# CARRON FINANCIAL **STATEMENTS** 2021





BUILDING WITH COMMITMENT AND DEDICATION



Dear Shareholders,

commitment, sacrifice and tenacity of the entire company, for which we are grateful, we have achieved an excellent result. Ending the year with a net profit of 9 million euros on the consolidated balance sheet, an increase of +3% compared to the previous year, and seeing the works portfolio grow further with new orders throughout the country, was a source of pride and satisfaction. A clear sign of good health and renewed strength, where by 'strength' we mean speed of action and fast response – even to sudden and unforeseen changes - transparency of reporting, solidity, credibility and consistency of vision in business. This is confirmed by numbers, with production value at 245 million euros, EBITDA up to 16.8 million euros (+10% compared to 2020) and EBIT up to 13.8 million euros (+7% compared to 2020).

could not have been a more beautiful victory. which we belong with affection and respect. free time, but also our money and dreams. always. Thanks to those who enable us to be so strong.

Diego Carron Presidente

We cannot but be satisfied with the closing of the financial year 2021. Thanks to the

The positive sign has an even greater value for us if we pause to think about where we were left off: the walls of fear, pain and uncertainty that we had to break down, day after day, in the previous year that we will dramatically remember as the year of COVID.

The team's determination made it possible for us to go further and continue to grow. It

As I write to you, the scenario has already changed again. External factors such as the insane increase in raw material prices and the enormous difficulty in obtaining them on schedule are actually setting the scale of uncertainty in motion again. It is up to us to pursue it while maintaining that cohesion of purpose and consistency of values that has always set us apart and that recognises us as an absolute reference point at national level in the public and private building and renovation sector.

We will continue to be so and we will prove it with facts. We know we owe it to our father, the founder of this company, to our employees, who make it a successful case history every day, to the supply chain with which we are interconnected, and to the community to

In the same way, we can only hope that those reforms (first and foremost of bureaucracy) and those investments, from EU funding to the NRRP (National Recovery and Resilience Plan), so long awaited and which have never been as necessary as now, will finally be realised to make our efforts a real strategic lever of a shared restart. The era of 'small is good' is over, for everyone and also for our very long supply chain. If we want to take on the next challenges and win them, we must be united and face the future with the mentality of a large company. aware and convinced that we are part of a system that only in this way can become the Bel Paese once again, not only the one in which to invest our

More than a rebirth, we have to build our new tomorrow. And we are ready to do it, as

# **THE GROUP**

#### Company's profile

The Carron Group was established in 1964 and for almost 60 years it has been engaged in civil and infrastructure construction projects in Italy.

With over 250 employees and potential sideline activities of over 1000 units, in 2021 the Group's annual production was about Euro 250 million.

The Group has been growing over the years, including through external acquisitions, in terms of size, portfolio, orders and value of production, to become one of the top fifteen leading groups in Italy in the construction of large civil and infrastructure works, where it conducts its activities as Builder and as project promoter under concession arrangements and public - private partnerships in the field of construction and infrastructure, as well as real estate developer.

#### Activities performed

In particular, Carron is active in the following sectors:

- Civil construction (airports, hospitals, schools, tertiary office buildings, as well as restoration and renovation projects);
- road infrastructure;
- tunnels and underground works;
- specialized works (earthworks, projects involving cultural heritage);
- historic and artistic works, special finishes, waterproofing, prefabricated industrial structures;
- special structural works and components;
- self-promoted real estate projects in the residential, commercial, office and production sectors.

The Group has carried out major infrastructure and civil construction works, which enabled the company and its personnel to gain valuable experience in managing large projects in specialised sectors.

#### Sustainability

While performing its activities, the Carron Group has undertaken a policy of sustainable development that aims to improve the company's performance in compliance with the expectations of its stakeholders.

These policies require significant financial and organisational effort and the adoption of certified and recognised safety, environmental and quality management systems and rigorous procedures that call upon all employees and partners to behave responsibly and fairly. The Group is deeply committed to constantly improving the way in which it supports the interests of its major stakeholders: customers, employees, lenders and the communities it has the honour to work with. The Group believes that its goals can only be achieved if it adopts business practices that are based on rigorous principles of sustainable and long-term development. While carrying out their activities, all Group companies are inspired by the principles of health and safety of their personnel and the respect for the environment and the places where the Group operates. We are proud of the many goals we have already achieved and confirm our firm and determined commitment to do our best to continue and possibly improve along this path.

#### Vision

In our relentless commitment to reaching ambitious goals, our multidisciplinary expertise ensures that our customers, both in the private and public sector, obtain excellent results in terms of quality and timely delivery of the works. We are aware that through our works we can contribute to improving the daily lives of those for whom they are designed. For more than a decade, the Group has played a leading economic role in Northern Italy, a role that we intend to strengthen to support both the development of the region in which we conduct business and our own growth.





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#### COMPANY BODIES

### BOARD OF DIRECTORS

Diego Carron	President
Marta Carron	Vice-Chairma
Paola Carron	CEO
Arianna Carron	CEO
Barbara Carron	CEO

### BOARD OF STATUTORY AUDITORS

Marco Contessotto	President
Primo Ceppellini	Statutory Aud
Alberto Da Dalto	Statutory Aud
Alessandra Poloniato	Alternate stat
Paolo Girotto	Alternate stat

# SUPERVISORY BOARD (Italian) Leg. Decree no. 231/2001

Francesco Schiavon	President
Marco Contessotto	Member
Andrea Dal Negro	Member

### AUDIT FIRM

DELOITTE & TOUCHE

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Carron Financial Statements 2021

# DIRECTORS' REPORT CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2021



Carron Financial Statements 2021

DIRECTORS' REPORT - Consolidated Financial Statements

# Introduction

#### Dear Shareholders,

The financial statements submitted for your approval are the clearest demonstration of the situation in which your company and Carron Group find themselves. Based on the results contained therein, I am able to express a favourable opinion on the company's results for the year ended 31/12/2021, with a profit of 1,743,000 euros and consolidated profit of 9,043,909 euros, of which the Group's share was 8,918,014 euros.

This report concerns the management analysis with regard to the principles of Article 2428 of the (Italian) Civil Code and is intended to provide an overview of the company's situation and operating performance for the financial year at 31/12/2021; it also provides a management analysis based on the results of the Consolidated Financial Statements at 31/12/2021.

Except as otherwise specified, the amounts are presented in thousands of Euro in order to facilitate understanding and clarity.

# MACRO-ECONOMIC FRAMEWORK

# THE SITUATION AT 31 DECEMBER 2021

The Italian economy showed a marked recovery starting in the spring of 2021, but slowed down at the end of the year, at the same time as the fourth wave of the pandemic. The European Commission's recent estimates show Italy's excellent GDP performance to be among the best in Europe in 2021: +6.5% compared to 2020. Compared to our main European competitors, only France recorded a higher increase (+7% compared to 2020), while Spain and Germany saw smaller increases (+5% and +2.8% respectively).

Italian growth was driven by domestic demand, especially in terms of investments, and the important contribution of the construction industry stood out among the productive sectors, once again become a driving force for the economy after so many years of crisis.

The year that has just ended saw the coexistence of a number of elements, triggered by the pandemic shock: on the one hand, the unprecedented opportunities represented by the NRRP and Superbonus as instruments to revive the economy, development drivers with enormous potential, not only for a rapid economic recovery, but also for sustained growth beyond the short term.

However, a number of critical issues also emerged in 2021 that threaten to seriously encumber the much hoped-for development scenarios. The persistent supply bottlenecks linked to the unavailability of certain raw materials and intermediate products at global level, as well as their soaring prices, threaten to bring entire production sectors to a standstill. Moreover, inflation has skyrocketed since the end of the year, a problem driven by the vertical increase in prices, especially of energy goods. This has alarmed the central banks, which will have to decide on future monetary policies.

The new geopolitical scenarios on the eastern front with the ongoing conflict between Russia and Ukraine, in addition to the factors mentioned above, seriously risk limiting if not jeopardising the expected expansion of the world and Italian economies in 2022. The European Commission has already recently revised its forecasts downwards for this year, reducing its previous estimate of +4.2% to +3.7%, postponing the start of growth until spring.

The construction sector has confirmed its growth path already started at the beginning of 2021, after the setback recorded in the pandemic year.

The ANCE (Italian Association of Private Construction Contractors) estimate for last year was a significant increase of +16.4% in real terms, resulting from generalised increases in all sectors. This important growth had not been recorded for many years and was not just a mere statistical rebound following the pandemic shock: the comparison with 2019, a pre-pandemic year, remained positive (+9.1%), confirmation that the construction industry is on the way to a gradual recovery.

Growth in 2021 (+16.4%) will make it possible to largely recover pre-COVID levels after the -6.2% drop recorded in 2020; however, the production gap with the beginning of the crisis in the sector remains high (-28.8% investment compared to 2007, i.e. a loss of 60 billion per year in construction investment).

#### DIRECTORS' REPORT - Consolidated Financial Statements

### THE SECTORS IN 2021

The substantial increase in production levels estimated by ANCE for construction investments (+16.4% compared to 2020) was generalised to all sectors and driven, in particular, by extraordinary housing maintenance and public works.

Regarding new residential construction, the ANCE estimate was for a 12% increase in real terms, linked to the positive trend in building permits since 2016.

Investments in housing renovation, which accounted for 37.5% of the sector total, were particularly positive at +25%. This estimate, much higher than in previous years, took into account the effects on production levels of the rapid recovery in demand stimulated by the special incentives for the renovation and redevelopment of the housing stock, which have made work on existing buildings a once-in-a-lifetime opportunity: the 90% Facade Bonus, the 110% Superbonus and the other 'ordinary' bonuses. The mechanisms of credit assignment and invoice discounting also played a key role in limiting the financial commitment on the part of citizens.

Private investment in non-residential construction increased by +9.5%, confirming a positive dynamic that has been underway since 2016, interspersed with the negative sign of the pandemic year. The estimate took into account not only the particularly positive data on building permits since 2015, but also the favourable economic environment that had a significant impact on production levels in this sector, more closely linked to trends in the various sectors of economic activity.

The public non-residential construction sector also showed substantial growth in 2021 compared to the previous year. This estimate took into account the measures in support of public investments implemented by the government in recent years, especially in favour of regional bodies, as well as the start-up and expansion of ongoing work on some major infrastructure projects. Finally, the estimate of the public works sector for 2021 also took into account an initial accelerating effect brought about by the NRRP, especially with reference to the spending programmes already in place that were included in the Plan.

#### 2022 FORECASTS AT NATIONAL LEVEL

The current year opens with some major critical issues that could jeopardise the recovery of the construction sector. In addition to the remarkable increases in the prices of the main building materials and accelerating inflation – issues that had already exploded in 2021 – there were two factors of uncertainty, namely the start of the conflict between Russia and Ukraine and the introduction of severe limitations on credit transfers in the recent Sostegni-ter Decree, which blocked investments in the first months of 2022.

ANCE's forecast for 2022, before the start of the Ukraine conflict, was a slight increase in construction investment of +0.5% compared to the high values reached in 2021.

With reference to investments in new housing, the forecast is for an increase in production levels of +4.5% compared to 2021, while for non-residential private housing an increase in investments of 5% is estimated. A higher estimate for this sector could have been made (also in view of the positive dynamics of building permits in the years 2015-2019 and the first nine months of 2021), if accompanied by a general economic context that had definitively left the health emergency behind. Indeed, the non-residential investment sector is among those most affected by the dynamics taking place in other economic sectors.

With reference to the public works sector, ANCE estimates for 2022 an increase by 8.5% compared to 2021. This increase is mainly explained by the expected utilisation of NRRP resources. In 2022, a consolidation of the Plan's implementation phase is expected, especially in the part under the jurisdiction of the regional bodies, which sees the realisation of small and medium works spread throughout the territory and included in existing spending programmes (making the territory and buildings safe, school construction, urban regeneration, etc.), and the continuation of works on some railway lines under construction (such as HS/HC Naples-Bari, HS Tortona-Genoa, and HS/HC Brescia-Verona-Padua). However, the realisation of these investments, and the progress of the NRRP in general has run into some critical issues.

Firstly, as already pointed out, the high cost of materials. On this issue, the government has already adopted emergency measures in relation to works carried out in the first and second semesters of 2021 and has recently returned to the issue with the Sostegni-ter Decree (Italian Decree Law 4/2022). While these measures testify to the government's attention to the matter, they do not yet seem to have effectively resolved all the problems affecting the public works market and, therefore, implementation of the NRRP.

The planned compensatory measures appear to be insufficient to avert the risk of building site closures. Moreover, the issue does not only concern ongoing contractual relationships, but also works that are soon to be entrusted, the projects for which have been prepared on the basis of price lists that are far removed from current market prices. An adjustment of the price lists and tender starting prices is necessary, as has recently been done by some major contracting entities, in order to ensure the smooth progress of works to be carried out and thus compliance with the established time schedules.

#### NRRP CONTRIBUTION

The trend of public works in 2021 was also affected by an initial accelerating effect due to the National Recovery and Resilience Plan (NRRP) and limited to investments already underway and included in the European plan. This is the case, for example, with the ongoing railway works on the main HS/HC lines such as the Brescia-Verona-Padua line, the Tortona-Genoa line and the Naples-Bari line. Indeed, the recent RFI (Rete Ferroviaria Italiana) data on the 2020-2021 expenditure forecasts of the works financed with the NRRP show an increase of almost 300 million euros, compared to the expenditure forecasts, due exclusively to the works in progress. Instead, there are delays with the planned railway investments for Southern Italy.

The NRRP, which allocates 108 billion euros to investments of interest to the construction sector, will be the main driver of the performance of the public works sector in 2022, for which an 8.5% growth over the previous year is estimated.

This growth will essentially depend on the spending programmes at local level and the construction sites being built.



#### BACKGROUND DESCRIPTION AND RESULTS OF THE PARENT COMPANY CARRON HOLDING SRL

The year covered by this report was a year in which the company continued its equity investment activity.

The reclassified financial statements are provided below.

#### **CARRON HOLDING FINANCIAL STATEMENTS AT 31 DECEMBER 2021**

(In thousands of Euro)

DESCRIPTION	2021	2020	Variation
Financial fixed assets and other securities	4,855	4,855	-
Fixed assets	4,855	4,855	-
Current assets	3,898	17	
Current liabilities	(3,466)	(7)	
Net working capital	432	10	422
Provisions for liabilities, staff severance indemnity, long term liabilities	[-]	[-]	(-)
Net invested capital	5,287	4,865	422
Equity	5,425	5,424	1
Net financial position vs banking system	[138]	(559)	421
Sources	5,287	4,865	422

The structure of invested capital shows a significant portion composed of financial assets amounting to 4,855,000 euros, relating to the company's typical activity, and net working capital amounting to 432,000 euros.

Net working capital is mainly represented by transactions within the scope of the group VAT system and the purchase and transfer of tax credits for building work.

It should be noted that all items were then appropriately adjusted in the financial year 2022.

