

**BOARD OF STATUTORY AUDITORS' REPORT ON THE SHAREHOLDERS' MEETING**

**of EdiliziAcrobatica S.p.A.**

**on the Financial Statements for the year ended December 31, 2021**

**prepared pursuant to Art. 2429, par. 2, of the Civil Code**

Dear Shareholders,

This report provides information on the activities carried out by the Board of Statutory Auditors of EdiliziAcrobatica S.p.A. (hereinafter the “Company” and, together with its subsidiaries, the “Group”) during the financial year ended December 31, 2021 (hereinafter the “Financial Year”).

The Financial Year 2021 was again characterized by the uncertainties caused by the COVID-19 outbreak. The several Decrees issued by the President of the Council of Ministers (each a “DPCM”), as well as the laws approved during the year to face the health emergency caused by the pandemic, imposed restrictions to working activities with the purpose of minimizing the spreading of the infection throughout the national territory.

For this reason, the Board of Statutory Auditors met mainly through audio-video conference systems, as well as in person, where possible, and exchanged data and information electronically. We believe that the adoption of these methods did not reduce the reliability of the information received and the effectiveness of our task. The control structure of the Company allowed a correct conduction of the meetings and a timely transmission of the information requested.

This report has been approved by the whole board in due time and filed in the Company’s registered office in the 15 days prior to the date of the first call of shareholders’ meeting to approve the 2021 financial statements.

The Board of Directors made available the following documents approved on 29 March 2022 for the financial year ended 31 December 2021:

- Draft Financial Statements, accompanied by the Explanatory Notes;
- Management Report;
- Draft Consolidated Financial Statements;
- Management Report, Consolidated Financial Statements.

The approach of this report complies with the legal provisions and rules of conduct of the Board of Statutory Auditors, issued by the CNDCEC (National Council of Chartered Accountants and Accounting Experts). We point out that, following the rebranding of AIM Italia, the Company's listing market took the name of Euronext Growth Milan, but retained its nature; therefore, the applicable rules of conduct are those laid down for the Board of Statutory Auditors of non-listed companies and also those laid down for the Board of Statutory Auditors of listed companies.

The Board of Statutory Auditors, not being in charge of the statutory audit, carried out the activities provided for in the above-mentioned rules regarding financial statements, which consisted in an overall brief audit aimed to verify that the financial statements have been correctly

drawn up. In fact, the actual auditing of accounting data is the responsibility of the Auditing Company.

This report summarizes the activities concerning the disclosure due, namely:

- the activity carried out in compliance with the obligations specified in the applicable legislation;
- the Financial Year's result;
- Comments and proposals concerning the financial statement, particularly as regards the use of the derogation specified in Art. 2423, par 4., of the Civil Code by the Board of Directors;
- any complaint submitted by Shareholders under Art. 2408, of the Civil Code.

The activities conducted by the Board concerned the entire time span of the Financial Year and, during the same year, in addition to specific meetings, the meetings mentioned in Art. 2404 of the Civil Code were held, and the related minutes and reports have been prepared.

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### **Activities conducted**

Our surveillance and control task consisted in the following activities:

- We monitored compliance with the law, the corporate Bylaws and principles of good administration as required by the applicable legislation, also considering the aforementioned rules of conduct issued by the CNDCEC;
- We took part in Shareholders' meetings, in Board of Directors' meetings, and we received periodic information from Directors on general operations, any foreseeable evolution, as well as on the most significant economic, financial and capital transactions the Company or the Group's companies decided to implement during the Financial Year considered. This information is adequately represented in the Management Report referred to.

We can reasonably ensure that the actions implemented by Directors comply with the legislation and corporate Bylaws and were not overtly imprudent, with potential conflicts of interest or in contrast with the resolutions passed by the Shareholders' meeting or such as to jeopardise the integrity of corporate assets.

Within our area of competence, we gained knowledge of and supervised the adequacy and operation of the control/accounting system, as well as the reliability of this system in truly reflecting operating events, by obtaining information from the Heads of the function and by examining the Company's records and we have nothing to highlight in this regard.

We promptly exchanged with the Auditing Company any data and information relevant to the conduction of the supervisory activity, where necessary.

