



EDILIZIACROBATICA[®]



Consolidated Management Report
EdiliziAcrobatica S.p.A.
31.12.2021



EDILIZIACROBATICA S.P.A. –
Registered office in Milan – Via Turati, 29

Share capital € 815.415 –

Tax code and VAT number 01438360990 – R.E.A. MI 1785877

Report on the Management of Consolidated Financial Statements on December 31, 2021

Shareholders, this consolidated financial statements at 12/31/2021, closed with a net profit for the period of Euro 11.085.555, net of taxes of Euro 5.986.890.

In the disclosure, you will be informed of the financial statements as at 12/31/2021. In this document, in accordance with Art. 2428 of the Civil Code, the information concerning the situation of the company group and the information on the management progress, as well as on the foreseeable evolution of the management, the net financial position and the main risks and uncertainties to which the group is exposed are presented.

This report, drawn up with values expressed in units of Euro, is presented in support of the consolidated financial statements for the year to provide income, capital, financial and management information of the group, agreed, where possible, by historical elements and prospective assessments.

Shares held by Ediliziacrobatica on 31 December 2021

Denomination	Registered office	Capital	Share owned
Ediliziacrobatica France S.a.s.	Bureau Direction Generale, 2 A	550.509	100%
Ediliziacrobatica Iberica S.L.	Barcelona COBALT, 87	3.000	90%
Energy Acrobatica 110 S.r.l.	Corso Ferrucci 112 Building B 1	100.000	80%

This financial statement, which is submitted for your approval, fully represents the situation in which the Group finds itself.

Performance of the sector

The global construction scenario has been heavily affected by the effects of the Covid-19 pandemic, especially during 2020. In 2021 a strong recovery began throughout Europe and especially in Italy.

The EdiliziAcrobatica Group is active in the field of external renovations, within the macro-sector of construction. Investments in building redevelopment are structurally characterized by a

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strong growth dynamic that can refer to factors of various kinds converging with each other. In Italy, the "Bonus Facciate" has given greater strength to the growth of renovations and is proof that more and more we want to encourage the medium, small and large maintenance market. The "Bonus Facciate" has made it possible to recover 90% of the costs incurred in 2020 and 2021 without a maximum spending limit.

In particular, investments in the redevelopment of housing stock confirm the positive dynamics of previous years, coming to represent a substantial slice of the value of investments in construction, effectively driving the entire construction sector.

The renovation and maintenance market, in general, continues its rise and the forecasts for 2022 see a projection of investments in building renewal with a further increase compared to previous years.

Among the main trends of recent years, there is certainly the professionalization of the sector with the growing presence of structured operators, active in the management of buildings (facility and property management companies). More and more large real estate management groups are also approaching the market of condominium administrations both in Italy and abroad, as in France where they are an already consolidated reality. For the Group, the evolution of the market is a great advantage as it is the only company in the sector with a structure and an organization that makes a difference both at the Italian and European levels, becoming more and more a point of reference for large customers who require a high-quality standard.

Another advantage of the transformation of the market is the renewed attention, both in Italy and in Europe, towards historic buildings, which has led to investments in the conservation of the same through both ordinary and extraordinary recovery and maintenance interventions as well as the introduction, as previously mentioned, of the "Bonus Facciate" in Italy.

The growing trend of planning routine and extraordinary maintenance of buildings is strongly pushing the rope construction industry. Having no costs of installing scaffolding or aerial platforms, condominium administrators are increasingly moving towards scheduled maintenance of the buildings. That is the possibility of facing the entire external renovation of the buildings through medium-small interventions planned in several time phases, with completion of the works even in 3/5 years. This trend is increasingly strong thanks to the possibility of deferring the payments of the interventions by the condominiums over time and therefore thanks to a planning of the maintenance of the buildings increasingly studied in advance, therefore not chasing the emergency and without facing the large interventions in a single solution, thus generating discontent on the part of families for the sudden excessive spending. This tendency to schedule maintenance is part of the evolution of the role of the condominium administrator who is increasingly transforming himself from a custodian of assets to a Building Manager.

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Competitive behavior

On the Italian market and at the European level, the Group plays an undisputed leading role. The current competitors are small, both in terms of turnover and in terms of capillarity of geographical areas of activity and carry out rope interventions sometimes as additional services to traditional construction, or, in some cases, within niche segments (reclamation, environmental interventions, etc.). Moreover, in 2021 there are no new major competitors and the trend of small competitors on a local scale remains unchanged, that is, within the cities without a real expansion plan.

The French market

The French market has always presented itself as a thriving and advantageous sector.

The construction market in France is estimated at 148 billion (Source Fédération Française du Bâtiment) with an estimated growth for the year 2022 at 4.3% (FFB) and it is confirmed among the most important economic players in France.

The market in question shall be divided as follows:

- €42 billion in new homes;
- €46 billion for the improvement and maintenance of housing.
- €27 billion in the sector of new non-residential, where Ediliziacrobatika often records interventions to support the completion of new buildings (external and roof finishes, installation of panels on the façade, installation of photovoltaic panels, installation of fall arrest systems as lifelines, support for the realization of the work in general).
- €33 billion euros for the improvement and maintenance of the exterior of buildings.