#### **INCOME STATEMENT**

#### DESCRIPTION

Production Value	
Production cost	
Difference between value and costs of production	
Financial income and charges	
Financial income	
Financial charges	
Total financial income and charges	
Result before taxes	
Taxes for the year	
Result for the year	

#### INFORMATION REQUESTED BY THE PROVISION CIVIL CODE

#### INDICATOR

Equity to Asset Ratio Equity - Fixed Assets

Ratio of current assets to current liabilities Current assets/current liabilities

Equity to fixed assets ratio Shareholders' equity/Fixed assets

Ratio of fixed assets to total assets Fixed assets/net assets

Overall debt ratio Shareholders' equity/Total liabilities

2021	2020	Variation
-	-	-
[24]	(53)	29
(24)	(53)	29
26	630	(604)
[-]	[-]	[-]
26	630	(604)
2	573	(571)
-	1	1
2	572	(570)

### INFORMATION REQUESTED BY THE PROVISIONS OF (ITALIAN) LEG. DECREE 2428 OF THE ITALIAN

2021	2020
570,218	568,475
1.12	2.43
1.12	1.12
0.92	1.00
0.61	1.00

#### BACKGROUND DESCRIPTION AND RESULTS OF CARRON HOLDING GROUP

The results of the consolidated financial statements are now examined.

The financial year just ended recorded a profit of Euro 9.0m euros and a group production value of 250m euros.

Production value recorded the same levels as in 2020, while profitability (EBITDA) was up to 16.9m euros, or 6.87% of the value of production, from 15.3m euros, or 6.12%, at 31/12/2020.

EBIT also increased from 13.0m euros, or 5.17%, to 13.9m euros, or 5.64% of the value of production.

#### ACQUISITIONS

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The Carron Group made important work acquisiti private customers.

The most important include:

Customer	Subject of contract		Amount
Kryalos SGR SpA - on behalf of Fondo Virtus	Renovation and conservative restoration of the building complex in Via Regina Giovanna 27-29, Milan	€	22,200,000
Savills Investment Management Sgr Spa	Construction of the new building in Viale Sarca 336, Milan	€	10,700,000
CDPI Immobiliare SGR SpA on behalf of the FIV - Comparto Plus fund	Redevelopment of the EX Demanio-Centro Servizi Scandicci building complex in Scandicci (FI)	€	24,500,000
Azimut	Renovation of buildings for hotel use in Siena	€	9,700,000
HPF Europe Holding Sarl (BNP Paribas)	Construction of a healthcare facility in Castelnuovo Garfagnana (LU)	€	7,000,000
Augusto Imperatore condominium	Building facade renovation in Rome	€	2,700,000
REAM Sgr Spa	Healthcare facility with 175 beds in Rapagnano (FM)	€	18,200,000
REAM Sgr Spa	Healthcare facility with 290 beds in Varese (VA)	€	26,500,000
Coima Sgr Spa	Property redevelopment in Via Pirelli 35, Milan	€	70,500,000
Municipality of Caldaro (BZ)	Middle school renovation and expansion	€	8,700,000
Merano Centrum Parking Spa	Construction of an underground car park in the Monte San Benedetto tunnel near Merano (BZ)	€	9,900,000
Autonomous province of Bolzano	Construction of three residential buildings, renovation of several buildings and exterior of the Cantore barracks in San Candido (BZ)	€	13,400,000

The Carron Group made important work acquisitions in 2021, both in the public works sector and from



Carron Financial Statements 2021

DIRECTORS' REPORT - Consolidated Financial Statements

### ORDER BOOK

The Group's backlog of works at 31/12/2021 amounted to 815 million euros, of which 370 million euros was for tender contracts and the execution of civil construction works, 335 million euros related to contracts for the purchase and sale of future goods, of which EUR 158 million were in progress and 177 million euros awaiting start-up (mainly nursing homes), 96 million euros for the execution of infrastructure works and 15 million euros related to plant.









(million/euro)





#### CLIENT CA' TRON – H-CAMPUS - CLOSED REAL ESTATE FUND CONSTRUCTION OF AN INNOVATION AND TRAINING HUB



Activities carried out:

- Buildings for training activities (H-School)
- Buildings for recreational, sports and catering services (service centre and sport arena)
- Student residence building
- Buildings for other activities (Farm 3)
- Infrastructure and green areas

Construction of school buildings understood as reinforced concrete/steel load-bearing structures, related finishing works, electrical, mechanical and specialised plant works as well as all external urban infrastructure works; delivery and completion of works, lot 4;

# CLIENT **OSPEDAL GRANDO S.R.L. – LICENSEE PROJECT COMPANY**



Activities carried out:

- works continued with screeds, flooring, plasterboard and masonry walls, ceilings and doors;
- The works in buildings 30A and 30B were completed;
- networks, paving and landscaping of green areas.

### CLIENT

**EDITION PROPERTY S.P.A.** 

RENOVATION OF THE BUILDING COMPLEX IN PIAZZA AUGUSTO IMPERATORE, ROME



Activities carried out:

• Completion of demolition and structural works, construction of plasterboard partitions and storey installation, interior and exterior conservative restoration, and installation of exterior windows and doors;

# CONSTRUCTION OF THE "CITTADELLA SANITARIA" AT THE HOSPITAL IN TREVISO

• Structural and external envelope works were completed in building 29, while and internal building

• In the outdoor areas, ongoing works included excavation and earthmoving, the laying of utility

ceilings, installation of mechanical, electrical and special systems, commencement of fit-out

CLIENT LARGO AUGUSTO CONDOMINIUM

BUILDING FACADE RENOVATION IN LARGO AUGUSTO, ROME



Activities carried out:

• Conservative restoration of the travertine and brick facades of the Augusto Imperatore 2 building, including conservative restoration of the decorations and high reliefs on the facade.

# CLIENT KRYALOS S.G.R S.P.A.

RENOVATION OF BUILDING FOR OFFICE USE IN VIALE REGINA GIOVANNA, MILAN



Activities carried out: • Site preparation, demolition and excavation works, reinforced concrete works, consolidation works. CLIENT KRYALOS S.G.R. S.P.A.

ON VIA GATTAMELATA, MILAN



- Activities carried out:
- Completion of reinforced concrete structures;
- Plant;
- Facades;
- Plasterboard and basement boarding;
- Flooring;
- Technological installations.

#### CLIENT SAVILLS I.M. S.G.R. S.P.A. RESTORATION OF A BUILDING FOR OFFICE USE IN VIALE SARCA 336, MILAN



Activities carried out:

• Site preparation, reinforced concrete works, mechanical systems, waterproofing.

# DEMOLITION AND CONSTRUCTION OF A BUILDING FOR OFFICE USE AND ANNEXED FUNCTIONS

#### CLIENT UNIVERSITY OF PADOVA - Former Geriatric Hospital - Padua



Activities carried out:

• Administrative activities for the amicable settlement and outline agreement with the contracting authority; start of the 10-year plant maintenance plan.

#### CLIENT

#### MARCHE REGION

EXECUTIVE PLANNING AND EXECUTION OF THE WORKS NECESSARY FOR THE EFFECTIVE AND FUNCTIONAL CONSTRUCTION OF THE NEW HOSPITAL IN CAMPIGLIONE DI FERMO IN THE MUNICIPALITY OF FERMO, PROVINCE OF FERMO.



Activities carried out:

- · Hospital: continuation of works, reinforced concrete works such as foundations, elevations, floors, installation of anti-seismic devices, structural metalwork for roofing, waterproofing, infill walls, plasterboard works such as walls and wall linings, start of installation of elevator systems, mechanical and electrical systems (carried out by members of temporary associations of companies), earthmoving and perimeter backfilling.
- Road network (complementary contract): suspension of site works, safety works carried out;

#### CLIENT

AUTOSTRADA BRESCIA VERONA VICENZA PADOVA Spa – A4 THE NON-MOTORWAY ROAD NETWORK



Activities carried out:

precast works, laying of underground utilities..

#### CLIENT

FORMER SS 236 GOITESE IN MANTUA PROVINCE CONSTRUCTION OF NORTHERN RING ROAD OF GUIDIZZOLO (MN)



Activities carried out:

COMPLETION OF THE NEW BUS TERMINAL IN MONTECCHIO MAGGIORE (VI) AND CONNECTIONS TO

• Excavation and earthmoving works, road embankments, on-site reinforced concrete works and

• Bituminous paving, public lighting works, supply and installation of barriers and road signs.

#### **PROVINCE OF TRENTO**

EXECUTIVE DESIGN AND EXECUTION OF CONSTRUCTION WORK FOR THE 1ST EXPANSION STAGE OF THE TRENTO 3 WATER TREATMENT PLANT AND REGRADING OF STATE ROAD 12 OF ABETONE AND BRENNERO



Activities carried out:

- Initial lifting completed, with the exception of some detail finishes;
- · Completion of purification plant structural works, both on-site reinforced concrete works and precast works;
- Completion of tank waterproofing, sanitising treatments of interior walls and waterproofing of purification plant roof;
- Block masonry and related finishing treatments are being completed;
- Light and heavy structural metalwork is being carried out inside the purification plant building;
- The external works of the purification plant are being carried out.

#### CLIENT REAM S.G.R. S.P.A CONSTRUCTION OF NURSING HOME, RAPAGNANO (FM)



Activities carried out:

• Preparatory works and final and executive design process for obtaining authorisations from the relevant bodies.

CLIENT **OPENZONE S.P.A.** CONSTRUCTION OF LE TORRI BUILDINGS, BRESSO (MI)



Activities carried out:

- Reinforced concrete structures;
- Basement installations;
- Installation layouts for the floors;
- Start of double skin and window installation;
- Structural metalwork;

CLIENT

#### CDP S.G.R. S.P.A.

REDEVELOPMENT OF EX DEMANIO-CENTRO SERVIZI SCANDICCI BUILDING COMPLEX, SCANDICCI (FI)



Activities carried out:

demolition of existing external structures.

• Site set-up, preliminary environmental tests and inspections, earthmoving and excavations, and

### REAM S.G.R. S.P.A.

RENOVATION FOR CONSTRUCTION OF NURSING HOME IN VIA LANCIA & VIA ISSIGLIO, TURIN (200+200 BEDS)



Activities carried out:

- Completion of the structure (completion of reinforced concrete structures, masonry, plasterboard works, interior finishes, cladding, waterproofing, installation of interior and exterior fixtures, elevator, electrical and mechanical systems);
- start of urban infrastructure works, including works deductible from building permit fees;

#### CLIENT CARRON S.P.A. COMMERCIAL COMPLEX IN VIA LANCIA, TURIN



Activities carried out:

• Start of demolition works, strip outs, environmental remediation, earthmoving in general, basement car park foundations, basement car park elevations in reinforced concrete, basement car park floor laying, waterproofing, external flooring.

#### CLIENT LIFENTO SAS on behalf of the Lifento Salute fund IMPLEMENTATION OF NURSING HOMES IN CECINA (LI) - 160 BEDS



Activities carried out:

- Completion of the building (completion of reinforced concrete and metalwork structures, masonry, fixtures, elevator, electrical and mechanical systems), including exterior works;
- Completion of urban infrastructure works.

# **CLIENT**

PRIMONIAL LUXEMBOURG REAL ESTATE SA on behalf of the PRIMONIAL Italian Healthcare fund IMPLEMENTATION OF NURSING HOMES LIMBIATE (MI) - 300 BEDS



Activities carried out:

- Completion of the structure (completion of reinforced concrete structures, masonry, plasterboard elevator, electrical and mechanical systems) including exterior works;
- (municipal pharmacy).

plasterboard work, interior finishes, insulation, waterproofing, installation of interior and exterior • Supply and installation of furniture (kitchen, laundry, rooms and common areas);

works, interior finishes, cladding, waterproofing, installation of interior and exterior fixtures,

• Supply and installation of furniture (kitchen, laundry, rooms and common areas);

• Completion of urban infrastructure works, including works deductible from building permit fees

#### SANS SOUCI Srl

RENOVATION OF BUILDINGS FOR HOTEL USE IN THE MUNICIPALITY OF SIENA



Activities carried out:

- Site set-up, strip out and internal demolition;
- Clearing of existing park.

# CLIENT

REAM S.G.R. S.P.A. COMPLETION OF NURSING HOMES IN TORREVECCHIA PIA (PV) – 120 BED



Activities carried out:

• Building completion and disposal.

### CLIENT SENECTUS Srl CONSTRUCTION OF NURSING HOME IN CASTELNUOVO GARFAGNANA (LU)



#### Activities carried out:

#### CLIENT FONDO SALUTE ITALIA

COMPLETION OF NURSING HOMES WITH 200 BEDS FOR NON-SELF-SUFFICIENT PEOPLE IN VIA SERVAIS, TURIN



Activities carried out:

• Building completion and sale.

• Demolition, site set-up, pouring of foundation slab, pouring of half of the ground floor columns.

Carron Financial Statements 2021

CLIENT IMMOBILMARCA Srl CONSTRUCTION OF 2 RESIDENTIAL BUILDINGS IN SILEA (TV)



Activities carried out:

• Completion of rough and advanced rough works, continuation of finishing works and system components, start of external finishing work

# CLIENT

PATAVIUM Srl RESTORATION AND RENOVATION OF ROCCABONELLA PALACE (PD)



Activities carried out:

- Building works, plasterboard works, screeds, installation works, finishing works;
- Handover of the property to the building manager and some units to the respective customers.

#### CLIENT SPESA INTELLIGENTE S.P.A. CONSTRUCTION OF A BUILDING FOR COMMERCIAL USE IN COMACCHIO (FE)



Activities carried out:

• Completion of internal finishing works in the shop and external finishing works related to car parks, handover of the building.

#### CLIENT IMMOBILMARCA Srl

CONSTRUCTION OF RESIDENTIAL UNITS IN RIESE PIO X (TV



Activities carried out:

• Earthmoving works, completion of rough works and continuation of advanced rough works such as screeds, plasterboards, insulation, waterproofing and installations.

the road network and landscaping of green areas; administrative activities related to testing and

#### ISTITUTO DI CULTURA E DI LINGUE PER L'EDUCAZIONE E L'ISTRUZIONE NELLE SCUOLE SUORE MARCELLINE

REAL ESTATE/FUNCTIONAL REDEVELOPMENT OF AN EDUCATIONAL INSTITUTION RUN BY MARCELLINE NUNS – BOLZANO



Activities carried out:

• All planned contract works were completed in 2021, with the finalisation and completion of the boarding school and the demolition of the old boarding school with the construction of the outdoor areas.

#### CLIENT

### APSP MARTINSHEIM MALLES VENOSTA

RENOVATION AND EXPANSION OF THE NURSING HOME IN MALLES



Activities carried out:

• Most of the building work was carried out in 2021, including the installations and additional works for plastering and painting, with the exception of plant adjustments and the finalisation of minor works preparatory to start-up of the facility in March 2022.

#### CLIENT **TEUTONIC ORDER OF LANA** CONSTRUCTION OF ST. JOSED" NURSING HOME IN MERANO



Activities carried out:

### CLIENT

RESIDENCE HOTEL ANTARES



- Activities carried out:
- During 2021, final work was completed on construction of the tunnel connecting the car park to the existing building. Installations and all ancillary works were carried out.

• During 2021, all building and plant engineering finishing work was completed, along with the various adjustments and commissioning. The building was handed over and is currently operational.

CONSTRUCTION OF AN UNDERGROUND CAR PARK IN SELVA DI VAL GARDENA

NOI S.P.A. RENOVATION AND EXPANSION OF THE FORMER SPEED LINE CANTEEN



Activities carried out:

• During 2021, work continued on screeds, plasterboards and external cladding. Lift frames were installed, rough works were completed and the projecting staircase was built.

