422. These costs for the Holding Company increased by 52% compared to the previous year, mainly due to the increase in costs closely related to the opening of new operating areas that led to the support of higher rental fees for vehicles and company trucks and rental fees for Points located throughout the country.

PERSONNEL COSTS

Personnel costs are recorded in the production costs of the income statement for a total of Euro 32,970,468 (Euro 21,267,848 on December 31, 2020). In detail, in item B9a) wages and salaries including accrued and unpaid portions relating to additional monthly payments and accrued and not taken leave are recorded before withholding taxes and social charges borne by the employee; in item B9b) the costs borne by the enterprise, in item B9c) the provisions made in the period for severance pay, in item B9d) the provisions to supplementary pension funds other than severance pay. In addition, the item "Other costs" included the cost of temporary work and personnel seconded to other Group companies, travel allowances, and company bonuses to workers of Euro 479,752.

DEPRECIATION AND AMORTIZATION

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

Item B10d) "depreciations of the receivables included in the Current assets", includes Euro 650,000 and Depreciation of trade receivables from customers registered in current assets.

CHANGE IN INVENTORIES OF RAW MATERIALS, SUBSIDIARIES, CONSUMPTION, AND GOODS

The change in the Group's consolidated inventories amounted to Euro 887,341, of which Euro 798,883 only referred to the Holding Company as a result of the increase in the Building Warehouse, pedestrian tunnels, and operator kit during the 2021 financial year.

DIFFERENT OPERATING CHARGES

The item "Different operating charges" has a balance of Euro 921,530 (Euro 1,054,881 in the same period of the previous year) and consists for the most of Euro 890,918, recorded in the Holding Company's financial statements, relating to Euro 439,231 contingent liabilities, for Euro 115,662 relating to sanctions, penalties and fines mainly for Ediliziacrobatica S.p.A. and Euro 63,125 relating to representation expenses 23,433.

Introduction, financial income, and expenses

In class C, all the positive and negative components of the operating income related to the company's financial activity were recorded. Net financial income shows a positive balance of Euro 249,746 attributable to interest income on fixed receivables in relation to receivables from practices with discounts on the invoice granted by the Company to customers for the works carried out according to the regulations of the sale to third parties pursuant to art. 121 of the Relaunch Decree recorded in the financial statements as of 12.31.2021.

Interest and other financial charges

This item, equal to Euro 1,787,800 (Euro 432,664 on December 31, 2020), mainly includes the charges relating to the interest expense accrued on the bond loan and the loans recorded in the "debts to banks" item.

Here is the detail of the main items of interest. In addition, the item includes Euro 1,202,218 the cost incurred by the Holding Company during the 2020 financial year for the sale of tax credits, referred to in Article 121 of Decree-Law No. 34 of 19 May 2020, converted by Law No. 77 of 17 July 2020 (Relaunch Decree) amended by Law 178/2020, to Intesa San Paolo S.p.A.

	12.31.2021
Passive bank interest	19.505
Interest payable on bond loans	334.584
Interest payable on loans	157.465
Interest payable on third-party financing	2.315
Others	1.269.761
Total	1.787.800

VALUE ADJUSTMENTS FOR FINANCIAL ASSETS

The item evaluations of securities entered in the Current assets that do not substitute equity is composed of Euro 297.469 for the valuation of the value of the item "other securities" entered in the Current assets.

Table 1.29

	12.31.2021
securities entered in fixed assets which do not constitute holdings	-
securities entered in the current assets which do not constitute holdings	297.469
Total	-

INCOME TAXES FOR THE YEAR

The taxes have been calculated based on the tax legislation in force and represent the amount of taxes to which the financial statements relate. They amount to a total of Euro 5,986,890 (Euro 1,087,201 on December 31, 2020) and relate to:

- (a) current taxes on taxable income for the financial year;
- (b) deferred and deferred taxes;
- (c) current taxes relating to previous years.