The trend of the French construction market has recorded a sharp decline in recent years concerning the new construction sector, while regarding the improvement-maintenance sector, it continues to record a positive trend in line with the rest of the European countries. In the coming years, thanks to the 3.5 billion in public aid paid under the France Relance plan through the "Ma prime renov" and "France Rénove" projects, a strong increase is expected in works aimed at

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energy renewal. Ediliziacrobatika France is working to obtain the necessary certifications to attack the market already in 2022.

Spain Market

In 2021, the Spanish market, after a negative 2020, recorded a slightly positive result.

As for 2022, expectations are excellent, and residential construction and civil engineering should be the main drivers of growth. Next Generation EU funds will contribute significantly to financing sustainable projects.

It is important to highlight how the residential sector, against all expectations, has reacted strongly in the face of the crisis derived from COVID-19. The sector has not only managed to overcome at full capacity the impact of the pandemic but has also managed to pick up the pace and anticipate the growth data at the level of production and marketing.

Specifically, and concerning the rope restructuring sector, expectations are equally positive given that the sector has never stopped growing in recent years according to statistical data from the Spanish National Association of Vertical Works.

Performance and operating results about costs, revenues, and investments.

Concerning the economic performance, we point out that the volume of revenues went from € 46,168,758 in 2020, to € 87,677,807 in 2021, with an increase of 89.9%; production costs amounted to € 69,348,186 against € 43,023,238 in 2020, an increase of 61.2%.

Among the costs of production, personnel costs amounted to € 32,970,468, with an increase compared to the previous year (€ 21,267,848) of 55% and depreciation and amortization amounted to € 2,302,178 with an increase of 105% compared to the previous year (€ 1,121,914). Regarding depreciation and amortization, it should be noted that concerning the Italian company during 2020 the right to "suspend the annual amortization of tangible and intangible fixed assets" was used, in compliance with Article 60 of Law no. 126 of 13 October 2020 of conversion with amendments to Decree-Law 14 August 2020, n. 104)" which allowed the suspension or application of the reduced rate due to the COVID 2019 pandemic.

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Finally, in 2021 depreciations of receivables included in working capital were recorded for € 650,000, while depreciations in 2020 amounted to € 728,134. The difference between value and production costs is positive for € 18,329,621 (in 2020 € 3,145,521), an increase of 482.7%.

Financial management generated net financial expenses of €1,538,054, compared to net financial expenses realized in 2020 of €391,334, with a substantial increase of €1,146,720; the increase in net financial charges is mainly because during 2020 the Italian company adhered to the moratorium provided for by the "Cura Italia" Decree-Law of 17 March 2020 which provided for the possibility of suspending the payment of mortgage installments. In addition, it should be noted that the average cost of collection in 2021 was equal to 0.6%, down from about 2.5% in 2020 and 2019 to about 3.7%.

The 2021 result is a net profit of €11,085,555, up from the 2020 net profit of €1,757,640.

Income taxes amount to € 5,986,890.

The analysis of revenues and costs is amply set out in the Notes to the Financial Statements.

Group situation and operating performance

In 2021, the EdiliziAcrobatICA Group continued its strategy of expansion and territorial consolidation, both in Italy and abroad.

In addition to territorial expansion, both in Italy and abroad, attention was paid to the company's profitability.

The Group has always shown the strong spirit of internationalization that consequently led it to the acquisition, in 2019, of the assets of the company French in judicial liquidation "ETAIR – Entreprise de Travaux Aériens et d'Interventions Rapides Méditerranée", forming the company French EdiliziAcrobatICA France SAS, 100% controlled, into which the assets of the French company have converged.

This company is a leader in the field of double rope construction in southwest France.

In 2021, the eight French offices were structured and organized: Perpignan (headquarters), Toulouse, Nice, Montpellier, Narbonne, Marseille, and Lyon. It should be noted that in the B.U. in Perpignan, the wind and industrial sector has also been structured.

The French market is expected for the rope construction sector, a thriving and advantageous market. Among the most common advantages are:

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- Relatively small and fragmented competitors locally and not nationally. The level of specialization of competitors related to external maintenance work on buildings is very low. They are composed mostly of operators specialized in the use of ropes and much less specialized in masonry or construction work in general.
- Condominium Directors (in French Syndic) are companies mostly structured throughout the national territory. In the various cities, they have offices in which the condominium administrator resides and a part dedicated to the sale and rental of real estate. The large size of the customers generates an advantage for a company like EdiliziAcrobatica as the attention of these customers to quality standards and professionalism is very high. Finally, within syndic's companies, a positive referral effect is created between colleagues of the same brand from different cities or those belonging to the same city that greatly facilitates the commercial development of EdiliziAcrobatica.
- The tendency of French condominiums to pay condominium installments and invoices for works with extreme regularity. This allows generating in addition to a benefit in terms of DSO for EdiliziAcrobatica also greater productivity of the sales network.

The Group continued its internationalization project with Spain.