#### CLIENT PROVINCE OF BOLZANO

CONSTRUCTION OF MILITARY HOUSING IN VIA RESIA (BZ)



Activities carried out:

• In 2021, all advanced rough works and finishing works were completed, as well as construction of installations and the entire external park.

CLIENT MUNICIPALITY OF SELVA DI VAL GARDENA REDEVELOPMENT OF THE MUNICPALITY BUILDINGS FOR USE AS A MUSIC PAVILION



Activities carried out: • All contract works were completed in 2021.

CLIENT **PROVINCE OF BOLZANO** CONSTRUCTION OF THE NEW MERANO BYPASS CONNECTING TUNNEL



Activities carried out:

while the other side, excavation works on the rock tunnel continued.

• During 2021, demolition of the buildings of the old municipal site, construction of the large-diameter piles, and the covering of the artificial tunnel at the entrance of the previous lot were carried out,

UNIONBAU GMBH

CONSTRUCTION OF MECHANICAL SYSTEMS AT THE NURSING HOME IN CAMPO TURES



Activities carried out:

• During 2021, work continued on the mechanical systems and additional work requested by the customer was added, which is currently being formalised and will result in the contract being concluded for a much higher amount than the initial one.

#### CLIENT

#### PROVINCE OF BOLZANO

CONSTRUCTION OF CASA DELLE ASSOCIAZIONI IN FALZES



Activities carried out:

- The contract is managed by a temporary association of companies and Carron Bau's part is for construction of the electrical and mechanical installations.
- During 2021, concealed rough works and construction of the technological and power distribution rooms were carried out.





#### Activities carried out:

# CLIENT PROVINCE OF BOLZANO



- Activities carried out:
- carried out.

• During 2021, demolition works were carried out and work on the reinforced concrete structures began.

CONSTRUCTION AND EXPANSION OF NURSING HOME IN SAN LEONARDO IN PASSIRIA

• During 2021, work on mechanical systems continued, while other minor works still need to be

### CLIENT MUNICIPALITY OF LANA CONSTRUCTION OF UNDERGROUND GARAGE



#### Activities carried out::

• During 2021, all works related to the construction of the underground garage in the square behind the municipality building were completed.

### CLIENT

#### ACCADEMIA NICOLO' CUSANUS

RENOVATION OF THE ACCADEMIA CARDINALE NICOLÒ CUSANUS IN BRESSANONE



Activities carried out:

• Routine plant maintenance works continued.

### CLIENT NOI SPA CONSTRUCTION OF MECHANICAL SYSTEMS OF NEW BUILDING IN BRUNICO



#### Activities carried out:

• Only the works on the geothermal wells were carried out during the year.

#### CLIENT

MUNICIPALITY OF SELVA DI VAL GARDENA NIVES ROAD REDEVELOPMENT



Activities carried out:

• Finishing and furnishing works were completed during 2021.

CLIENT MUNCIPALITY OF CALDARO RENOVATION OF CALDARO MIDDLE SCHOOL



Activities carried out:

- In the course of 2021, the first lot was acquired for the rough works related to the renovation of the school, including the construction of three underground gyms.
- Demolition, asbestos abatement, excavation and special foundation works were carried out.

### CLIENT

### MUNCIPALITY OF CALDARO

CONSTRUCTION OF MECHANICAL SYSTEM AT CALDARO MIDDLE SCHOOL

Activities carried out:

• During 2021, the substations and the initial installations were completed.

#### CLIENT

#### MUNCIPALITY OF CALDARO

CONSTRUCTION OF ELECTRICAL SYSTEM AT CALDARO MIDDLE SCHOOL

#### Activities carried out:

• In the course of 2021, the initial installations were completed.

### CLIENT **PROVINCE OF BOLZANO** CONSTRUCTION OF THE CHIENES TUNNEL

#### Activities carried out:

#### CLIENT MERANO PARKING CENTRUM SPA

# CONSTRUCTION OF UNDERGROUND CAR PARK IN THE TUNNEL

- Activities carried out:
- In 2021 the contract was signed and the executive design is underway.

### CLIENT

#### MUNCIPALITY OF BOLZANO RENOVATION AND EXPANSION OF THE DANTE SCHOOL IN BOLZANO

#### Activities carried out:

• During 2021, work was carried out on the temporary school for accommodating students.

#### CLIENT

### LAIVES SOCIAL SERVICES ASSOCIATION

#### RENOVATION AND EXTENSION OF THE LAIVES HOSPICE

#### Activities carried out:

• During 2021, adaptation work was carried out on the Goldenoff Hotel so that guests could be relocated from the old building before proceeding with demolition work.

#### CLIENT

# AZIENDA SERVIZI MUNICIPALIZZATI DI MERANO (ASM)

RENOVATION AND MODERNISATION OF THE OLD ASM PREMISES

Activities carried out:

• The entire building was demolished in 2021.

• The contract was signed in 2021. Carron Bau's share of 6.82% of the total relates to system works.



# **GROUP'S MAIN ECONOMIC AND FINANCIAL INDICATORS** AT 31 DECEMBER 2021

DIRECTORS' REPORT - Consolidated Financial Statements















NET PROFIT







53



# NET FINANCIAL POSITION VIS-À-VIS INSTITUTIONS (EUR0 / 1000)



2020



1,60 1,20 0,80 0,40 1,213 0,00 2021

R.0.E.



CURRENT RATIO CURRENT ASSETS/CURRENT LIABILITIES



8.00% 6.00% 4.00% 2.00% 0.00%





8.00%

6.00%

4.00%

2.00%

0.00%



55

# QUICK RATIO





2019

# EBITDA





2019

# EBIT



2020



2019

#### **GROUP'S FINANCIAL STATEMENTS AT 31 DECEMBER 2021**

(In thousands of Euro)

DESCRIPTION	2021	2020	Variation
Receivables from shareholders for capital yet to be paid-in	0	30	(30)
Intangible fixed assets	1,773	1.,972	(199)
Tangible fixed assets	22,109	22,146	(37)
Financial fixed assets and other securities	3,387	3,188	199
Financial receivables after twelve months	12,935	13,378	[443]
Trade receivables and other receivables due beyond twelve months	13,391	15,428	(2,037)
Fixed assets	53,595	56,142	(2,547)
Net working capital	43,415	11,110	32,305
Provisions for liabilities, staff severance indemnity, long term liabilities	(8,377)	(3,651)	[4,726]
Net invested capital	88,633	63,601	25,032
Equity	74,126	65,077	9,049
Net financial position vs banking system	13,290	[2,939]	16,229
Other financial payables vs leasing	1,217	1,463	[246]
Sources	88,633	63,601	25,032

#### FIXES ASSETS

For the purposes of reclassification of the financial statement values, non-current assets include intangible and tangible assets at their net value, as well as medium/long-term financial assets, typically represented by investments not included in the scope of consolidation, loan receivables and trade receivables due after 12 months.

At 31.12.2021, non-current assets amount to Euro 53.6 million (Euro 63.6 million at 31.12.2020), of which Euro 1.7 million for intangible assets (Euro 2 million at 31.12.2020), Euro 22.1 million for tangible assets (Euro 22.1 million at 31.12.2020), Euro 3.3 million for financial assets (Euro 3.2 million at 31.12.2020), Euro 13 million for financial receivables and due after 12 months and other securities (Euro 13.3 million at 31.12.2020), Euro 13.4 million for trade receivables and other securities due after 12 months (Euro 15.4 million at 31.12.2020), recording an overall increase, compared with the figure at 31.12.2020, of Euro 2.5 million.

The detailed analysis of the changes occurred is contained in the specific illustrative section of the "Explanatory notes to the financial statements" to which reference is made.

#### **NET WORKING CAPITAL**

At 31.12.2020, the net working capital amounted to Euro 11, 1 million, while at 31.12.2021 it amounted to Euro 43, 4 million, recording an increase of Euro 32.3 million.

The increase was impacted by the presence, in its composition, of works with slow financial turnover related to the underlying nature of the contracts governing their execution, in this case called "sale of future assets", the final payment of which takes place when they come into existence and related sale by notarial deed.

The trend of net working capital is impacted by the way in which the activity is carried out, which varies according to the specific conditions that govern the contracts of companies carrying out the works, of the contractual relationships with suppliers and subcontractors and, in general, of third parties with whom the company deals in carrying out activities.

The rotation speed of turnovers is different and, in almost all cases, the business cycle has a faster turnover speed than the financial cycle.

(In thousands of Euro)

DESCRIPTION	2021	2020	Variation
Inventories	22,315	2,348	19,967
Work in progress	123,253	86,007	37,246
Trade receivables	39,205	48,547	(9,342)
Receivables from consortium subsidiaries	254	17,464	(17,210)
Receivables from associated companies	8,224	2,092	6,132
Tax receivables	5,191	4,068	1,123
Receivables for prepaid taxes	257	124	133
Receivables due from others	26,180	16,030	10,150
Current financial assets	98	114	(16)
Accruals and deferrals	828	484	344
Total current assets	225,805	177,278	48,527
Advances received	94,864	76,999	17,865
Trade payables	73,810	78,434	[4,624]
Payables to consortium subsidiaries	23	0	23
Payables due to associated companies	7,068	4,634	2,434
Tax payables	1,785	1,383	402
Payables due to pension and social security institutions	1,145	1,075	70
Other payables	3,600	3,557	43
Accruals and deferrals	96	86	10
Total current liabilities	182,391	166,168	16,223
Net working capital at 31.12.2021	43,414	11,110	32,304

#### **INVESTED CAPITAL**

Net invested capital amounted to 88.6 million euros (63.6 million euros in 2020), an increase of 25.0 million euros, mainly due to the increase in net working capital described above.

#### SHAREHOLDERS' EQUITY OF THE GROUP

At 31.12.2021 the Group shareholders' equity, consisting of the share capital and the legal and optional reserves, amounts to Euro 74,1 million, recording an increase of Euro 9,0 million compared with the figure at 31/12/2020 (Euro 65.1 million). For further information, please refer to the Explanatory notes.

#### **NET FINANCIAL POSITION**

(In thousands of Euro)

DESCRIPTION	2021	2020	Variation
Cash and cash equivalents	77	98	(21)
Cash and cash equivalents held in banks	46,545	58,069	(11,524)
Liquidity	46,622	58,167	(11,545)
Short-term bank debt	[23,296]	[16,347]	[6,949]
Non-current bank loans	(36,616)	(38,881)	2,265
Net financial position towards the lending system	(13,290)	2,939	(16,229)
Receivables due from subsidiaries after 12 months	0	0	0
Receivables due from associated companies after 12 months	832	733	99
Receivables due from other companies after 12 months	12,103	12,646	(543)
Financial position towards others	12,935	13,379	[444]
Total net financial position	(355)	15,759	(16,114)

The Group's financial position vis-à-vis the banking system decreased by Euro 16.2 million, from Euro (+) 2.9 million at 31.12.2020 to Euro (-) 13.3 million at 31.12.2021. The overall position, which includes financial receivables and payables from/to other companies and from/to associated companies, amounted to Euro (-) 0.3 million, a decrease of Euro - 16.1 million compared with 31.12.2020 (Euro 15.8 million).

#### NOTES TO THE INCOME STATEMENT

#### Reclassified income statement (value added approach)

The following reclassification highlights the intermediate results of economic management by highlighting the "Value added", the "Gross operating margin or Ebitda", the "Operating margin or Ebidt" and the result for the year:

(In thousands of Euro)

DESCRIPTION	2021	%	2020	%
VALUE OF PRODUCTION	245,748	100.00	249,995	100.00
Costs for acquisitions	(205,690)	(83.70)	(212,155)	(84.86)
ADDED VALUE	40,058	16.30	37,840	15.14
Labour costs	(20,303)	[8.26]	(19,114)	(7.65)
Sundry operating expenses	(2,463)	(1.00)	(2,876)	(1.15)
Other provisions	[411]	(0.17)	(545)	(0.22)
EBITDA	16,881	6.87	15,305	6.12
Depreciation	(2,506)	(1.02)	(2,261)	(0.90)
Amortisation, depreciation and write-downs	(509)	(0.21)	[124]	(0.05)
EBIT	13,867	5.64	12,920	5.17
Financial income and (charges)	(2,157)	(0.88)	(873)	(0.35)
Revaluations (write-downs)	197	0.08	(214)	(0.09)
Profit before tax	11,908	4.85	11,833	4.73
Income taxes	(2,864)	(1.17)	(3,057)	[1.22]
Net profit for the year	9,044	3.68	8,776	3.51



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#### **BREAKDOWN OF REVENUE BY SEGMENT**

Million/Euro

DESCRIPTION	31/12/2021			
DESCRIPTION	Building	Infrastructure	Plant	
Italy	86%	11%	3%	
Incidence percentage				

2021

#### **INCOME STATEMENT**



The production volume at 31 December 2021 of Euro 246 million is down by 1,7% compared to the figure for 2020.

The greatest repercussions of the pandemic situation were, however, in the slowdown in the opening of new nursing homes due to the difficulties faced by the authorities in charge in terms of concluding authorisation procedures within the usual deadlines.

Costs for external acquisitions of goods and services amounted to Euro 206,0 million, accounting for 83.70% of the value of production (Euro 212,0 million, accounting for 84.86% in 2020).

Value added amounted to Euro 40,0 million, which corresponds to 16.30% of the value of production, against Euro 37,8 million in 2020 (16.30% of the value of production).

Despite still operating in a health emergency situation, the financial year saw increased profit with the 2020 EBITDA of 6.12% (value 15.3 million euros), rising to 6.87% in 2021 (value 16.9 million euros).

#### THE ITEM "VALUE OF PRODUCTION" IS BROKEN DOWN AS FOLLOWS:

(In thousands of Euro)

DESCRIPTION	2021	2020	Variation
Sales and services revenues	205,154	240,213	(35,059)
Changes in work in progress	37,246	7,566	29,680
Changes in product inventories	325	0	325
In-house work	0	0	0
Other revenues and income	3,023	2,213	810
Total value of production	245,749	249,993	[4,244]

DESCRIPTION	31/12/2020			
DESCRIPTION	Building	Infrastructure	Plant	
Italy	86%	11%	3%	
Incidence percentage				



#### **COMPOSITION OF PRODUCTION COSTS**

(In thousands of Euro)

DESCRIPTION	2021	2020	Variation
Raw and ancillary materials	46,242	34,166	12,076
Provision of services	174,496	158,140	16,356
Use of third-party assets	4,595	4,637	[42]
Changes in inventories	[19,643]	15,212	(34,855)
Total external purchases	205,690	212,155	(6,465)
Labour costs	20,303	19,114	1,189
Amortisation and depreciation, risk provision and write-downs	3,425	2,385	1,040
Other provisions		545	(545)
Sundry operating expenses	2,463	2,876	[413]
Total production costs	231,881	237,075	(5,194)

#### COMPOSITION OF ADDED VALUE

(In thousands of Euro)

DESCRIPTION	2021	2020	Variation
Value added	40,058	37,840	2,218
Compensation for work	(20,303)	[19,114]	(1,189)
Sundry operating expenses	[2,463]	(2,876)	413
Other provisions	[411]	(545)	134
EBITDA	16,881	15,305	1,576
Depreciation	(2,506)	(2,261)	(245)
Amortisation, depreciation and write-downs	(509)	[124]	(385)
EBIT	13,867	12,920	947
Financial income and (charges)	(2,157)	[873]	[1,284]
Write-downs	197	[214]	411
Profit before tax	11,908	11,833	75
Taxes	[2,864]	(3,057)	193
Shareholder's net income	9,044	8,776	268

EBITDA for the year showed an increase, from 6.12% at 31.12.2020 to 6.87% at 31.12.2021.