During our supervisory activity, as described above, no further significant event emerged such as to require any mention in this report.

Taking into account the information we acquired about the Company from the date of the first appointment to the present date and with regard to :

- i) the type of activity carried out;
- ii) the organizational and accounting structure of the Company;

and also taking into account the size and problems of the Company, we confirm that the “planning” stage of our supervisory activity, which requires an assessment of intrinsic risks and criticalities with respect to the two parameters specified above, has been conducted on the basis of the information we had already previously acquired.

We can confirm that, compared to the previous Financial Year:

- The primary activity (core business) of the company has not changed during the Financial Year 2021, but had a considerable increase as a result of the tax facilities introduced by Law Decree no. 34/2020, and particularly of the so-called “Bonus Facciate” (“façade bonus”). A significant increase was also consequent to the sanitization activity started in the financial year 2020 and was included in the corporate purpose. The activity conducted is consistent with the corporate purpose;
- the organizational structure and the IT systems acquired have been appropriate for the increase in the Company’s business activities;
- the human resources that make up the workforce of the Company have been increased as a function of the increased business activity, taking into account the opening up of new local units;

The situations described above are indirectly confirmed by the comparison of the results and values expressed in the Income Statements for the years 2020 and 2021. In addition, we should point out that in 2021 the Company operated to an extent comparable to the previous year, also taking into account the significant increase in revenues following the introduction of tax bonuses in the building sector, particularly the 90% bonus on the renovation of building façades. Consequently, our audit focused on said assumptions, having checked the substantial comparability of values and results with those of the previous financial year.

During our periodic audits, we collected information on the operations performed by the Company and focused specifically on any incidental or special issues with the purpose of identifying their economic and financial impact on the year's result and on the Company's asset structure, as well as any risks, such as those related to losses on receivables, which have been constantly monitored.

We have therefore periodically assessed the appropriateness of the organizational and functional structure of the Company and any deviation from the minimum requirements set for its operations.

Relationships with the people operating in the aforesaid structure – directors, employees and external consultants - have been based on mutual cooperation, according to the role of each individual, after clarifying the roles of the Board of Auditors.

During the Financial year we observed that:

- the internal administrative staff in charge of the detection of company facts has not substantially changed compared to the previous year, and the tasks performed by some subjects who held important positions and who left the company were attributed to elements already part of the organization and fully eligible for the task;
- The level of technical preparation of these new persons in charge is appropriate for the type of ordinary business to be observed;
- consultants and external professionals in charge of accounting, corporate and labour law assistance, have historical knowledge of the activity carried out and management problems.

In addition, the organizational structure was implemented during the Financial Year considered by entering into a new tax and specialised consulting agreements, and through the appointment of a new CFO.

As provided for by Rule of Conduct Q.3.10 "Supervision of the adequacy of the instructions given to the company on its subsidiaries", the appropriateness of the procedures through which provisions are given by the parent company to the subsidiaries (i.e., EdiliziAcrobatica France, EdiliziAcrobatica Iberica and Energy Acrobatica 110 S.r.l.) has also been checked for submission of the necessary information by the subsidiaries.

The information requested by Art. 2381, par. 5, of the Civil Code, has been regularly provided by the legal representative, even more frequently than required, i.e., both during scheduled meetings and whenever a member of the Board of Statutory Auditors accessed the corporate premises individually, and also through telephone and IT information flows with the members of the Board

of Directors and with the accounting personnel. All this proves that the Executives of the Company complied with the requirements of the applicable legislation both substantially and formally.

In addition:

- No action was required to correct omissions by the Board of Directors under Art. 2406 of the Civil Code;
- No report or complaint was filed under Art. 2408 of the Civil Code;
- no report or complaint was filed under Art. 2409, par. 7, of the Civil Code;
- No opinion required by the law was issued during the period considered.

In view of the fact that the Company is admitted to trading on Euronext Growth Milan, its compliance with the obligations arising from trading securities in a multilateral system has been reviewed.

We also monitored the compliance of the Company with the obligations arising from the existence of the bond described in the Explanatory Notes and in the Report on Operations.