In 2021, the contract for the acquisition of the business unit of Accés Vertical, a Spanish company operating in the rope construction sector, was signed on September 20th. The acquisition of the business unit of Accés Vertical is part of the internationalization strategy that thus arrives, as announced at the beginning of 2021, on the Iberian territory, two years after the entry into the French one.

The Spanish company immediately became operational and already has two operational offices: one in Barcelona and one in Lleida.

At the Italian level, it is worth mentioning the birth of the NEWCO Energy Acrobatica 110 to fulfill the role of Main Contractor in the context of projects and construction sites that operate under the 110% tax relief regime.

The new company is 80% controlled by EdiliziAcrobatica S.p.A. and 20% by Turin-based Buildings S.r.l., a construction engineering consulting company.

The company is already active in the Italian market, especially in the North-West area with operational headquarters in Turin, a city where it is consolidating a network of partners for the execution of renovation and energy efficiency works that fall under the 110% Superbonus regime which represents a great opportunity to restart the country system.

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As for the Italian market, pursuing the objective of acquiring new market shares through the widespread penetration of the Italian territory, other new offices have been opened, the number of which therefore reaches a total of 77 operating areas and 30 franchises at the end of the year.

The main factors contributing to the consolidated pre-tax result are the following:

- “Bonus Facciate”: the introduction in Italy of the façade bonus, introduced by the 2020 Budget Law, which provides for a deduction equal to 90 percent of the expenses incurred in the years 2020 and 2021 for interventions aimed at the recovery and restoration of the external façade of buildings has given a vigorous boost to the market and the renovation sector.

The Group's organizational solidity and ability to react, also on this occasion, have made it possible to meet the ever-increasing demands of the market dynamically and efficiently.

All this has led to an increase in sales revenues, due to the increase in volumes sold and produced.

- Strengthening of the new Multiservice business unit, which opened in the middle of the pandemic in 2020, has continued its growth and development by strengthening its position in the market.

- Marketing campaign: the marketing campaign on national television stations also continued, aimed at further reinforcing the value of the Brand for the final consumer.

- Strengthening of central functions: the centralized functions responsible for providing support both to the direct Italian operating offices and to the franchisees, as well as to the foreign subsidiaries, have been reinforced, with the inclusion of some high-profile managers and proven experience, to build a corporate structure adequate to support the planned development and the requirements of a listed company.

- New openings and expansion abroad: in continuity with previous years, the new openings of the year and those in the process of increasing operational capacity have led to greater absorption of costs due to the design, opening, and development of new offices and the intense training and training of new personnel. To support the above, the performance of the management of the year is in line with the provisions of the onboarding policy of the new offices which highlights how there is a need, in the opening phase and in the subsequent phase of increase in an operational capacity, for intense development of the commercial network, logistics and marketing, and training courses, also in the form of on-the-job training.

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- Continuation of the Brand Awareness strategy: the implementation of the Brand Awareness strategy continued with the continuation of the contract under which EdiliziAcrobatica is the Backsponsor of the Torino FC shirt for the 21/22 football seasons.

- Controlled French: EdiliziAcrobatica France opened in 2019, after 2020 characterized by the Covid 19 pandemic, closed in 2021 with an increase in revenues that bodes well for the continuation of future years. The primary objective of 2021 was to strengthen the process of cultural change to introduce the business model that characterizes the EdiliziAcrobatica Group. Specifically, it should be noted that the company French, even though no tax benefit was introduced in France, contributed with revenues of approximately € 3.4 million, an increase compared to the previous year of € 3.1 million.

Analysis of the business situation

For a better view of the balance sheet, financial, and management situation, the following tables propose the income statement and the balance sheet and reclassified, as well as some result indicators.

The Income Statement

The summary data of the Reclassified Income Statement as of 12/31/2021 are compared with those of the same period of the previous year:

INCOME STATEMENT	12.31.2021	12.31.2020
Value of production	87.677.807	46.168.758
Production costs net of amortization and depreciations	66.396.008	41.167.838
EBITDA	21.281.799	5.000.920
Amortization and depreciations	2.952.178	1.855.399
EBIT	18.329.621	3.145.521
Financial income and charges	-1.538.054	-391.334
Adjustments to financial assets	297.469	90.654
Pre-tax result	17.089.036	2.844.841
Income taxes	5.986.890	1.087.201

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Net result	11.102.145	1.757.640
Third party profit (loss)	16.591	0
Group profit (loss)	11.085.555	1.757.640
EBITDA %	24,27%	10,83%
EBIT %	20,91%	6,81%
Pre-tax result %	19,49%	6,16%
Net result %	12,66%	3,81%

VALUE OF PRODUCTION	12.31.2021	Inc. %	12.31.2020	Inc. %
1) Revenue from sales and services	86.949.909	99%	44.664.415	97%
4) increases in fixed assets for internal works	121.000		829.457	2%
5) other income	606.898	1%	674.886	1%
(a) contributions	204.487	0%	280.461	1%
(b) other	402.411	0%	394.425	1%
TOTAL PRODUCTION VALUE	87.677.807	100%	46.168.758	100%