#### INFORMATION REQUIRED BY ART. 2428 OF THE ITALIAN CIVIL CODE

#### INDICATOR

Ratio of current assets to current liabilities Current assets/current liabilities

Equity to fixed assets ratio Shareholders' equity/Fixed assets

Ratio of fixed assets to total assets Fixed assets/net assets

#### Flexibility of net assets

Current assets/net assets

Overall debt ratio Shareholders' equity/Total liabilities

Debt to equity ratio Shareholders' equity/Net financial position vis-à-vis leno

Acid test Current assets-stocks/Current liabilities

Total debt ration Total liabilities/ Shareholders' equity

Financial debt/Ebitda Financial position vis-à-vis lenders/gross operating mar

Ebitda/Financial payables Gross operating margin/financial position vis-à-vis lende

#### The following information is provided pursuant to Article 2428 of the (Italian) Civil Code:i:

The company does not possess, directly or indirectly, shares or quotas in parent companies.

During the year, the company did not dispose of shares or quotas in parent companies, including through trust companies or intermediaries.

The company did not issue financial instruments and did not make use of derivative financial instruments.

	2021	2020
	1.322	1.287
	1.380	1.160
	0.164	0.192
	0.836	0.807
	0.294	0.287
nders	(5.570)	22.14
	1.213	1.274
	3.398	3.481
irgin	(0.787)	0.155
der	(1.270)	6.413

#### **OTHER INFORMATION**

#### Status of the dispute

The civil litigation situation regarding the group's activities, supported by the assessments of the designated lawyers, does not give rise to particular concerns, given that the pending litigations and their very modest value are not deemed to prejudice the economic and financial situation of the companies belonging to the Group.

#### **Tax situation**

There were no pending tax disputes at 31/12/2021

#### **Risk management policies**

The Carron Group's business is generally subject to various operational, counterparty and contract risks as well as financial risks.

#### **Operational risks**

In this case, the risks that could affect the creation of value and due to an inefficient and/or ineffective management of business operations were taken into account, in particular those connected with the management of offers and the actual execution of orders. The various risk areas that fall into this category include the planning of offers, warehouse management and logistics, as well as risks related to the management of IT systems, planning and reporting, effective supply chain and personnel management, also with reference to health and safety, the environment, human rights and local communities. These risks may occur if, during the bidding and/or order implementation process, policies and procedures of the business entities are not sufficiently adequate to manage the risk factors arising from the degree of complexity of the project, or as a result of unforeseeable events. To this end, the activity carried out is aimed at controlling these risks from the analysis phase of the commercial initiative to be undertaken (bidding) with a view to assessing the risk-return of the project in case of award and its impact on the portfolio configuration, both in terms of concentration and overall risk profile. In this context, among other activities, a pre-bid assessment is carried out to identify potential risks and consequent impacts related to the project, as well as to identify the necessary mitigation and/or contingency measures to cover risks. The risk recognition activity is then performed again during the award phase and monitored and updated during execution of the order to swiftly detect evolution of the risk exposure and promptly adopt appropriate mitigation measures.

#### **Counterparty risk**

The size and/or technical capability of the counterparty indicates the potential problems connected with relations with customers, shareholders, subcontractors and suppliers of the Group companies, giving as complete a picture as possible of the characteristics of partners with whom to start or continue a collaboration. For each of these types of counterparties, the risk factors connected with financial and operational reliability take on more or less significance, in addition to the strategic role that may be assumed by a collaboration as opposed to a specific business initiative, as well as everything connected with legal, compliance and applicable standards (ethics, guality, health and safety, environment, human rights) to protect the regularity of the relationship.

#### Order risk

This aspect is crucial for an effective analysis of all the risks arising from the Group's core business, to define which instruments to use to identify and monitor the so-called order risks from the bidding phase, with a view to risk prevention as part of an in-depth risk assessment of opportunities linked to the pursuit of a specific initiative. It is also fundamental to constantly monitor risks once they have been understood by the management, by proactively and dynamically managing the resulting risk exposure and the continuous evolution that this may undergo over time.

#### **Financial risks**

These risks can be classified as follows:

- Market risk (price of raw materials and fluctuation of share prices)
- Credit risk
- Exchange rate risk
- Interest rate risk
- Liquidity risk

The management of the Group's financial risks is carried out within the framework of specific organisational directives that govern the management of the aforementioned risks and the control of all the operations that have strict relevance in the composition of financial and/or commercial assets and liabilities.

There are no specific financial, price, credit or liquidity risks other than those arising from operating activities.

The Group has a minimal exposure to interest rate risk related to financial concessions granted at variable rates. This risk is contained because each individual loan is directly or indirectly linked to a single transaction, thus limiting its exposure over time. There is no exposure to exchange rate risk as operations are carried out and revenues are produced exclusively in Italy, and the main costs incurred are in euros.

There are no particularly significant credit risk areas; the operating procedures allow to control the credit risk, selecting the execution of contracts and/or services on behalf of customers who have an adequate level of credit and guarantees. Therefore, the maximum exposure to credit risk is represented by the book value in the financial statements.

Given the changed economic conditions compared to the past, the Group is significantly exposed to fluctuations in the price of raw materials and services; this risk is managed by resorting to a large supplier base, allowing to obtain the best market conditions, and, where possible, by entering into procurement contracts with clauses to contain risks related to raw material cost trends.

The risk areas relating to the protection of the health and safety of workers are managed in strict compliance with the laws and regulations.

#### Quality - Environment - Safety

The tools that allow to increase the efficiency of the quality system have assumed an increasing importance within the Group and also in the year 2021 maximum attention was placed on strengthening this aspect by implementing all the measures dictated by the regulations in force.

To this end, the Group systematically updates the "Integrated Management System (IMS) - Quality, Environment and Safety". The system therefore complies with the new international standards UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 and UNI ISO 45001:2018. The three management systems are certified in accordance with the standards for the construction sector, for the following activities:

- Design, construction, renovation and maintenance of construction, infrastructural (road and railway) and hydraulic engineering works;
- Restoration of real estate under protection.

The relevant certificates were issued by ASACERT (an independent certification body in accordance with international standards ISO/IEC 17021). Certifications are maintained annually and renewed every three years.

The Group operates using the certified Quality Management System, also with regard to the Environment and Safety.

The system has been pre-established in order to achieve general objectives with the aim of:

- Rationalising and optimising both management and executive activities consistent with the new organisation of the Group, by implementing the use of computerised processes;
- Guaranteeing customer satisfaction, namely by assuring customers that the work, in technical and economic terms, is accomplished and maintained with the required quality, and also allowing external verification on the Integrated Management System;
- Orienting corporate culture towards environmentally-friendly behaviour (control and rationalisation of the consumption of water and energy resources, correct management and separation of waste and waste produced) and operated in compliance with the binding legislation and the voluntary regulatory framework (UNI EN ISO 14001);
- Pursuing the best possible conditions in terms of health and safety in the workplace and hygiene of the environments in which the personnel operates, in compliance with the requirements of current legislation and the voluntary framework (BS OHSAS 18001);
- Managing activities also with the aim of preventing accidents, injuries and occupational diseases and safeguarding the health of workers, company assets, third parties and the community in which the companies belonging to the Group operate, thereby arranging the purchase, operation and maintenance of plant, machinery and equipment, the organisation of workplaces, and the definition of operating methods and organisational aspects, with a view to continuous improvement;
- Ensuring the widest possible dissemination of all information notices regarding health and safety risks in the workplace and the intervention procedures in emergency situations that may harm persons or the environment;
- Reducing the general negative environmental impacts during the performance of activities through an assessment of the same already in the planning phase and through an accurate selection, assessment and awareness-raising of suppliers and contractors;
- Seeking clear and direct forms of internal and external communication that give evidence of transparent behaviour and are founded on respect and collaboration;

- Seeking the satisfaction of all internal and external stakeholders;
- Maintaining the certification of the company's Integrated Management System.

The Integrated Management System policy is based on compliance with several general concepts:

- responsibilities of each operator;
- of the Integrated Management System;
- Planning and review of company objectives.

In particular, the objectives and resources used to achieve them are defined yearly on a corporate basis following the review of the Integrated Management System and can be updated in relation to organisational and process changes, or strategic choices relating to the market policy of the company. The achievement of objectives is monitored on the basis of parametric values in order to objectively evaluate the achievement and take decisions based on factual information.

Particular attention is paid to the environmental and safety aspects in the workplace by applying the Management System, with constant actions by all personnel involved, assisted by the Internal Prevention and Protection Service composed of a supervisor and 3 employees.

The main actions are summarised as follows:

- Education, communication and training activities for all workers (office employees, labourers, improve knowledge and apply safety in the workplace;
- documentation for verifying technical and professional suitability and the operational safety plan;
- and equipment and avoid accidents in the workplace;
- updating, subsequent distribution and application of the requirements set out;
- updating according to the progress of the site;
- plans and the current legislation on safety in the workplace;
- the causes and implement appropriate preventive and corrective actions.

- Participation and involvement at all levels, based on the critical nature of the tasks and

- Continuous improvement, both in terms of satisfying customer requirements and the effectiveness

technicians, supervisors, managers, emergency workers, workers with specific duties, prevention and protection service supervisor and staff, workers' representatives) in compliance with current legislation, including updates and supplementing with appropriate alternative training in order to

Supplier qualification, also and above all, in terms of legality and the absence of mafia infiltrations (through verification of registration to prefectural 'white lists' or through the Unindustria trade association by means of the legality protocol), and qualifying safety with a careful analysis of the

Continuous maintenance and control of machines and equipment in compliance with current legislation, standards adopted and internal procedures in order to always have efficient machines

- Management of chemical products through the acquisition of the relative safety data sheets, their

- Analysis of the planned work on site, drafting of the operational safety plans and subsequent

- Systematic surveillance and monitoring in the workplace to comply with the provisions of the safety

- Investigation of any accidents, injuries and dangerous behaviour or situations in order to establish

#### Human resources

The Group's dedicated departments pay constant attention to staff development by dedicating time and customised measures to improving know-how and skills, with the aim of enhancing customer satisfaction and initiating new projects and business areas.

The purpose of HR management is to guarantee the effective and efficient use of resources, with reference to both the quantitative and qualitative aspects of the personnel, providing mutual benefit for the companies and their people. For this to be effective, it is necessary to ensure, at the various levels of the organisation, that the individual, professional and organisational skills of those persons holding positions of responsibility correspond to and are consistent with expected performance.

#### **Training and development**

The objective of staff training is of significant importance, especially regarding aspects governed by regulations in relation to technical and professional skills and managerial behaviour.

The year 2021, particularly in terms of training and development, was heavily affected by the COVID-19 restrictions, both from a regulatory standpoint (Prime Ministerial Decree banning in-person attendance of training, extension of validity of enabling certification) and by express application of the protocol preventing gatherings. However, where possible and allowed, remote online training courses were delivered on topics related to safety and technical/theoretical aspects.

These restrictions are still in place, although they are close to being relaxed. This has allowed for better planning for the immediate future and for calibrating developmental training needs and the associated budget. Safety training, both job-related and developmental, will be the subject of immediate development.

#### White list registration

The operating companies belonging to the Group are registered in the list of suppliers, service providers and operators not subject to mafia infiltration attempts, operating in the sectors most exposed to risk (the so-called white list) as identified in Article 1, Paragraphs 53 and 54 of Law no. 190 of 6 November 2012 and concerning the following sectors:

- transport of materials to landfill on behalf of third parties;
- extraction, supply and transport of soil and inert materials;
- packaging, supply and transport of concrete and bitumen;
- hiring of machinery without operator;
- supply of wrought iron;
- operated equipment rental
- road haulage on behalf of third parties;
- other services related to waste management.

Registration on the white list, which is voluntary, fulfils the requirements of anti-mafia certification for carrying out the activities for which registration has been ordered and is therefore subject to the following conditions:

- Decree no. 159 of 6 September 2011 (Anti-mafia Code);
- intentions pursuant to Art. 84, Paragraph 3, of the Anti-mafia Code.

#### Legality rating

The "Autorità Garante della Concorrenza e del Mercato" (the Italian Competition Authority) has attributed to the operating companies of the Carron Group a legality rating, which carries a maximum score of three stars.

The legality rating is a new tool introduced in 2012 for Italian companies, aimed at promoting and introducing principles of ethical behaviour by assigning a rating on compliance with the law to requesting companies and, more generally, on the level of attention paid to the proper management of business. A sufficient legality rating level can help companies obtain benefits in terms of the granting of public funding and easier access to bank lending.

- environmental services, including collection, national and cross-border transport (also on behalf of third parties), waste treatment and disposal, as well as remediation and reclamation activities and

- Absence of one of the causes of forfeiture, suspension or prohibition pursuant to Art. 67 of Legislative

- Absence of any mafia infiltration attempts designed to influence the company's choices and

#### SIGNIFICANT EVENTS AFTER 31 December 2021

No significant events occurred after 31 December 2021.

#### It is also hereby specified that:

- The company does not own any treasury shares, neither directly nor through a trust company or third party;
- over the course of the year, the company did not buy or sell treasury shares, neither directly nor through a trust company or third party.

#### **BUSINESS OUTLOOK**

While the consequences of the pandemic effects that have accompanied us over the past two years seem to be stabilising, the challenges that we will be faced with in the coming years have become apparent in the past financial year, i.e., the repercussions on the market as a result of rising raw material costs and increasing inflation after years of general stability.

The Group presents itself before these new scenarios with an acquired works portfolio offering a three-year timeframe, and with expected production in 2022 of around 310 million euros. More problematic is the assessment of the expected margin, given the current pressure on the purchase prices of materials and services, which threatens to significantly undermine the profitability that had been expected to further improve. To contain the negative effects, the company has taken all necessary actions towards its customers in order for the increased burden to be recognised. In particular, two fronts can be identified. One is represented by public contracts, where the Italian government has intervened with a special legislative intervention known as the 'Materials Decree', while the other is represented by orders to private entities, with requests made to customers with whom negotiations are underway, and on which we cannot yet express the outcome.

Ultimately, the effects of the above will also be felt in the financial area, but it is believed that the company's assets, the credit lines granted by the banking system, and the expected cash flows will make it possible to maintain an adequate balance capable of meeting commitments made.