The item "taxes" includes current, advance, deferred and previous year taxes. The following are the tax statements of the Holding Company.

	12.31.2021
IRAP	1.363.909
IRES	4.749.723
Deferred and anticipated taxes	(200.271)
Taxes relating to previous years	46.159
Total	5.959.520

The theoretical rate determined basing on the configuration of taxable income for the purposes of the Ires tax is 24%. The reconciliation with the actual rate is as follows:

Table 1.31

IRES EFT RECONCILIATION	
Result before tax	18.038.248
Theoretical tax burden (%)	24%
Theoretical IRES	4.329.180
Permanent differences	2.163.780
Temporary differences	411.516
Taxable income	19.790.512
Actual IRES	4.749.723
Actual tax burden (%)	30%

The theoretical rate determined basing on the configuration of taxable income for the purposes of the Irap tax is 3,9%. The reconciliation with the actual rate is as follows:

Table 1.32

IRAP EFT RECONCILIATION	
Result before tax	18.038.248
Not significant costs	33.077.487
Theoretical production value	83.490.107
Theoretical tax burden (%)	3,9%
Theoretical IRAP	2.106.702
Permanent differences	(12.166.629)
Temporary differences	(160.067)
Value of production	33.172.948
Actual IRAP	1.363.909
Actual tax burden (%)	1,95%

Introduction, additional note other information

Introduction, employment data

The average number of employees for the financial year 2021, broken down by category, was as follows.

Average number of employees by category

Table 1.33

	Managers	Executives	Employees	Workers	Other employees	Total employees
Average number	-	8	149	775	3	935

Introduction, remuneration to directors and statutory auditors

In 2021, compensation to the Directors and Statutory Auditors of the Holding Company was recognized for the purposes of Euro 638,421 is broken down as follows:

- Euro 603,421 to directors;
- Euro 35,000 to the statutory Auditors.

Introduction, remuneration statutory auditor or audit firm

The total consideration for the statutory audit of the 2021 financial statements is Euro 24,000 corresponding to the total amount of the fees due to the statutory audit firm for the statutory audit of the annual accounts, to which are added additional supplementary services of the auditing firm for Euro 38,000 for a total of Euro 62,000.

Statutory audit of annual accounts	Other supplementary services
24.000	38.000

Introduction, securities issued by the company

On November 19, 2018, the company was listed on the AIM segment of the Italian Stock Exchange. In the listing process, the company issued number 7,449,850 ordinary shares, and 149,850 Greenshoe Options and placed 431,325 Warrants (1 for every 4 shares).

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

- 1,499,850 ordinary shares resulting from the capital increase reserved for the market;
- 75,600 ordinary shares resulting from the capital increase reserved for employees and directors;
- 149,850 ordinary shares, corresponding to approximately 8.7% of the offer, resulting from the greenshoe capital increase.

On September 30, 2021, based on the provisions of the "EDAC Warrants 2018-2021" regulation, at the end of the financial year warrants number 151,647 were exercised, therefore 108,261 shares were issued for a total amount of Euro 538,896. The new share capital of EDAC is equal to Euro 815,414, divided into 8,154,145 ordinary shares, all without indication of the nominal value. Following the exercise of warrants, the free float is equal to 22.43%, and the share capital of the Company is represented by 8,154,145 shares and is held as follows:

Shareholders	Number Of shares	percentage of Share capital
Arim Holding S.r.l.	6.041.386	74,09%
Employees and administrators, and market	2.064.082	25,31%
EdiliziAcrobatica S.p.A.	48.677	0,60%
Total shares	8.154.145	100%

Analysis of securities issued by the company

Table 1.35

Participation certificates	Obligation convertible	Warrants	Options or values similar	Other Securities
Number	-	538.896	-	-
Rights granted	-	-	-	-

Information on derivative instruments ex Art. 2427-bis of the Civil Code

The detailed information required by art. 2427-bis co.1 no. 1 Civil Code.