PRODUCTION COSTS	12.31.2021	Inc. %	12.31.2020	Inc. %
Costs per Raw materials	8.801.691	13%	5.409.372	13%
Costs for services	20.054.095	30%	10.725.047	26%
Costs for use of third-party assets	4.535.565	7%	2.996.618	7%
Personnel costs	32.970.468	50%	21.267.848	52%
Change in inventories	-887.341	-1%	-285.928	-1%
Other charges	921.530	1%	1.054.881	3%
TOTAL PRODUCTION COSTS	66.396.008	100%	41.167.838	100%

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AMORTISATION AND DEPRECIATIONS	12.31.2021	Inc.%	12.31.2020	Inc.%
Amortisation of intangible assets	1.931.070	65%	924.401	50%
Amortisation of tangible assets	371.109	13%	197.512	11%
Depreciations and other provisions	650.000	22%	733.486	40%
TOTAL AMORTISATION AND DEPRECIATIONS	2.952.178	100%	1.855.399	100%

FINANCIAL INCOME AND CHARGES	12.31.2021	Inc.%	12.31.2020	Inc.%
Financial income	249.469	-16%	41.330	-11%
Financial charges	0	116%	-432.664	111%
TOTAL FINANCIAL INCOME AND CHARGES	297.469	100%	-391.334	100%

REVALUATIONS OF FINANCIAL ACTIVITIES	12.31.2021	Inc.%	12.31.2020	Inc.%
Revaluations	297.469	100%	90.654	100%
Devaluations	0	0%	0	0%
TOTAL REVALUATIONS OF FINANCIAL ACTIVITIES	297.469	100%	90.654	100%

EBITDA indicates the result before the financial charges, taxes and depreciation of fixed assets and depreciations of receivables included in current assets. EBITDA is therefore a proxy for the cash generation of the same, thus excluding non-cash elements, such as depreciation of fixed assets. EBITDA thus defined represented the indicator used by the administrators to monitor and evaluate the performance of the business. Since EBITDA is not identified as an accounting measure within the framework of accounting policies, it should not be considered as an alternative measure for the evaluation of the performance of the Group's operating results. Since the composition of EBITDA is not regulated by the reference accounting principles, the

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determination criterion applied by the group may not be consistent with that adopted by other companies and therefore not be comparable with them. EBIT indicates the result before the financial charges and taxes for the period. EBIT before presents the result of the management before the remuneration of the capital of both third parties and own. The EBIT thus defined presents the indicator used by the administrators to monitor and assess the performance of the business. Since EBIT is not identified as an accounting measure within the framework of accounting policies, it should not be considered as an alternative measure for the evaluation of the performance of the Group's operating results. Since the composition of EBIT is not regulated by the reference accounting principles, the determination criterion applied by the group may not be consistent with that adopted by other companies and therefore not be comparable with them.

Consolidated product revenues for 2021 amounted to Euro 98.6 million, compared to Euro 44.7 million in the previous year, and recorded an increase of 120.5% year on year. In Italy, the Group's first market, in 2021 revenues generated grew by 126.9%, from Euro 41.7 million in 2020 to Euro 94.7 million.

Regarding the Revenues of the Italian company, it should be noted that in line with the provisions of the "Communication on how to account for tax bonuses" issued by the Italian Accounting Body (OIC), they were recorded at the deductible market value (i.e. fair value), or net of the charges for the sale of the tax bonus that was deducted from the sale contracts that were stipulated by the Italian Company with Banca Intesa San Paolo during the 2021 financial year.

In compliance with this OIC communication, therefore, consolidated revenues of Euro 98.6 million were recorded net of charges for the sale of the tax bonus of Euro 11.7 million, thus bringing the total value of consolidated revenues to Euro 86.9 million.

Thus, the 2021 data show a significant increase in the value of production, which increases by 89.9% (€87.7 million vs € 46.17 million in 2020), while sales and performance revenues increase by 94.4% (€86.9 million vs 44.7 million in 2020).

In Italy, tax incentives to support the recovery drove growth in sales, production, and revenues, accelerating the strong expansion of the business, especially related to the 90% façade bonus. The company French, despite the total absence of tax incentives, still recorded an increase in its revenues which amounted to 3.4 million euros, a slight increase compared to last year.

It should be noted that in France the COVID 19 pandemic has slowed down and slowed down the development of the company still in the start-up phase, generating many management and organizational problems also from a structural and functional point of view.

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It should be noted that both newcos recorded a good turnover even if relative to a few months of activity. In fact, the Spanish newco EA Iberica in just two months recorded revenues of Euro 222 thousand while the newco Energy Acrobatica 110 stood at Euro 664 thousand.

The year 2021 recorded an EBITDA of Euro 21,281,799, an increase of 326% compared to Euro 5,000,920 in 2020. Such a robust increase was favored not only by the exceptional result of the Italian company, which benefited from the introduction of the Bonus Facciate incentives, provided for by the Relaunch Decree in favor of building improvement works but also by the great dynamism and strong organizational capacity of the entire Group. The vigorous increase in EBITDA has consequently allowed the Group to expand even more in Italy, increasing its operating bases, but also strengthening the central and corporate functions at the service of foreign companies. The company French contributes negatively to EBITDA of approximately €870,000; in this regard, it should be noted that the company has incurred a considerable amount of training costs to complete the organizational process and adapt to the Group's philosophy and principles.