**The Sole Director of the consolidating company - Carron Holding S.r.l.** Marta Carron
CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2021 BALANCE SHEET AND INCOME STATEMENT



# 2021 CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED BALANCE SHEET

ASSETS		31/12/2021	31/12/2020
A	RECEIVABLES DUE TO SHAREHOLDERS FOR UNPAID CAPITAL CONTRIBUTIONS		30.000
_			
B	FIXED ASSETS		
1)	Intangible fixed assets	0.101	0.44
1	Start-up and expansion costs	3,494	3,64
3	Industrial patents and intellectual property rights	278,195	193,04
4	Concessions, licences, trademarks and similar rights	1,652	4 040 05
5	Goodwill	996,456	1,210,35
7	Others	493,555	565,26
	Total intangible fixed assets	1,773,352	1,972,29
11)	Tangible fixed assets		
1	Lands and buildings	17,782,632	17,551,42
2	Plants and machinery	1,819,512	2,097,00
3	Industrial and commercial equipment	1,230,572	1,441,38
4	Other assets	1,123,350	1,055,73
5	Assets under development and advances	153,409	
	Total tangible fixed assets	22,109,475	22,145,54
)	Financial		
1	Equity investments in:		
I	a) subsidiaries	5,200	5,20
	b) associated companies	891,809	693,78
	d) other companies	440,194	438,67
	Total equity investments	1,337,203	1,137,66
2	Receivables:	1,007,200	1,107,00
	b) associated companies		
	after twelve months	831,643	732,64
	d-bis) Other companies	,	
	after twelve months	12,103,164	12,646,03
	Total receivables	12,934,807	13,378,67
3	Other securities	2,050,000	2,050,00
	Total financial fixed assets	16,322,010	16,566,33
	B) TOTAL FIXED ASSETS	40,204,837	40,684,17
С	CURRENT ASSETS		
1)	Inventories		
1	Raw, ancillary and consumable materials	21,323,750	1,744,86
3	Contract work in progress to order	123,253,130	86,006,75
4	Finished products and goods	991,740	603,36
	Total inventories	145,568,620	88,354,98

DIRECTORS' REPORT - Consolidated Financial Statements

# CONSOLIDATED BALANCE SHEET

ASSETS	
)	Receivables
1	Trade receivables
	within twelve months
	after twelve months
2	From subsidiaries
	within twelve months
3	From associated companies
	within twelve months
	after twelve months
5-bis	For tax credits
	within twelve months
	after twelve months
5-ter	For prepaid taxes
	within twelve months
5-quater	Due from others
	within twelve months
	after twelve months
	Total receivables
)	Financial fixed assets that do not constitute as
1	Equity investments in subsidiaries
2	Equity investments in associated companies
4	Other equity investments
	Total financial fixed assets that do not constitu
IV)	Cash and cash equivalents
1	Bank and post office deposits
3	Cash and equivalents on hand
	Total cash and cash equivalents
	TOTAL CURRENT ASSETS
D	ACCRUALS AND PREPAYMENTS
	Miscellaneous
	Total accrued income and prepaid expenses
	TOTAL ASSETS

	31/12/2021	31/12/2020
	39,204,850	48,546,544
	10,760,000	12,857,372
	254,440	17,464,417
	8,224,185	2,091,899
	2,145,067	2,145,067
	F 101 ///	/ 0/7 570
	5,191,444 29,863	4,067,579
	27,003	17,207
	256,700	123,886
	200,700	120,000
	26,180,303	16,029,969
	456,511	406,960
	92,703,363	103,752,980
tute assets		
	6,677	14,895
nies	91,646	92,357
nies	91,646 0	7,046
onstitute assets		
	0	7,046
	0 98,323	7,046 <b>114,298</b>
	0 98,323 46,544,510	7,046 <b>114,298</b> 58,068,833
	0 98,323 46,544,510 76,514	7,046 114,298 58,068,833 98,350
	0 98,323 46,544,510	7,046 <b>114,298</b> 58,068,833
	0 98,323 46,544,510 76,514 46,621,024	7,046 114,298 58,068,833 98,350 58,167,183
	0 98,323 46,544,510 76,514	7,046 114,298 58,068,833 98,350
	0 98,323 46,544,510 76,514 46,621,024	7,046 114,298 58,068,833 98,350 58,167,183
	0 98,323 46,544,510 76,514 46,621,024	7,046 114,298 58,068,833 98,350 58,167,183

326,023,769 291,587,954

# DIRECTORS' REPORT - Consolidated Financial Statements

# CONSOLIDATED BALANCE SHEET

SHAREHOLDERS' EQUITY		
SHAREHOEDERS EQUIT		
Share capital	1,000,000	1,000,000
Revaluation reserves	1,682,105	
Legal reserve	200,000	200,000
Other reserves		
- Extraordinary reserve	4,223,541	3,652,374
- Euro conversion reserve	5	0
Profits (losses) carried forward	53,903,529	48,227,756
Profit (loss) for the year	8,918,014	8,000,167
SHAREHOLDERS' EQUITY OF THE GROUP	69,927,194	61,080,297
Third-party capital and reserves	4,073,195	3,220,558
Third-party profit (loss) for the year	125,896	776,108
Total third-party's equity	4,199,091	3,996,666
TOTAL SHAREHOLDERS' EQUITY	74,126,284	65,076,963
PROVISIONS FOR LIABILITIES AND CHARGES		
Tax provision	134,212	720,359
Derivative financial liabilities	5,291	41,909
Others	1,952,877	2,139,564
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	2,092,380	2,901,832
STAFF SEVERANCE INDEMNITY	755,914	728,527
PAYABLES		
pavables due to banks		
within twelve months	23,295,789	16,347,465
after twelve months		38,881,061
Payables due to other lenders		
within twelve months	440,221	384,723
after twelve months	777,110	1,077,871
Advances	, , , , , , , , , , , , , , , , , , ,	, , , ,
within twelve months	94,864,041	76,998,558
after twelve months	5,496,595	C
Trade payables		
within twelve months	73,809,519	78,433,608
Payables due to subsidiaries		
within twelve months	23,209	0
	Revaluation reserves         Legal reserve         Other reserves         - Extraordinary reserve         - Euro conversion reserve         Profits [losses] carried forward         Profit [loss] for the year         SHAREHOLDERS' EQUITY OF THE GROUP         Inird-party capital and reserves         Third-party profit [loss] for the year         Total third-party's equity         PROVISIONS FOR LIABILITIES AND CHARGES         Tax provision         Derivative financial liabilities         Others         TOTAL PROVISIONS FOR LIABILITIES AND CHARGES         PAYABLES         payables due to banks         within twelve months         after twelve months         after twelve months         after twelve months         Advances         within twelve months         after twelve months         Advances         within twelve months         Advances         within twelve months         After twelve months         Payables         within twelve months         Advances         within twelve months         Payables         Determents         Advances	Revaluation reserves1,682,105Legal reserve200,000Other reserves4,223,541- Extraordinary reserve4,223,541- Euro conversion reserve5Profits [losses] carried forward53,903,529Profit [loss] for the year8,918,014SHAREHOLDERS' EQUITY OF THE GROUP69,927,194Third-party capital and reserves4,073,195Third-party profit [loss] for the year125,896Total third-party's equity4,199,091TOTAL SHAREHOLDERS' EQUITY74,126,284PROVISIONS FOR LIABILITIES AND CHARGES5,291Tax provision134,212Derivative financial liabilities5,291Others1,952,877TOTAL PROVISIONS FOR LIABILITIES AND CHARGES2,092,380STAFF SEVERANCE INDEMNITY755,914PAYABLES23,295,789after twelve months23,295,789after twelve months36,616,143Payables due to banks777,110Advances771,110Advances94,864,041after twelve months5,496,595Trade payables94,864,041after twelve months5,496,595Trade payables94,864,041after twelve months5,496,595Trade payables140,221after twelve months5,496,595Trade payables94,864,041after twelve months5,496,595Trade payables94,864,041after twelve months5,496,595Trade payables94,864,041after

# CC

CONSOLI	DATED BALANCE SHEET		
LIABILITIES		31/12/2021	31/12/2020
10	payables due to associated companies		
	within twelve months	7,068,447	4,634,311
12	Tax payables		
	within twelve months	1,784,795	1,383,210
13	Payables due to pension and social security institutions		
	within twelve months	1,145,227	1,074,559
14	Other payables		
	within twelve months	3,600,267	3,557,025
	after twelve months	32,070	22,070
	TOTAL PAYABLES	248,953,433	222,794,461
E	ACCRUALS AND DEFERRALS		
	Miscellaneous	95,758	86,171
	TOTAL ACCRUED LIABILITIES AND DEFERRED INCOME	95,758	86,171
	TOTAL EQUITY AND LIABILITIES	326,023,769	291,587,954

# DIRECTORS' REPORT - Consolidated Financial Statements

# CONSOLIDATED INCOME STATEMENT

		31/12/2021	31/12/2020
A	VALUE OF PRODUCTION		
1	Sales and services revenues	205,153,531	240,213,482
2	Changes in inventories of work in progress, semi-finished and finished goods	324,680	C
3	Changes in contract work in progress	37,246,377	7,566,145
5	Other revenues and income		
	- miscellaneous	3,023,289	2,215,781
	TOTAL VALUE OF PRODUCTION	245,747,877	249,995,408
В	PRODUCTION COSTS		
6	For raw and ancillary materials, consumables and goods	46,242,234	34,166,336
7	For services	174,495,637	158,139,759
8	For use of third-party assets	4,594,990	4,636,759
9	For personnel:		
	a) salaries and wages	14,684,103	13,735,705
	b) social security contributions	4,530,097	4,336,489
	c) staff severance indemnity	890,297	849,109
	d) other costs	198,132	192,240
	Total personnel costs	20,302,629	19,113,543
10	Amortisation, depreciation and write-downs		
	a) amortisation of intangible fixed assets	354,518	250,179
	b) depreciation of tangible fixed assets	1,640,982	1,413,616
	c) other write-downs of fixed assets	510,000	597,015
	d) write-downs of current receivables and of cash and cash	16,683	20,559
	equivalents of cash and cash equivalents		20,000
	Total amortisation, depreciation and write-downs	2,522,183	2,281,369
11	Changes in inventories of raw and ancillary materials, consumables and goods	(19,642,582)	15,212,413
12	Risk provision	492,244	103,767
13	Other provisions	410,682	544,921
14	Sundry operating expenses	2,462,909	2,876,075
	TOTAL PRODUCTION COSTS (B)	231,880,926	237,074,942
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A – B)	13,866,951	12,920,466
С	FINANCIAL INCOME AND CHARGES		
15	Income from equity investments:		
10	from others	0	19,746
	Total income from equity investments	0	19,746
16	Other financial income:	0	17,740
10	from other companies	508,906	242,249
	Total other financial income	508,906	242,24
		000,700	272,247
	Total financial income (15 + 16)	508,906	261,995

		31/12/2021	31/12/2020
17	Interest and other financial charges:		
	- from other companies	2,665,641	1,134,508
	Total interest and other financial charges	2,665,641	1,134,508
	TOTAL FINANCIAL INCOME AND CHARGES (15 + 16 - 17)	(2,156,735)	(872,513)
D	VALUE ADJUSTMENTS TO FINANCIAL ASSETS		
18	Revaluations:		
	a) of shares	198,026	15,356
	Total revaluations	198,026	15,356
19	Write-downs:		
	a) of shares	550	228,891
	Total write-downs	550	228,891
	TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS	197,476	(213,535)
	RESULT BEFORE TAXES (A – B +/-C +/- D)	11,907,692	11,834,418
22	Income taxes for the year		
	a) current taxes	3,610,538	2,498,410
	b) deferred and prepaid taxes	(746,755)	559,733
	Total income tax for the year	2,863,783	3,058,143
22	PROFIT (LOSS) FOR THE YEAR	9,043,909	8,776,275
	GROUP'S PROFIT (LOSS) FOR THE YEAR	8,918,014	8,000,167
	PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THIRD PARTIES	125,896	776,108

# CONSOLIDATED INCOME STATEMENT

# DIRECTORS' REPORT - Consolidated Financial Statements

# CASH FLOW STATEMENT

Divestments

(Investments)

Divestments

Financial fixed assets and other securities

INDIRE	CT METHOD	2021	2020
Α	Cash flow from operating activities (indirect method)		
	Profit (loss) for the year	9,043,909	8,776,275
	Income taxes	2,863,783	3,058,143
	Interest payable (Interest receivable)	2,156,735	872,513
	(Dividends)	0	(
	(Gains)/Losses from the disposal of assets	213,897	(88,350
1	Profit (loss) for the year before income taxes, interest, dividends and dividends/losses from disposals	14,278,324	12,618,581
	Adjustments for non-monetary items without an offsetting counterpart in net working capital		
	Allocations to provisions	1,013,681	1,259,300
	Amortisation and depreciation of fixed assets	1,995,500	1,663,794
	Write-downs due to value impairments	525,975	783,99
	Other adjustments for non-monetary items	[41,293]	41,90
	Total adjustments for non-monetary items	3,493,863	3,749,000
2	Cash flow before changes to net working capital	17,772,187	16,367,58
	Changes to net working capital		
	(Increase) or decrease in inventories	[57,213,640]	7,646,26
	(Increase) or decrease in trade receivables	22,426,272	[44,696,918
	(Increase) or decrease in trade payables	[2,169,969]	10,836,98
	(Increase) or decrease in accrued income and prepaid expenses	[343,263]	318,98
	Increase or (decrease) in advances from customers	23,362,078	38,802,22
	Increase or (decrease) in accrued liabilities and deferred income	9,587	29,82
	Other decreases/(Other increases) in net working capital	(10,075,975)	(14,631,320
	Total changes in net working capital	(24,004,910)	(1,693,955
3	Financial flow after changes to the net working capital	[6,232,723]	14,673,63
	Other adjustments		
	Collected/(paid) interest	[1,914,017]	(1,005,992
	(Income taxes duly paid)	[4,315,579]	(4,818,668
	Collected dividends	0	(
	(Use of provisions)	(1,172,981)	70,04
	Total other adjustments	(7,402,577)	(5,754,615
	CASH FLOW FROM OPERATIONS (A)	(13,635,300)	8,919,01
В	Cash flows from investment activity		
	Tangible fixed assets		
	(Investments)	(1,837,870)	(1,607,712
	Divestments	19,058	237,42
	Intangible fixed assets		
	(Investments)	(169,851)	(125,055

8,000

(651,315)

474,987

0

(298,542)

390,633

CASH FLOW STATEMENT

INDIRECT METHOD		2021	2020
	Current financial assets		
	(Investments)	0	(13,068)
	Divestments	0	750
	Total remuneration paid or received	(500,000)	0
	ash and cash equivalents acquired or disposed of through the acquisition/sale of subsidiaries	1,820	0
	CASH FLOW FROM INVESTMENT ACTIVITY (B)	(2,394,752)	(1,675,988)
С	Cash flows from financing activity		
	Third-party financing		
	Increase/(decrease) in payables due to banks and other lenders	2,084,701	(5,832,363)
	Raising finance	18,000,000	35,684,396
	(Repayment of loans)	(15,646,558)	(16,385,113)
	Equity		
	Paid share capital increase	45,750	0
	CASH FLOW FROM FINANCING ACTIVITY (C)	4,483,893	13,466,920
	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+/-B+/-C)	(11,546,159)	20,709,949
		E0 1/7 100	27.007.504
	INITIAL CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS	58,167,183	37,997,501
		46,621,024	58,167,183
	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,546,159)	20,169,682



Carron Financial Statements 2021

# **EXPLANATORY NOTES** BILANCIO CONSOLIDATO AL 31/12/2021

Carron Financial Statements 2021

EXPLANATORY NOTES - Consolidated Financial Statements



# Introduction

Carron Holding S.r.l. is the parent company carrying out the management and coordination activities of the subsidiaries operating in the construction industry, in line with the respective company purpose.

of Carron Holding S.r.l. are:

# Diego Carron

Direct shareholding of 80% Arianna Carron Direct shareholding of 5% Paola Carron Direct shareholding of 5% Marta Carron Direct shareholding of 5% Barbara Carron Direct shareholding of 5%

At the date of presenting these explanatory notes, the shareholders owning a stake in the share capital

# PREPARATION AND ACCOUNTING CRITERIA USED FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements at 31 December 2021, made up of the Balance Sheet, Income Statement, Cash Flow Statement and these Explanatory Notes, have been drawn up in compliance with the provisions of (Italian) Legislative Decree no. 127/91, which implemented the VII Directive of the European Union in Italy, and are accompanied by the Directors' Report, which includes the tables with information on the reclassified balance sheet and income statement, in summary form, as well as the description of the nature of company activities, business outlook and all other information required by law.