It has also been ascertained that the ordinary operating procedures adopted by the Group ensure transparency, substantive and procedural correctness, and ensure that all transactions with related parties are conducted at market conditions. With regard to transactions within the Group and with related parties, our examination did not reveal any criticality as to their consistency and compliance with the interests of the Company and the Group. In this regard, we remind readers that the Company adopted procedures for transactions with related parties.

Finally, we ascertained that the ordinary operating procedures adopted by the Company ensure the transparency and correctness of operations and confirm that all transactions with related parties are conducted at market conditions. With regard to intra-group and related party transactions, the notes to the financial statements contain the information due.

#### **Comments concerning the financial statements**

The financial statements for the year ended 31 December 2021 have been approved by the Board of Directors and consist of the Balance Sheet (Annual Report or Statement of Assets and Liabilities), the Income Statement (Or Profit and Loss Account), the Cash Flow Statement, and the Explanatory Notes.

In addition:

- The Board of Directors prepared the Report on Operations required by Art. 2428 of the Civil Code;

- These documents have been delivered to the Board of Statutory Auditors in due time for their filing with the Company's records, together with this report, irrespective of the time limit provided by Art. 2429, co. 1, of the Civil Code;
- The legal audit has been conducted by the auditing firm Deloitte & Touche S.p.A, which prepared its report pursuant to Art. 14 of Legislative Decree no. 39 of 27 January 2010 and detected no significant deviation or negative opinion or impossibility to express an opinion or request for information, therefore the opinion issued is positive;
- The consolidated financial statements and the related Report on Operations have been made available to the Board of Statutory Auditors.

We therefore reviewed the draft financial statement and we are providing the following further information:

- Since we are not responsible for the auditing of the financial statements, we checked the general approach of the financial statements, their general compliance with the law as regards their formation and structure/layout, and their compliance with the applicable disclosure obligations, and we have no comments in this regard;
- The valuation criteria adopted for the recognition of assets and liabilities have been checked and they were confirmed not to substantially differ from those adopted in previous years, as required by Art. 2426 of the Civil Code;
- we audited the compliance of the approach adopted to fill the Report on Operations with the applicable accounting legislation and we have nothing to point out in this regard;
- As required by our task, the Board of Directors, in preparing the financial statements, made no exception to the rules of law laid down by Art. 2423, par. 4, of the Civil Code;
- We checked the correspondence between the financial statements and the events and information of which we have become aware during the performance of our task and there is no point to raise in this regard;
- Under Art. 2426, par. 5, of the Civil Code, the significant values entered in points B) I - 1) and B) I - 2) of the Assets have been specifically reviewed and their recognition was approved;
- With regard to the Management proposal to allocate the net income of the period as specified in the final part of the Explanatory Notes, having found that the proposal complies with the limits set by the covenants relating to the bond loan and with the limitations imposed by the law, we have no point to raise on this matter, also because, in any case, any decision on this matter would be the responsibility of the Shareholders' Meeting.

## **Consolidated Financial Statements**

While the Board of Statutory Auditors' report to the Consolidated Financial Statements is not required (see Art. 41 of Leg. Decree 127/1991), it is considered appropriate to follow Rule of Conduct 3.8 "Supervision in respect of the Consolidated Financial Statements and the Report on Operations" (*the Board of Statutory Auditors is required to ensure compliance with the procedural rules concerning the drafting and publication of the consolidated financial statements*); therefore, the general approach of the Consolidated Financial Statements and the related Report on Operations (drawn up separately for the CFS, without using the option offered by Art. 40, par. 2/bis, of Leg. Dec. no. 127/91 to prepare a single document for both the individual financial statement and consolidated financial statements) and their compliance with the applicable legislation concerning their formation have been reviewed.

## **Comments and proposals for the approval of the financial statements**

The Board of Statutory Auditors, taking into account the outcome of the specific activities carried out by the statutory auditor consisting in the control of accounts and in the verification of the reliability of the financial statements, as well as its own supervisory activity and the information brought to its attention through the audits conducted, expresses a favourable opinion on the approval of the financial statements for the year ended 31 December 2021, as prepared and proposed by the Board of Directors, as well as on the related resolution proposed.

Genoa, 13 April 2022

Board of Statutory Auditors

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