Depreciation, equal to € 2,302,178, is higher than the previous year (€ 1,121,914), also as a result of the suspension of the same during the previous year (equal to € 897,000) relating to the lock-down period and the subsequent slowdown in production, as already described; depreciations of € 650,000 for loans that are difficult to recover, also due to the difficult situation of the current Italian economic situation, bring EBIT to € 18,329,621, a strong increase compared to 2020 (€ 3,145,521).

Asset and financial Profile

The Reclassified Balance Sheet is compared with the data for the previous financial year:

RECLASSIFIED BALANCE SHEET	12.31.2021	12.31.2020
(Values in Euro)		
Trade receivables	14.066.786	20.724.296
Inventories	3.511.037	2.707.058
Trade payables	-29.607.646	-6.666.202
Operating Working Capital	-12.029.823	16.765.152
Other current credits	52.133.643	6.813.700
Other current liabilities	-9.009.036	-4.713.087

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Tax liabilities	-15.528.668	-2.265.211
Net working capital	15.566.115	16.600.554
Tangible fixed assets	1.189.703	1.303.781
Intangible assets	3.906.180	4.428.798
Financial assets	432.327	33.224
Immobilized active	5.528.210	5.765.803
End of ratio treatment	-2.505.878	-1.663.193
Deferred tax liability	-61.640	-120.122
Long-term tax liabilities	0	-32.573
Net invested capital	18.526.807	20.550.469
Equity	22.137.958	12.862.301
Cash and cash equivalents	18.208.024	8.241.967
Current financial receivables	11.820.673	9.244.404
Current financial liabilities	-6.690.788	-3.891.680
Non-current financial liabilities	-19.726.757	-21.282.859
Net financial position	3.611.152	-7.688.168
Net equity and net financial debt	18.526.806	20.550.469
Short-term net financial position	23.337.909	13.594.691

The data relating to the Group, set out in the statement of the short- and medium-term net financial situation, show a net financial position that goes from net debt of approximately € 7.7 million at 31/12/2020 to a net positive position of approximately € 3.6 million in December 2021 thanks to the positive cash flow generated by the Group's operations. Working Capital has decreased, due to the increase in trade payables for works that will be completed during 2022.

NET WORKING CAPITAL	12.31.2021	12.31.2020
(Values in Euro)		
CURRENT ACTIVITIES		
Inventories	3.511.037	2.707.058
Short-term credits	65.538.940	26.855.821
Accruals and active repayments	661.488	682.175
CURRENT LIABILITIES		
Short-term debts	-53.721.856	-13.303.034

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Accruals and accrued income	-423.494	-341.466
Net working capital	15.566.115	16.600.554

Main indicators

According to the art. 2428 c.2 of the c.c. some indices and other information are highlighted, useful to illustrate in the most complete way the company situation in the evolution of recent years.

Financial structure indicators

The financial structure indicators have as their purpose the quantification of the percentage "weight" of certain aggregates of assets and liabilities, with respect to total assets and liabilities.

These indicators are aimed at identifying possible imbalances due to inappropriate ratios between certain assets and liabilities, with the indication in the same indices for the years 2020 and 2021.

FINANCIAL STRUCTURE	12.31.2021	12.31.2020
Fixed assets (I)		
a) Weight of fixed assets = -----	5%	11%
Total assets (K)		
Current assets (C)		
b) Weight of working capital = -----	95%	89%
K		
Equity		
c) Equity capital weight = -----	21%	26%
Total liabilities		
Capital of third parties		
d) Weight of third party capital = -----	79%	74%
Total liabilities		

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FINANCIAL STRUCTURE		12.31.2021	12.31.2020
Current assets (C)			
a) Availability index = -----		1,64	2,72
Current liabilities			
Liquidity imm+ deferred			
b) Liquidity index = -----		0,49	1,00
Current liabilities			
Equity			
c) Cover for fixed capital = -----		4,00	2,23
Fixed assets			

Profitability (or economic situation) indices

The ROE indicates the profitability of the investment in the Company's capital compared to investments of another nature; it is provided in the "after tax" version, and in the "gross" version; ROI is an indicator of the profitability of operational management and measures the company's ability to generate profits in the activity of transforming inputs into outputs.

PROFITABILITY INDICES	12.31.2021	12.31.2020
Return on Equity (ROE)	50,07%	13,67%
Gross ROE before tax	77,19%	22,12%
Return on Investment (ROI)	17,41%	5,88%
Return on Sales (ROS)	24,48%	11,20%

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Risks related to the sector of activity and the rate of competition

The Company operates, as mentioned, in the field of building renovations in Italy within the macro–construction sector.

The primary need is to acquire new customers to ensure the company's continuity of production considering the wide margins of economic return compared to the volume of investments. The company's strategy is oriented towards the opening of new direct offices penetrating the Italian market in a capillary way, also developing a targeted retail policy designed to make the offer customizable to each individual customer. We also provide for the analysis and testing of processing procedures suitable to reduce the related costs and assuming a condition of lower overall risk than other operational solutions, allowing us to be even more competitive.