To interpret and integrate legal provisions, reference was made to the national accounting standards issued by the "Organismo Italiano di Contabilità" (0.1.C. - the "Italian Accounting Board") and the relative documents issued.

Applying the principle of prudence has led to the individual assessment of elements making up the individual asset and liability items, in order to avoid any compensation among items that should be recognised and profits that should not be recognised as not yet realized.

For the purpose of accounting records and in compliance with the principle of accrual-basis accounting, the effect of transactions and other events is attributed to the year to which said transactions and events refer and not to the year in which the relative cash flows take place (collections and payments).

Continuing to use the same accounting criteria over time is necessary in order to allow for the Company's financial statements to be comparable over different years.

Pursuant to art. 2427, point 22-ter of the (Italian) Civil Code, it is hereby specified that the Group does not have any off-balance-sheet agreements in place that could lead to significant risks and/or benefits and which would otherwise need to be described in order to better understand the consolidated financial statements.

The consolidated financial statements are accompanied by the Directors' Report, prepared in accordance with article 2428 of the (Italian) Civil Code. Please refer to the Directors' Report for information about the nature of the company's activities, a description of events after the reporting date and the business outlook, as well as for all other information required by law.

Amounts are expressed in Euro, unless otherwise specified.

# Exceptions

Financial statement items were assessed without recourse to exceptions, pursuant to article 2423, paragraph 4, and article 2423-bis, paragraph 2, of the (Italian) Civil Code.

# **Consolidation principles**

The consolidation principles adopted to draw up the consolidated financial statements are as follows: • As part of the first consolidation, in accordance with the "line-by-line" consolidation method, the book value of consolidated equity investments was eliminated against the shareholders' equity of the investee companies valued at current values. The difference between the purchase cost of the equity investments and the relative portion of shareholders' equity, as at the time of purchase, was recorded under the specific asset and liability items based on the relevant valuations. Any negative residual difference was recorded under a shareholders' equity item called the "Consolidation reserve"; if positive, and unable to be allocated to specific asset and liability items in the balance sheet, this difference was recorded under "Goodwill" or, in the absence of a future useful life,

- charged to the Income Statement:
- financial statements, regardless of the parent company's percentage shareholding;

- risks relating to the companies in guestion;
- and losses were not eliminated if the relative amounts were insignificant;
- No changes were made to the consolidation principles compared with the previous year.

In order to draw up the consolidated financial statements, the financial statements of all Group companies at 31 December 2021 were used, all of which had already been approved by the respective Boards of Directors, with any necessary adjustments being made in order to ensure uniform accounting criteria for consolidation purposes. Lastly, there are no companies that close their financial year on a different date to the reporting date of the consolidated financial statements, which would otherwise require specific interim annual financial statements to be prepared.

· Assets, liabilities, costs, expenses, revenues and income of companies included in the scope of consolidation using the "line-by-line" consolidation method, were recorded in full in the consolidated

• Dividends, revaluations and write-downs of equity investments included in the scope of consolidation, as well as capital gains and losses on intra-group sales of said equity investments were removed; • When calculating the Group's shareholders' equity and result for the year, the amounts relating to third-party shareholders were highlighted in specific balance sheet and income statement items; · Receivables, payables, costs, expenses, revenues and income relating to companies included in the scope of consolidation were subject to elimination, as were the guarantees, commitments and

· Profits and losses deriving from transactions between companies included in the scope of consolidation that were not yet realized as at the reporting date, were subject to elimination. Profits

# SCOPE OF CONSOLIDATION

# Subsidiaries

The scope of consolidation includes the financial statements of the parent company and the companies over which it has direct or indirect control, pursuant to article 26 of [Italian] Legislative Decree no. 127/91. At 31.12.2021, the Group comprises the following companies that are consolidated using the "full consolidation" method:

Company	Headquarters	% Shareholding
Carron Holding S.r.l. Activity: Holding and management of equity investments	San Zenone degli Ezzelini (TV)	Parent company
<b>Carron Cav. Angelo S.p.A.</b> Activity: construction of buildings and infrastructure on its own behalf and on behalf of third parties	San Zenone degli Ezzelini (TV)	100.00%
<b>Carron BAU Srl</b> Activity: construction of buildings and infrastructure on its own behalf and on behalf of third parties	Varna (BZ)	70.00%
<b>Prennhof Società Agricola a r.l.</b> Agricultural Activitiesa	Varna (BZ)	70.00% indiretta
Senectus Srl Own real estate management activities	San Zenone degli Ezzelini (TV)	42.00% indiretta
<b>Sans Souci Srl</b> Own real estate management activities	San Zenone degli Ezzelini (TV)	90.00% indiretta

During the year, the subsidiary Carron Cav. Angelo SpA acquired 90% of the capital of Sans Souci Srl, a company operating in Italy that was acquired because it holds the construction permit for a building for hotel use currently under construction. The total consideration for the controlling stake in the company was 500,000 euros.

The net cash outlay for the acquisition is shown below:

Purchase price paid	500,000
(-) Cash and cash equivalents acquired	1,820
Net cash outlay for acquisition	498,180

The difference between the total purchase price and the value of the net assets acquired, amounting to 492,879 euros, was allocated to goodwill:

Total purchase price	500,000
(-) Value of net assets acquired	7,912
(+) Minority interests	791
Goodwill recognised by purchase price allocation	492,879

Goodwill arising will be amortised over a period of three years consistent with the expected life of the property described above.

Please find below the list of equity investments in subsidiaries not included in the scope of consolidation with the related reason for exclusion:

Denominazione sociale	Sede	Capitale	% Part.	motivo esclusione
Forte Joint Venture	Malta	10,000	52.00%	[4]

# Reason for exclusion

(1) Heterogeneity of the activity carried out

- (2) Limitation in exercising control
- (3) Irrelevance of the controlled company

(4) Company in liquidation or subject to bankruptcy proceedings (5) Shares or quotas held exclusively for subsequent sale

(6) Other

The subsidiary Forte JV is excluded from the scope of consolidation due to the absence of operational events that occurred during the year, in addition to the fact that the liquidation and cessation of business is in progress.

The subsidiaries and associated companies established as a consortium among competitors who come together pursuant to article 93 of (Italian) Presidential Decree no. 207/2010, in order to carry out all or part of a given work contract as a single unit, are also not included in the scope of consolidation, since they do not appear to have a significant effect on the values of the Group's consolidated financial statements. It is also noted that through the cost and revenue offsetting mechanism, the economic/ financial performances of the consortium companies are already reflected pro-quota in the financial statements of the shareholders and that these entities do not have significant financial debt to third parties in their balance sheets. The relative equity investments are valued at cost and are included among financial assets under "Current asset" items ("Current financial assets").

Pursuant to art. 37 of (Italian) Legislative Decree no. 127/91, there are joint ventures that need to be included in the scope of consolidation using the "proportional method".

No changes have been made to the consolidation principles compared with the previous year.

# Associated companies

Associated companies are companies over which the Group exerts significant influence, which is presumed to exist if a shareholding involves between 20% and 50% of the voting rights. Equity investments in associated companies are valued using the "Shareholders' Equity" method and are initially recorded at cost. Subsequent changes are recorded in the following way:

- income statement are recorded directly as an adjustment to equity reserves.

# Company

### Consorzio Vie Del Mare

Europont Srl

Activity: lease with installation of scaffolding for construction

- book values of these equity investments are in line with the Shareholders' Equity and include the greater values attributed to the assets and liabilities and any goodwill identified upon acquisition; - the profits or losses relating to the Group are recognised at the date on which the significant interest or joint control began and until the date when the significant influence or joint control ceased. If, due to losses, the company valued using the method in guestion records negative equity, the carrying amount of the equity investment is written off and any excess relating to the Group, where the latter is committed to fulfilling the legal or implicit obligations of the related undertaking, or in any case to covering its losses, shall be recorded in a dedicated provision. Any balance sheet changes for companies valued using the equity method that are not represented by the result of the

Headquarters	% Shareholding
Mestre (VE)	25.00%
Laives (BZ)	34.30%

# Other companies

Equity investments in other companies other than subsidiaries and associated companies (generally with a shareholding of less than 20%) are valued at cost, reduced to reflect any value impairment.

Denominazione sociale	Headquarters	Share capital	% Equity investments
Strada del Mare S.p.A.	Jesolo (VE)	720.000	4,55%
Parcheggio Piazza Vittoria S.r.l.	Milano	2.000.000	5,00%
Cons. Nogara Mare – in liquidation	Venezia	600.000	5,98%
New Jersey S.r.l. in liquidation	Vicenza	150.000	5,08%
Ospedal Grando S.r.l.	Padova	11.000.000	2,50%
Banca delle Terre Venete	Vedelago (TV)	6.591.848	0.00
Meran Central Parking Srl	Bolzano (BZ)	5.665.000	0.02

# **USE OF ESTIMATES**

When drawing up the consolidated financial statements, the Directors had to use accounting principles and methods which, in some circumstances, were based on difficult and subjective assessments and estimates based on past experience and assumptions that are considered reasonable and realistic on a case-by-case basis, depending on the relative circumstances. Using these estimates and assumptions affected the amounts reported in the Financial Statement tables, including the Balance Sheet, Financial Position and Income Statement, as well as the explanatory notes provided. The final results of the Financial Statement entries which used the aforementioned estimates and assumptions may differ from those reported in future financial statements, due to the uncertainty that characterises the assumptions and the conditions on which said estimates are based.

The accounting principles and Financial Statement items that require greater subjectivity than others when making estimates and for which a change in the conditions underlying the assumptions may have a significant impact on the Group's consolidated financial statements, are as follows:

- Taxes: (current and deferred) income taxes are calculated in accordance with a prudent interpretation of applicable tax legislation. In turn, this process leads to complex estimates on the calculation of taxable income and the deductible and taxable temporary differences between book values and values for tax purposes. In particular, the assessment as to whether assets will be recovered for prepaid taxes, recorded in relation to both tax losses to be used in future years and deductible temporary differences, takes into account the estimate of expected future taxable amounts.
- Write-down of receivables: the recoverability of receivables is assessed by taking into account the risk of said receivables not being paid, how long they have been in place for and the losses on similar types of receivables recorded in the past;
- Work in progress risks: the Group operates in industries with complex contractual frameworks; to better support estimates, the Group uses management systems to analyse contract risks aimed at identifying, monitoring and quantifying the risks related to carrying out said contracts;
- Legal disputes: provisions for disputes are the result of a process based on an assessment of the likelihood of losing a case;
- Revenues are recognised based on the fees agreed in proportion to the progress of the work. The estimate of the expected contract margin is a complex valuation process which involves identifying the various risks inherent to operating activities, market conditions and all other elements necessary to quantify future costs and expected time frames to complete the project.

In particular, the following accounting criteria were used to prepare the financial statements:

# INTANGIBLE FIXED ASSETS

Subject to the prior consent of the Board of Statutory Auditors where necessary, intangible fixed assets are recorded at their acquisition cost or production cost, net of amortisation. Ancillary costs are included in the purchase cost. The production cost includes all costs directly attributable to the product and other costs, for the reasonably attributable portion, up to the time the asset is ready for use.

They consist of non-monetary, clearly identifiable assets without physical substance, controllable and capable of generating future economic benefits. These elements are recorded at cost, inclusive of directly attributable ancillary costs necessary to make the assets available for use. The useful life of each intangible asset is determined at the time of initial recognition. The estimated useful life of an asset is reviewed annually and any adjustments, where necessary, are made on a prospective basis. Intangible assets are shown net of accumulated amortisation and of any value impairments, as determined according to the methods described below. Amortisation begins when the asset is ready for use and is systematically allocated according to the residual possibility of using the asset, i.e. based on its useful life.

If an asset is sold, or when no future economic benefits are expected from its use, it is derecognised and any profit or loss (calculated as the difference between the sale value and the relative net book value) is recognised in the Income Statement in the year of derecognition.

# TANGIBLE FIXED ASSETS

Property, plants and machinery, equipment and other assets are recorded at cost including any directly attributable ancillary costs which are necessary to make the asset ready for its intended use. If there are current obligations in place, the cost is increased by the current value of the estimated cost for the decomissioning and removal of the asset.

Expenses incurred for ordinary and/or recurring maintenance and repairs are directly charged to the Income Statement in the year in which they are incurred. Costs incurred for the expansion, modernisation or improvement of owned or third-party structural elements are only capitalised to the extent that they meet the requirements for being classified separately as an asset or part of an asset. Property, plants and machinery are shown net of accumulated depreciation and of any value impairments, as determined based on the methods described below. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, which is reviewed annually. Any adjustments, where necessary, are made on a prospective basis. The estimated useful life of the main property, plants and machinery is indicated below:

33 years
10 years
7 years
5 years
8 years
4 years
10 years
2,5 years
2,5 years

# Useful life of the tangible asset

Office furniture and ordinary office equipment	8 years
Electromechanical and electronic office equipment	5 years
Computers and electronic telephone systems	5 years
Transport vehicles	5 years
Cars	4 years

Land, whether free of constructions or annexed to civil and industrial buildings, is not depreciated as it has an unlimited useful life.

If an asset is sold, or when no future economic benefits are expected from its use, it is derecognised and any profit or loss (calculated as the difference between the sale value and the relative net book value) is recognised in the Income Statement in the year of derecognition.

Some categories of assets reflect the revaluations made under (Italian) Law no. 342/2000. Real estate assets recognized as tangible fixed assets in the Company's financial statements at 31/12/2007, and again in the 2008 financial statements, were subject to revaluation in accordance with (Italian) Decree Law no. 185 dated 29/11/2008, art. 15, paragraphs 16 and 22. Finally, it should be noted that certain categories of assets also include the revaluations made under (Italian) Law no. 104/2020.

Tangible fixed assets purchased by exercising the purchase option at the end of a financial lease are recognised at the amount paid to exercise said right.

Gains or losses on the sale of assets, if referring to the sale or write-off of relatively insignificant capital goods used in the company's ordinary activities, are recognised in the income statement under "other revenues" or "sundry operating expenses", respectively.

The Group has also adopted the principles of Italian accounting standard OIC 17, whereby leasing contracts are accounted for using the financial method. The costs of assets used through operating leases, in which the lessor substantially maintains all the risks and benefits associated with ownership of the assets, are recorded on a straight-line basis in the income statement throughout the life of the leasing contract.

# INVENTORIES

Inventories of raw, ancillary and consumable materials are valued and recorded at either their cost, calculated using the LIFO method, or their value based on market prices, whichever is lower, in accordance with applicable statutory and tax laws.