Please note that the company has two derivative contracts in place to cover interest rate risk. Below are the details. The changes of fair value reserve during the period are set out in the table in the section on equity.

Description	Fair value exercise CE	Change to current	Change to PN	Amount of residual reference
Interest Rate SW ap Deutsche Bank – Year 2020	12.327		12.327	2.000.000
Interest Rate SW ap BPM – Year 2020	(19.500)		(19.500)	4.000.000

INFORMATION ON RELATIONS WITH RELATED PARTIES

According to art. 2427, first paragraph, n. 22-bis, C.c., it was considered to highlight the information relating to the transactions carried out with related parties, even if they were concluded at market conditions, in the information contained in the management report.

The following table shows the balance sheet and economic relations with related parts for the financial year ended 31 December 2021:

	Financial debts	Financial receivables	Trade receivables	Trade debts	Sales	Costs
Edac I-Profile Srl	-	-	114	124.873	-	100.549
EdiliziAcrobatica Italia Srl	-	-	1.820	42.338	-	419.192
Energy Acrobatica 110 S.r.l.	-	-		-	-	
EdiliziAcrobatica ibérica sl	-	200.000		-	-	
EdiliziAcrobatica France SaS	-	1.270.270	287.461	66.152	91.502	109.682
Total	-	1.470.270	289.395	233.363	91.502	629.423

COMMITMENTS, GUARANTEES, AND CONTINGENT LIABILITIES NOT RESULTING FROM THE BALANCE SHEET

Following the changes made to the financial statements by Legislative Decree 139/2015 from 2016, the order accounts at the bottom of the Balance Sheet no longer have to be indicated. Any commitments, guarantees, and contingent liabilities not resulting from the Balance Sheet are therefore described in this specific point of the Report.

At the balance sheet date, there were no commitments, guarantees and contingent liabilities to be recognized for the Group.

INFORMATION ON ASSETS AND LOANS INTENDED FOR A SPECIFIC BUSINESS

Assets intended for a specific business

It is hereby established that at the date of closing the financial statements there are no assets intended for a specific business referred to in no. 20 of art. 2427 of the Civil Code. Financing for a specific business

It is hereby established that at the date of closing the financial statements there are no loans intended for a specific business referred to in no. 21 of art. 2427 of the Civil Code.

INFORMATION ON AGREEMENTS NOT RESULTING FROM THE BALANCE SHEET

No agreement not resulting from the balance sheet was put in place during the year.

OTHER INFORMATION

Allocation of the Holding Company's operating result (Art. 2427, paragraph 1, number 22- septies, of the Civil Code)

The Board of Directors proposes to allocate the Holding Company's operating result of Euro 12,085,813 as follows:

- charge an amount of Euro 2,446 to an increase in the "Legal Reserve", which in this way will reach the legal limit;
- set aside 9,637,124 Euro 9,634 for new earnings
- distribute dividends of Euro 2,446,243 by allocating a dividend per share of Euro 0.30 per share.

Information according to art. 1, paragraph 125, of Law no. 124 of 4 August 2017

Law no. 124/2017 provides for the obligation to provide information on grants, contributions, paid assignments, and economic benefits of any kind received from Italian public administrations. In this regard, it should be noted that during 2021 EdiliziAcrobatica S.p.A. did not receive any form of a grant, contribution, paid assignment, or another economic advantage from Italian public administrations. It should be noted that revenues:

- generated by services provided to subjects belonging to public administrations as part of the characteristic activity of the company and regulated by contracts for remunerative services,
 - the tax advantages accessible to all companies that meet certain conditions based on predetermined general criteria, which are also the subject of specific declarations (see CNDCEC Document March 2019)
- they are not considered relevant for the information obligations provided for by Law no. 124/2017.

According to art. 2427 of c.c. it should also be noted that:

- no borrowing costs have been charged to the assets on the balance sheet;

Genoa, March 29, 2022

For the Board of Directors,

Riccardo Iovino (Administrator)