In this sense, it is specified that, considering:

- the limited presence of workers
- the absence of subcontracting
- the absence of risk of interference between undertakings
- the historical statistics of accident events

it is clear that the overall risk can be defined as equal to or even less than the overall risk that would be determined if any collective protection mechanism were operated. Over the years there has been a significant reduction in construction timing compared to the use of other processing methods, thus reducing exposure to overall risk.

Risks associated with supplier dependency

The Group for the purchase of raw materials and for the provision of services, makes use, from the beginning of its activity, of a sufficiently large number of suppliers, such as to allow complete independence from them.

The activity is not particularly conditioned by the ability of suppliers to guarantee quality standards, comply with the specifications requested by the Parent Company, and respect delivery timing, as it is possible to find suppliers to replace the current ones without any difficulty.

Risks related to financial indebtedness

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The Group and specifically the parent company has always had the support of bank counterparties for any financing. The use of credit during the year increased, deriving in part from the need for new investments to support the development of the group both in Italy and abroad, but we do not believe that this is a risk profile for the Group.

Liquidity risk

The cash flows, financing needs, and liquidity of the Group are monitored and managed with the aim of ensuring effective and efficient management of financial resources. The short- and medium-long term liquidity needs are constantly monitored with the purpose of ensuring an effective retrieval of financial resources or an adequate investment of cash and cash equivalents. Information on the future maturity of debts to banks is provided in the Notes to the Financial Statements.

The financial situation as a whole has high standards.

Credit risk

The Group is exposed to the risks associated with the sale of its services. Even for potential new customers, the risk is monitored, thanks to a careful evaluation of the names of potential customers and their risk of insolvency thanks to the collaboration with the investigation and services company Cerved Group Spa.

Pandemic risk

The company is exposed to the risk of a pandemic, as is the case with the COVID 19 pandemic.

The various regulatory provisions in the case of pandemics move in the logic of protecting workers from a generic biological risk (equal for the whole population), and the reference indications are the precautionary ones dictated by the Health Authorities and Government Authorities. The protection of the workers goes beyond that regulated by the legislation on safety at work and in particular by Legislative Decree 81/2008.

Due to the need to protect public health, the Employer takes an active part by enforcing the measures of the institutions in order to promote the containment of the spread of diseases, and in

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evaluating any possible intervention, in order to ensure the best contribution to the limitation of travel and to facilitate the performance of work, as well as allowing an easier composition between the work activity and the particular difficulties that the current situation also reflects on the private sphere.

The company has set up an emergency control and management committee that reorganizes workstations, common areas, and company activities, which plans the commitment of each collaborator with the precise objective of complying with the provisions issued by the Government. For all staff, a correct distribution between on-site attendance and smart working and holidays/permits is evaluated. The Company pays particular attention to workers particularly susceptible to the disease by guaranteeing them the possibility of working from home and organizes emergency services to manage the plausible contagion scenarios in line with the indications given by the health authorities and government authorities.

Information about relationships with the environment

No damage to the environment occurred during the year.

No definitive sanctions or penalties were imposed during the year for offenses or environmental damage.

EdiliziAcrobatica has always stood out for a business model in which the environmental impact is low. During the year, a study was conducted that showed that for the 4 main types of interventions the double rope technique allows a reduction of between 45% and 76% of the global warming potential, by means of the reduced number of trips, a factor that also allows an estimated containment between 51% and 68% of energy consumption and between 7% and 40% of water consumption.

In view of the three-year strategy to eliminate the waste most impacting on the environment, during the year in all our operating sites, the consumption of materials such as plastic and paper was reduced and the consumption of disposable products was eliminated and a plan aimed at recycling was implemented.

During the year, a green mobility plan was also implemented with the aim of replacing petrol vehicles with electric vehicles over a three-year period.

Information about relationships with the staff

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During the year, the companies of the Group complied with the obligations required by law on safety by carrying out all the initiatives undertaken for some time and necessary for the protection of the workplace, in accordance with the provisions of the relevant legislation, with particular attention to the periodicity of staff training meetings to improve knowledge of the procedures aimed at limiting the risks related to the work done.

The activity carried out in the field of security includes:

- training of employees and collaborators;
- carrying out periodic medical examinations;
- corporate monitoring of R.S.P.P;
- preparation and dissemination of documents referred to in Legislative Decree 81/2008.

As already mentioned above, EdiliziAcrobatica has decided to implement its management system, in accordance with ISO 45001: 2018 and ISO 9001: 2015, obtaining certification with Bureau Veritas, a world leader in control, verification, and certification services for Quality and Health and Safety at Work since April 2016.

Relations with employees are excellent, and there have been no contentious situations in the exercise, nor are they expected in the coming months.

Application of the Privacy Act

The companies of the Group have complied with the provisions of Law 675/1996 and subsequent amendments regarding the provisions on Privacy.

Tax situation

The tax situation of the Group is monitored; the residual taxes, net of the advance payments paid, due to the Treasury are set aside in the appropriate item relating to tax debts.