Buildings to be sold (finished products) and work in progress are valued at either their cost, calculated as above, or their normal market value, whichever is lower; if a preliminary agreement has been signed, the building has been completed and delivered to the other party, and provided that a significant cash flow has been received from the promissory buyers, the buildings to be sold are valued at the amounts agreed in the preliminary agreement.

Advances and deposits received from the parties to a preliminary agreement are recorded as liabilities in the balance sheet and are recognised as revenues at the time the notarial deed is concluded.

# **CONTRACT WORK IN PROGRESS**

This item includes contracts that are valued based on fees accrued with reasonable certainty. according to the percentage of work completed, applying the cost-to-cost method. Any losses on contracts that are estimated with reasonable approximation are entirely deducted from the value of the work in progress in the year in which they become known. If this loss exceeds the value of the work in progress, the Company makes a special provision for liabilities and charges that is equal to the excess loss. Any likely losses are recognised in the year in which they become foreseeable, on the basis of an objective and reasonable assessment of existing circumstances. Losses are recognised regardless of the stage of completion of the contract. No such losses have been offset with positive

margins expected on other contracts. For the purpose of recognising losses, contracts are therefore considered individually. Additional fees are only included among contract revenues if the client has formally accepted the additional charges by the reporting date; or, if there is no formal acceptance, if it is highly probable as at the reporting date that the request for additional fees will be accepted on the basis of the most recent information available and past experience. Sums received from customers while carrying out the work, which are a form of financial advance, are recorded as liabilities in the balance sheet, under the item Specific advances from customers, while those paid to subcontractors are recorded under Other advances.

Contract work in progress is recognised net of any write-down provisions and/or final losses, as well as of the advances on the contract in progress, paid by Clients on the basis of duly accepted Work Progress Reports, the amounts of which are recognised as Revenues. If the provision for final losses for an individual contract exceeds the value of the work recognised as an asset in the balance sheet, then this excess shall be allocated to the provisions for liabilities and charges.

Future charges for construction contracts related to repairs, penalties, guarantees and risks in general, are guantified and accrued in a specific risk provision. Contract revenues include the contractually agreed fees, any work variations, price alterations, incentives and any claims, to the extent to which they are reasonably certain to arise and can be determined in a reliable way.

In this regard, the relative assessments were carried out with reference to:

- specific legislation on public works;
- contractual clauses;
- positive outcome;
- assessments made.

# **CONTRACT COSTS**

Contract costs include all costs directly relating to the contract, the costs that may be attributable to contract activities in general and that can be allocated to the contract itself, in addition to any other costs that may be specifically charged to the customer on the basis of contractual clauses. Costs also include:

- and launching production, construction site installation costs);
- machinery/plants to the head office).
- initial periods of operation of the individual works);
- Future charges for construction contracts related to repairs, penalties, guarantees and risks in general, are quantified and accrued in a specific risk provision.

• the progress of negotiations with the customer and the probability of said negotiations having a

• technical-legal investigations, if necessary due to the complexity of specific cases; these may be carried out with the help of external consultants and are aimed at confirming the validity of the

• pre-operational costs, i.e. costs incurred in the initial phase of the contract before construction work begins (depending on the case in guestion, tendering costs, design costs, costs for organising

• post-operating costs incurred after completing the contract (construction site removal, return of

• costs for services to be performed after completion of the works, remunerated as part of the contract referring to the contract activities (such as periodic maintenance, assistance and supervision in the

# RECEIVABLES

Receivables are recorded in the financial statements based on the amortised cost method, taking into account the time factor and the presumable realizable value. The amortised cost method is not applied when the effects are irrelevant, i.e. when the transaction costs, commission paid between the parties and any other difference between the initial value and the value upon expiry are not very significant or if the receivables are short-term (meaning that they are due within 12 months). This criteria is not applied to payables that already existed before (Italian) Legislative Decree no. 139/2015 (the so-called financial statements decree) came into force, which still had an effect as at 01/01/2016. These receivables are recorded at their nominal value.

Some trade receivables, upon initial recognition, without the payment of interest, or bearing interest that is significantly different to market rates, and the related revenues, are initially recorded at the value calculated by discounting future cash flows to the market interest rate. The difference between the initial value recorded for the receivable, calculated in the above way, and the value when due is reported through a dedicated shareholders' equity reserve.

The value of receivables, as calculated above, may be altered, if necessary, using a bad debt provision, to directly reduce the value of the receivables themselves, in order to adjust them to their presumable realizable value. The write-down amount at the reporting date is equal to the difference between the book value and the value of estimated future cash flows, reduced by the amounts that are not expected to be collected, discounted by the receivable's original effective interest rate (i.e. the effective interest rate calculated when the receivable was first recorded).

The write-down amount is recorded in the income statement.

# CURRENT FINANCIAL ASSETS

Current financial assets are recorded at either their purchase cost, including ancillary costs, or their estimated realizable value, which is derived, where possible, from market performance or other market indicators. The item also includes:

- shareholdings in subsidiaries;
- shareholdings in associated companies.

These investments mainly refer to subsidiaries and associated companies established as a consortium. Information on their evaluation criteria has already been shown.

# ACCRUED INCOME AND PREPAID EXPENSES

These are expressed on an accrual basis, in compliance with the principle of matching expenses and revenues

# **PROVISIONS FOR LIABILITIES AND CHARGES**

Provisions for liabilities represent liabilities of a specific nature whose existence is probable, the values of which are estimated, while the provisions for charges represent liabilities of a specific nature whose existence is certain, the amount or date of which is estimated, related to obligations already undertaken at the reporting date, but which will be paid in subsequent financial years. Provisions for liabilities and charges are recorded in the income statement under the operating items to which the transaction refers, as the criterion of classifying costs by nature applies.

The amount allocated to the provisions is measured with reference to the best estimate of costs, including legal fees, at each reporting date. If, when measuring the provisions, a range of variable values is obtained, then the provision shall be the best estimate between the upper and lower limits of the range of variable values. The subsequent use of a provision is directly booked to the provision and is only recognised for the expenses and liabilities for which the provision was originally created. Any negative differences with respect to the charges actually incurred are recognised in the income statement in line with the original provision, while if the surplus is the result of positive business developments, the elimination or reduction of the excess provision is accounted for as income in the category of the same nature.

These Provisions for Liabilities and Charges include taxes, including deferred taxes, that reflect the expenses estimated to settle the ongoing tax dispute, and the deferred tax provision calculated in relation to income from short-term contracts, which, for statutory accounting purposes, is measured based on the percentage of completion of the work, but, for tax purposes, is subject to taxation upon completion of the contract.

The item "Other provisions" refers to:

- the costs estimated to complete contracts, which normally refer to: - costs for dismantling the construction site, i.e., costs for removing the installations;
- costs for bringing machinery back to our headquarters; - costs for the transport of unused materials to another site or to our headquarters,
- including losses on abandoned materials;
- costs for testing the work carried out;
- settling "claims" made by sub-contractors or sub-suppliers;
- post-delivery maintenance costs relating to the work, if stated in the contract;
- charges for contractual guarantees.
- Furthermore:
- costs for dealing with legal disputes;
- to articles 1667/1668 of the Italian Civil Code).

# STAFF SEVERANCE INDEMNITY PROVISION

The item "staff severance indemnity" shows the amount that employees would be entitled to receive if they ceased to be employed at the reporting date. The indemnities for length-of-service represented by this item, namely the provision for the year and the annual revaluation of the existing provision, are determined in accordance with applicable laws and regulations. Staff severance indemnity is recorded in the relevant liability item (C) and the relative provision is recorded in the corresponding income statement item (B9). It should be noted that the changes made to the staff severance indemnity regulations by (Italian) Law no. 296 ("2007 Budget Law") and the subsequent implementing Decrees and Regulations, had an impact on the accounting criteria applied to the shares of severance indemnity accrued at 31 December 2006 and to those accrued from 1 January 2007 for the consolidated Carron Cav. Angelo S.p.A. which, following the reform, recorded an increase in the item in question only as a result of the revaluation amount of the provision, due to the fact that, after 2007, almost all the indemnities were paid either to supplementary pension funds or to the Treasury Fund held at INPS (Italian National Social Security Institution), depending on the choice made by each individual worker. For the other companies of the Group, the legislation in guestion has not had any impact since, as provided for by the same legislation, for companies who at the date of entry into force of the legislation with fewer than 50 employees, both the TFR (severance pay) provisions accrued at 31 December 2006 and those accrued from 1 January 2007 continue to remain within the company for employees who did not opt to pay into a complementary fund.

• charges for contractual penalties, for work that is redone according to customer specifications, for

- costs for remedying any non-conformities and defects in relation to the works that arise within two years after provisional testing, which may be eliminated at the expense of the contractor (pursuant

# PAYABLES

Payables are recorded based on the amortised cost method, taking into consideration the time factor. This criteria is not applied to financial payables that already existed before (Italian) Legislative Decree no. 139/2015 (the so-called "financial statement decree") came into force, which still had an effect as at 1st January 2016. These payables are recorded at their nominal value. The amortised cost method is not applied to payables if their effects are irrelevant. Effects are considered irrelevant for shortterm payables (meaning that they are due within 12 months). For more details on the amortised cost method, please refer to the information provided in the section on receivables.

Payables for holidays accrued by employees and for deferred remuneration, inclusive of the amount due to social security institutions, are allocated on the basis of the amount that should be paid out in the event of employment being terminated at the reporting date.

# REVENUES

Revenues generated by the sale of goods are recorded upon substantial and not formal transfer of ownership, taking the transfer of risks and benefits as reference criteria to define "substantial transfer".

Revenues generated by the sale of products and goods or service provision relating to the company's ordinary activities are recorded net of returns, discounts, rebates and bonuses, and net of taxes directly connected to the sale of products and provision of services.

Revenues for the provision of services, or related to services established in contracts, are recognised upon completion and/or accrual, or on the basis of duly approved and certified Work Progress Reports. Transactions with related parties are carried out under normal market conditions.

# COSTS

Costs are accounted for on an accrual basis, regardless of the date of collection and payment, net of returns, discounts, rebates and bonuses.

# **IMPOSTE SUL REDDITO**

Taxes for the year are calculated on the basis of a realistic estimate of taxes payable, in accordance with current tax regulations. Deferred and prepaid taxes are calculated on the temporary differences between the value attributed to an asset or liability according to statutory accounting criteria and the value attributed to said asset or liability for tax purposes.

Prepaid tax assets are only recorded if there is reasonable certainty that, in the years in which the deductible temporary differences will be reversed, the taxable income will not be less than the amount of the differences that they will use. Deferred taxes, on the other hand, are recorded even if it is not very likely that the relative payable shall arise.

Payables for deferred taxes and receivables for prepaid taxes, if recorded, are recorded, respectively, under the fund for liabilities and charges or under receivables due from others among current assets in the balance sheet.

# COMMITMENTS, GUARANTEES AND RISKS

Personal guarantees, distinguished between sureties and other personal guarantees, are reported in the explanatory notes for the amount of the actual commitment; in addition to commitments and risks, transactions relating to all the commitments and risks existing at the reporting date are also reported. The details are shown in a specific table at the end of the comments in the "Balance Sheet Liabilities" section.

# EMPLOYMENT FIGURES

The average number of employees of the companies consolidated on a line-by-line basis is shown separately by category.

Headcount	31/12/2021	31/12/2020	Change
Executives	7	8	-1
Middle managers	6	6	-
White-collar workers	181	169	12
Blue-collar workers	73	74	-1
Others	5	7	-2
Total	272	264	+8



# **BALANCE SHEET - ASSETS**

# INTANGIBLE FIXED ASSETS

At 31/12/2021 this item amounted to 1,773,352 euros, and its changes are listed below:

Description	Start-up and expansion costs	Industrial patent rights	Concessions. Licences. Trademarks	Goodwill	Other intangible fixed assets	Total
Historical cost	6,070	512,432	-	1,344,837	828,388	2,691,727
Depreciation from previous years	(2,428)	(319,392)	-	[134,484]	[263,126]	(719,430)
Value at the beginning of the year	3,642	193,040	-	1,210,353	565,263	1,972,297
Increases	-	169,522	1,750		-	171,272
Decreases	-	-		(510,000)	-	(510,000)
Amortisation for the year	(1,569)	[84,367]	(98)	[196,777]	(71,707)	(354,518)
Changes from consolidation	1,421	-		492,879	-	494,300
Value at the end of the year	3,494	278,195	1,652	996,455	493,555	1,773,352

Intangible fixed assets specifically include costs for the acquisition and implementation of software, as well as costs related to the management and retention of SOA certification.

With regard to the item Goodwill, this shows the value resulting from the first-time consolidation of the subsidiary Prennhof Srl, amortised over 10 years. It should be noted that this goodwill was written down in the year in the amount of 510,000 euros as a result of updated cash flow forecasts that predict a reduction in the value of this investment due to the general increase in material costs. Finally, it should be noted that this item also includes the differences from the first-time consolidation of the subsidiary Sans Souci Srl in the amount of 492,879 euros, amortised over three years

# TANGIBLE FIXED ASSETS

At 31/12/2021, tangible fixed assets amounted to Euro 22,109,475. The changes for each category of assets and the changes during the year as per the financial statements of the companies included in the scope of consolidation, are as follows:

Description	31/12/2021	31/12/2020	Change
Land and buildings	17,782,632	17,551,427	231,205
Plants and machinery	1,819,512	2,097,004	(277,492)
Industrial and commercial equipment	1,230,572	1,441,380	(210,808)
Other assets	1,123,350	1,055,731	67,619
Fixed assets under development and advances	153,409	-	153,409
Total	22,109,475	22,145,542	(36,067)

# LAND AND BUILDINGS

Historical cost	21,701,472
Depreciation from previous years	(4,150,045)
Consolidation entries	-
Value at the beginning of the year	17,551,427
Increase for acquisitions	723,127
Decreases for divestments	-
Amortisation for the year	[491,923]
Revaluations	-
Write-downs	-
Changes from consolidation	-
Value at the end of the year	17,782,632

The balance of the item "land and buildings" also includes the value of plots of land which, in line with the tax provisions introduced by (Italian) Decree Law no. 232/2006, are no longer subject to depreciation.

# PLANTS AND MACHINERY

Historical cost	3,539,790
Depreciation from previous years	(1,442,786)
Consolidation entries	-
Value at the beginning of the year	2,097,004
Increase for acquisitions	320,511
Decreases for divestments	(291,317)
Amortisation for the year	(306,686)
Revaluations	-
Write-downs	-
Changes from consolidation	-
Value at the end of the year	1,819,512

# INDUSTRIAL AND COMMERCIAL EQUIPMENT

Historical cost2,345,463Depreciation from previous years[904,083]Consolidation entries0Value at the beginning of the year1,441,380Increase for acquisitions260,423Decreases for divestments0Amortisation for the year[471,230]Decrease for divestments0	Description	Importo
Consolidation entries0Value at the beginning of the year1,441,380Increase for acquisitions260,423Decreases for divestments0Amortisation for the year(471,230)	Historical cost	2,345,463
Value at the beginning of the year1,441,380Increase for acquisitions260,423Decreases for divestments0Amortisation for the year(471,230)	Depreciation from previous years	(904,083)
Increase for acquisitions260,423Decreases for divestments0Amortisation for the year[471,230]	Consolidation entries	0
Decreases for divestments     0       Amortisation for the year     (471,230)	Value at the beginning of the year	1,441,380
Amortisation for the year     [471,230]	Increase for acquisitions	260,423
	Decreases for divestments	0
	Amortisation for the year	(471,230)
Revaluations U	Revaluations	0

Value at the end of the year	1,230,572
Changes from consolidation	0
Write-downs	0

# **OTHER ASSETS**

Description	Amount
Historical cost	2,830,577
Depreciation from previous years	(1,774,846)
Consolidation entries	
Value at the beginning of the year	1,055,731
Increase for acquisitions	533,809
Decreases for divestments	[87,495]
Amortisation for the year	(371,142)
Revaluations	-
Write-downs	-
Changes from consolidation	[7,553]
Value at the end of the year	1,123,350

# Total revaluations on tangible fixed assets at the end of the year

The corporate assets of the company Carron Cav. Angelo Spa include the amount of the revaluation carried out pursuant to (Italian) Law 342/2000, (Italian) Legislative Decree 185/2008 and (Italian) Decree Law 104/2020, while the assets of the company Prennhof GmbH include the amount of the revaluation carried out pursuant to (Italian) Decree Law 104/2020.