Relationships among the companies belonging to the Group

During the year, the following relations were maintained between the Parent Company and the investee companies:

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	Financial debts	Financial receivables	Trade receivables	Trade debts	Sales	Costs
Energy Acrobatica 110 S.r.l.	0	0	0	0	0	0
EdiliziAcrobatica ibérica sl	0	200.000	0	0	0	0
EdiliziAcrobatica France SaS		1.270.270	287.461	66.152	91.502	109.682
Total	0	1.470.270	287.461	66.152	91.502	109.682

These transactions of a commercial and financial nature took place under normal market conditions.

Secondary Offices

In compliance with the provisions of art. 2428 of the Civil Code, the following is evidence of the companies' secondary operating offices:

	Tipologia	Indirizzo	Località
Unità Locale n. MI/5	Office	Alzaia Naviglio Pavese 52	Milano
Unità Locale n. MI/6	Office	Via Filzi Fabio 5	Milano
Unità Locale n. MI/7	Office	Piazzale Cimitero Maggiore 6	Milano
Unità Locale n. MI/8	Office	Via Poliziano 9	Milano
Unità Locale n. AL/1	Office	Corso Crimea 13	Alessandria
Unità Locale n. AN/1	Office	Viale della Vittoria 2	Ancona
Unità Locale n. BA/1	Office	Via Campione 16	Bari
Unità Locale n. BI/1	Office	Via Asti 4	Biella
Unità Locale n. BS/1	Office	Piazza del Mercato 10/B	Brescia
Unità Locale n. CN/1	Office	Corso Nizza 51	Cunco
Unità Locale n. CO/1	Office	Via Mentana 13 E	Como
Unità Locale n. CS/1	Office	Via Palermo 17G-17H	Castrolibero
Unità Locale n. CT/1	Office	Via G. d'Annunzio 63C-63D	Catania

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Unità Locale n. FI/2	Office	Via Fedele Soldani 18	Firenze
Unità Locale n. FI/3	Office	Via Mario Morosi 16	Firenze
Unità Locale n. FI/4	Office	Viale Matteotti 27R	Firenze
Unità Locale n. FI/5	Office	Via Felice Fontana 74-76-78	Firenze
Unità Locale n. GE/2	Office	Viale Brigate Partigiane 18/2	Genova
Unità Locale n. GE/3	Office	Corso G. Marconi 8/R	Genova
Unità Locale n. GE/4	Office	Corso Buenos Ayres 162 R	Genova
Unità Locale n. GE/5	Office	Via Magenta 41	Chiavari
Unità' Locale n. GE/6	Office	Viale Brigate Partigiane 136 R	Genova
Unita' Locale n. LI/1	Office	Viale della libertà 45/47/49	Livorno
Unita' Locale n. LT/1	Office	Via Sirio 27	Latina
Unita' Locale n. LU/1	Office	Via Aurelia 171	Camaiore
Unita' Locale n. MB/1	Office	Corso Milano 38	Monza
Unita' Locale n. NA/1	Office	Via Kerbaker 27	Napoli
Unita' Locale n. NO/1	Office	Corso Torino 41	Novara
Unita' Locale n. PA/1	Office	Via Roma 366-368	Palermo
Unita' Locale n. PA/2	Office	Via Marchese di Villabianca 82/D	Palermo
Unita' Locale n. PE/1	Office	Via Piero Gobetti 194	Pescara
Unita' Locale n. RM/1	Office	Via Spalato 45	Roma
Unita' Locale n. RM/2	Office	Via Trastevere 111	Roma
Unita' Locale n. RM/3	Office	Via Antonino lo Surdo 47/49	Roma
Unita' Locale n. RM/4	Office	Via Marcello Provenzale 11-13	Roma
Unita' Locale n. RM/5	Office	Via di Tarquinio Prisco 81/83	Roma
Unita' Locale n. SI/1	Office	Viale Camillo Benso di Cavour 2020	Siena
Unita' Locale n. SP/1	Office	Via dei Mille 75	La Spezia
Unita' Locale n. TA/1	Office	Via della Fornace 55	Taranto
Unita' Locale n. TO/2	Office	Via Sospello 2	Torino
Unita' Locale n. TO/3	Office	Corso Siracusa 139/B	Torino
Unita' Locale n. TO/4	Office	Corso Susa 34	Torino
Unita' Locale n. TR/1	Office	Via Alceste Campriani 16	Terni

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Unita' Locale n. VA/1	Office	Via Magenta 3	Varese
Unita' Locale n. VE/1	Office	Sestiere di Santa Corce 297	Venezia
Unita' Locale n. VR/1	Office	Piazza Cittadella 32	Verona
Ediliziacrobatika France S.a.s.	Office	Bureau Direction Generale, 2 A	Rivesaltes
Ediliziacrobatika Iberica S.L.	Office	Barcelona COBALT, 87	Barcellona
Energy Acrobatica 110 S.r.l.	Office	Corso Ferrucci 112 Building B 1	Torino

Number and nominal value of treasury shares, shares, or units of parent companies owned by the Company

As of 12/31/2021, the Parent Company directly owns 48,677 treasury shares, equal to 0.5970% of the share capital.

The purchases of treasury shares during the year are part of the share buyback program authorized by the Shareholders' Meeting on 25 June 2021.

Value of the security

The title of Ediliziacrobatika (ISIN IT0005351504) is listed:

– on the Euronext Growth Milan Market (ticker EDAC) from 19 November 2018; the share price on 30 December was 17.67 euro (on 30 December 2020 it was 5.28 euro), with an increase compared to the IPO placement price (equal to 3.33 euro) of 430.63%. and a market capitalization of approximately Euro 142.8 million, compared to the 2020 capitalization of Euro 42 million and compared to the Initial Capitalization of the Company of approximately Euro 25.7 million.

– on the Euronext Growth Market in Paris (ticker ALEAC) from 22 February 2019, the share price on 30 December was euro 17.45 with an increase compared to the initial share price of 4.7 euros, and a capitalization of approximate euro 113 million.

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Warrant

On 30 September 2021, the "Third Financial Period" was closed, as provided for in Article 3.2 of the relevant regulation (the "Warrant Regulations"). During the Third Financial Period, 121,647 Warrants were exercised and consequently, 121,647 EDAC Compendium Shares were subscribed, at a price of Euro 4.43 for each Compendium Share subscribed, for a total value of Euro 538,896.21.

The EDAC shares subscribed have a regular entitlement equal to that of the EDAC ordinary shares traded on the Stock Exchange on the effective date of the exercise of the Warrants and are therefore provided with an ongoing coupon.

At the end of the third period, a total of 428,845 EDAC Compendium shares were subscribed. The new share capital of EDAC is equal to Euro 815,414.50, divided into 8,154,145.0 ordinary shares all without indication of the nominal value.

Shareholder structure as of 31 December 2021

- Arim Holding Srl 74.08%
- Employees, Group Directors and market 25.32%
- EdiliziAcrobatica Spa 0.597%

Events after the end of the period

- **Internationalization:** It is clear that the Group wants to grow and cannot neglect the obligation of growth outside the national borders, where there is a vast market and where competition is truly global. The Group is working hard in this direction to expand and consolidate its positions abroad, focusing on new European markets. It is therefore clear that the path of internationalization is essential with respect to the Group's vision.

– **Realization of the new computer 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;

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– **“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, the façade bonus has also been extended 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 façade 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.

Environment, Social, Governance

The Group has integrated the principles of sustainability within its Business Model ensuring a naturally sustainable service and a responsible approach that aims at the well-being and satisfaction of its internal and external stakeholders, and already in 2021, it obtained an ESG Rating that places it among the lowest risk companies of its reference cluster.

Following these successes, it will continue during the 2022 and subsequent years to carry out actions that have a strong focus on strengthening the internal framework such as the adoption of an Organization Model, Control Management according to Legislative Decree 231/2001 and the creation of a Supervisory Body.

At the same time, sustainability reports are also planned for 2022.

New Multiservice corporate business line

In April 2020, welcoming the changing needs of the country and people, to face the delicate moment imposed by the international epidemiological emergency, the Italian company had launched a new line of business, to provide a sanitization service for the common areas of condominiums, offices, commercial activities, companies, and places of worship. Today this line is constantly strengthening and has evolved into a Multiservice business line with which the Company confirms the sanitization service and expands the offer with disinfestation and condominium cleaning.

Foreseeable development of operations

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In the first two months of 2022, the Group recorded a value of contracts signed for euro 14.7 million compared to euro 9.9 million in 2020 and continues to constantly monitor the situation and update the prospective economic and financial plans based on the data gradually consolidated and the probable evolution for the entire year, evaluating the wide spectrum of factors related to the extremely volatile economic situation, but which nevertheless presents interesting opportunities, thanks to the continuation of tax breaks for the maintenance of real estate assets.

In addition, investments in marketing continue, through advertising campaigns on national television stations aimed at further reinforcing the value of the Brand for the final consumer in addition to the continuation of the back-sponsor contract on the Torino FC shirts for the current football Serie A season

The plan is to strengthen the centralized functions responsible for providing support to both direct Italian operating offices and franchisees, as well as foreign subsidiaries, to build a robust, flexible, and adequate corporate structure to the requirements of a listed company, while respecting the principles of efficiency and cost containment, also continues.

Therefore, EdiliziAcrobatica pursues its growth strategy, opening new offices on the Italian territory and persevering in the path of expansion abroad. The company has been able to demonstrate during the recent crisis that it is resilient and able to seize the opportunities that arise even in difficult times 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.

It should also be noted that the management has analyzed the possible impacts that the extension of the Russia-Ukraine crisis could have on the Company's operations, developing alternative scenarios of increases in the prices of raw materials, transport, and fuel. However, the Company has excellent financial stability and, therefore, no significant impacts on the Company's operations deriving from the current state of crisis are expected.

Genoa, March 29, 2022

The Board of Directors

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Simonetta Simoni (Chairman)

Riccardo Iovino (Director and Chief Executive

Officer) Anna Marras (Councilor)

Simone Muzio (Councilor)

Paolo Caneva (Independent Councilor)