At 31/12/2021, therefore, the total value of revaluations made amounted to 4,423,740 euros; as summarised in the table below:

Description	Total revaluations
Land and buildings	3,832,442
Plants and machinery	334,219
Industrial and commercial equipment	167,345
Other assets	89,734
Total	4,423,740

# LEASED ASSETS

For a better understanding, the following table shows the details of the effect of applying the "financial lease" accounting method to leased assets, as provided for by accounting standard OIC 17 (issued by the Italian Accounting Board).

	A) ASSETS	
A	Ongoing contracts	
a1)	Value of leased assets at the end of the previous year	
	of which gross value	2,318,096
	of which accumulated depreciation	(672,506)
	of which adjustments	-
	of which value reinstatements	-
	Total	1,645,590
a2)	assets purchased during the year	232,794
a3)	assets for which purchase option was exercised during the year	-
a4)	share of depreciation for the year	493,252
a5)	adjustments for the year	-
a6)	value reinstatements during the year on assets	-
a7)	Value of leased assets at the end of the current year	-
	of which gross value	2,453,145
	of which accumulated depreciation	(1,116,312)
	of which adjustments	-
	of which value reinstatements	-
	Total	1,336,833
a8)	reversal of prepaid expenses for financial leasing transactions	223,843
В	Assets for which the purchase option is exercised	48,873
b1)	difference in value of assets for which the purchase option is exercised, calculated according to the "finance lease" method, compared to their net book value at the end of the year	-
С	LIABILITIES	
c1]	lease liabilities at the end of the previous year	
	of which due during the next year	384,745
	of which due between 1 and 5 years	1,076,979
	of which due after 5 years	-
	Total	1,461,724
c2]	lease liabilities arising during the year	232,794
c3]	reductions for capital repayment	431,914
c4]	reductions for purchase options exercised during the year	45,273
c5)	lease liabilities at the end of the year	-
	of which due during the next year	440,221
	of which due between 1 and 5 years	777,110
	of which due after 5 years	-
	Total	1,217,331
c6]	reversal of accruals on financial leasing fees	-

The difference between the purchase cost and the book value of the portion held of shareholders' equity of investee companies is analysed below:

Company name	(a) value at 31/12/2021	(b) Shareholders' equity at 31/12/2021	(c) profit (loss) 2021	(d) % share- holding	euro share value (bxd)	Difference at 31/12/2021
Subsidiaries						
Forte JV in liquidation (**)	5,200	-	-	52.00%		
Total	5,200					
Associated companies						
Consorzio Vie del Mare	18,228	41,246	(7,967)	26.04%	10,740	(7,488)
Europont Srl	873,581	1,782,207	402,880	49.00%	873,281	(300)
Total	891,809	1,823,453	394,913		884,022	(7,787)
Other companies						
Ospedal Grando Spa (*)	275,000	15,112,009	4,287,890	2.50%	377,800	102,800
New Jersey	9,873	244,235	(2,007)	5.08%	12,407	2,534
Strada del Mare Spa (*)	26,382	110,664	[17,346]	4.54%	5,024	(21,358)
Parcheggio Piazza Vittoria Srl	97,423	1,898,862	(5,012)	5.00%	94,943	(2,480)
Consorzio NOG.MA in liquidazione	30,000	443,319	(156,681)	5.99%	26,555	(3,445)
Banca delle Terre Venete	516	274,470,000	15,877,000	0.00%	215	(301)
Meran Central Parking Spa	1,000	5,665,000	0	0.02%	1,133	133
Total	440,194				518,077	77,883
Total equity investments	1,337,203				1,402,099	70,096

(\*) The values indicated refer to the financial statements at 31.12.2020 (\*\*) pending formal closing figures by the relevant bodies

With regard to the negative differences shown above between the book value of the equity investments and the corresponding share of equity of the other investee companies, it was not considered necessary to adjust the equity investment as it is believed that this value can be recovered in the future.

D	total gross effect at year-end	(94,172)
Е	net tax effect	19,050
F	effect on shareholders' equity at year-end	(75,122)
	INCOME STATEMENT	
	Reversal of fees on financial leasing transactions	536,017
	Depreciation recorded on contracts in place	[493,252]
	Depreciation recorded on assets for which purchase option was exercised	-
	Financial charge on leasing transactions recorded	(24,560)
	Adjustments / value reinstatements on leased assets	4,406
	Effect on pre-tax result	22,611
	Tax effect recorded	[8,744]
	Effect on the result for the year	13,867

# FINANCIAL FIXED ASSETS - EQUITY

# INVESTMENTS

The equity investments recorded under point III of the Balance Sheet are made up of the following:

Description	31/12/2021	31/12/2020	Change
Subsidiaries	5,200	5,200	[-]
Associated companies	891,809	693,783	198,026
Other companies	440,194	438,678	1,516
Total	1,337,203	1,137,661	199,542

Nel dettaglio le variazioni intervenute:

Description	31/12/2020	Increases	Decreases	Consolidation entries	31/12/2021
Forte JV	5,200	-	-		5,200
Equity investments in subsidiaries	5,200	0	0	0	0
Consorzio Vie del Mare	18,228				18,228
Europont Srl	675,555			198,026	873,581
Equity investments in associated companies	693,783	0	0	198,026	891,809
Ospedal Grando Srl	275,000				275,000
New Jersey Srl in liquidazione	9,873				9,873
Strada del Mare Spa	26,382				26,382
Parcheggio Vittoria Srl	97,423				97,423
Consorzio Nogma in liquidazione	30,000				30,000
Banca delle Terre Venete Spa		516			516
Meran Centrum Parking Spa		1.000			1,000
Others	438,678	1.516	0	0	440,194
Total	1,137,661	1.516	0	198,026	1,337,203

# NON-CURRENT RECEIVABLES

At 31/12/2021, receivables recognised as financial assets amounted to 12,934,807 euros, showing an overall decrease of 443,866 euros compared to 31/12/2020. This item is made up of the following:

Description	31/12/2020	Increases	Decreases	Consolidation entries	31/12/2021
From subsidiaries	0	0	0	0	0
Consorzio Vie del Mare	30,800				30,800
Trento Tre Scarl	701,843				701,843
Officine Trento Scarl		99,000			99,000
From associated companies	732,643	99,000	0	0	831,643
Immobilmarca Srl	10,081,000	104,000	(260,000)		9,925,000
Five Srl	266,300		(266,300)		-
New Jersey Srl	98,730		(85,566)		13,164
Galileo Srl	100,000		(100,000)		-
Manus Srl	2,100,000				2,100,000
Ospedal Grando Srl		65,000			65,000
Others	12,646,030	169,000	(711,866)	0	12,103,164
Total	13,378,673	268,000	(711,866)	0	12,934,807

The change in the amount of receivables from associated companies reflects the disbursement of a loan to the investee Trento Tre Scarl.

Other receivables, on the other hand, mostly reflect the amount of loans granted to the former subsidiary Immobilmarca Srl, disbursed during the period of works for the construction of the commercial complex in the municipality of Silea (TV). For further information on the recoverability of the receivable in question, please refer to what is described below with reference to trade receivables.

# **OTHER SECURITIES**

The item Other securities includes the value of the investment share in the Salute 2 fund worth 2,050,000 euros, as well as the shareholding in the Geminus investment fund, the value of which was written off in the previous year; there are no changes from the previous year.

Other securities	31/12/2021	31/12/2020	Change
Geminus investment fund			-
Salute 2 investment fund	2,050,000	2,050,000	-
Total	2,050,000	2,050,000	-

# **CURRENT ASSETS**

At 31/12/2021, current assets were made up of the fol

Description	31/12/2021	31/12/2020	Change
Inventories	145,568,620	88,354,980	57,213,640
Receivables	92,703,363	103,752,980	(11,049,617)
Current financial assets	98,323	114,298	(15,975)
Cash and cash equivalents	46,621,024	58,167,183	(11,546,159)
Accruals and deferrals	827,602	484,339	343,263
Total	285,818,932	250,873,780	34.,945,152

# INVENTORIES

The item Raw materials includes the costs for the purchase of building areas on which real estate with direct construction of buildings will be carried out; the change is due to the fact that areas have been acquired on which construction activities will begin in 2022. The increase in the item Contract work in progress is largely determined by the construction of works that are the subject of preliminary contracts for future sales, which, in accordance with the provisions of accounting standard OIC 23, point 5), are to be carried out on these areas, since the product realised on these areas can be configured as a normal contract of multi-year performance given the existence, at the start of the construction work, of preliminary sales contracts for these future properties. For the sake of completeness, please refer to the introductory part of these notes to the financial statements where the valuation criteria are explained.

Contract work in progress is performed for an average of 18 months. Finished goods and goods for resale include the stocks of materials at construction sites recognised at the end of the year, as well as several properties intended for sale.

Description	31/12/2021	31/12/2020	Change
Raw and ancillary materials and consumables	21,323,750	1,744,863	19,578,887
Work in progress and semi-finished products	0	0	0
Work in progress to order	123,253,130	86,006,753	37,246,377
Finished products and goods	991.,740	603,364	388,376
Total	145,568,620	88,354,980	57,213,640

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# RECEIVABLES

After the elimination of intercompany balances, receivables recorded as current assets show the following changes:

Description	31/12/2021	31/12/2020	Change
Trade receivables	49,964,850	61,403,916	(11,439,066)
From subsidiaries not included in the scope of consolidation	254,440	17,464,417	[17,209,977]
From associated companies	10,369,252	4,236,966	6,132,286
From companies subject to the control of parent companies	0		0
For tax credits	5,221,307	4,086,866	1,134,441
For prepaid taxes	256,700	123,886	132,814
From others	26,636,814	16,436,929	10,199,885
Total	92,703,363	103,752,980	(11,049,617)

The breakdown of receivables by due date is as follows:

Description	Due within the year	Due after the year	More than 5 financial years	Total
Trade receivables	39,204,850	10,760,000		49,964,850
From subsidiaries not included in the scope of consolidation	254,440			254,440
From associated companies	8,224,185	2,145,067		10,369,252
For tax credits	5,191,444	29,863		5,221,307
For prepaid taxes	256,700			256,700
Due from others	26,180,303	456,511		26,636,814
Total	79,311,922	13,391,441	-	92,703,363

# **TRADE RECEIVABLES**

Trade receivables due after twelve months, amounting to 10,760,000 euros and which decreased by 2,097,372 euros, refer to the residual fee for the contract work carried out by Carron Cav. Angelo S.p.A. vis-à-vis the associated company Immobilmarca S.r.l., which no longer belongs to the Group following the demerger completed by Carron Cav. Angelo S.p.A. in 2017.

The settlement of this receivable, which, after payment, decreased by approximately 2 million euros compared to the previous year, is related to the realisation of receivables, also from the company Immobilmarca Srl, recorded as financial assets. The realisation of this item is subject to the completion of the debtor's real estate disposal programme, i.e., the results of the activities that the debtor is conducting for the residential real estate developments in Riese Pio X (TV) and Silea (TV), both of which are almost complete and at an advanced stage of marketing, as well as real estate developments in the nursing home field that currently present good business prospects that will allow the debtor company to find the liquidity needed to start the process of repaying this position.

Trade receivables do not present significant concentrations of credt risk. There are no receivables due after five years. Trade receivables are reported net of credit notes and include the amounts for invoices yet to be issued, which are properly accounted for on an accrual basis. Trade receivables are mainly represented by receivables from contracting parties for work progress reports that have been invoiced or are yet to be invoiced, in accordance with contractual clauses. These are recorded net of the bad debt provision, the balance of which is broken down below:

Bad debt provision	Write-down provision pursuant to Article 2426 of the (Italian) Civil Code	Write-down provision pursuant to Article 106 of (Italian) Presidential Decree 917/1986	Total
Balance at 31/12/2020	20,939	1,447,450	1,468,389
Allocations during the year		16,683	16,683
Use during the year		(406,378)	(406,378)
Balance at 31/12/2021	20,939	1,057,755	1,078,694

# RECEIVABLES FROM SUBSIDIARIES AND ASSOCIATED COMPANIES

Receivables due from subsidiaries and associated companies are made up of receivables from consortium companies that are excluded from the scope of consolidation. They mainly concern the business transactions for services rendered to the consortium companies themselves, i.e. credit entries from the collections made by the consortium companies against contractual payments made by the contracting entities by way of invoicing, however, by the consolidated companies (Carron Cav. Angelo SpA and Carron Bau Srl), in application of the so-called delegation of payment system in favour of the consortium companies to provide the required funding to carry out the works entrusted to them.

# TAX CREDITS

Among tax receivables, the most significant items are those related to tax credits from Facade Bonus and Ecobonus interventions, amounting to 3.2 million euros, as well as the VAT credit claimed by Senectus Srl and Sans Souci Srl, for a total of 1.8 million euros. The remainder relates to receivables for IRES (corporation tax) and IRAP (regional tax on production) advances.

# **RECEIVAVBLES DUE FROM OTHERS**

Among other receivables, the most significant items refer to advances paid to suppliers, in particular by Carron Cav. Angelo SpA for 19 million euros paid as advance payments and/or deposits for the acquisition of building areas on which future real estate is to be constructed and for which there are already preliminary sales agreements with private investment funds.

# **CURRENT FINANCIAL ASSETS**

This item includes the values of equity investments in consortium companies which represent instruments through which the subsidiaries, in their capacity as principals or associates of ATIs (temporary associations of companies), perform the services under the contracts in place with the respective contracting entities. The purpose of the consortium companies is to carry out contract work together with the other associates, thus primarily meeting organisational and operational requirements.

By their nature, consortium companies are non-profit organisations as they act in the exclusive interest of the companies grouped together in the temporary consortium ("A.T.I.") to which they "charge back" the entire cost of their operations without any remuneration for their work. The financial and earnings effects of operations are therefore entirely attributed to the participating companies in proportion to their shareholding.

For the above reasons, these equity investments are excluded from the scope of consolidation.

Company name	Shareholders' equity in Euro	Shareholding in Euro	% Shareholding	Book value or corresponding receivable
Equity investments in subsidiaries:				
Beato Pellegrino Scarl	10,000	6,677	66.77	6,677
Sub-total				6,677
Equity investments in associated companies:				
Trento Tre Scarl	20,000	9,200	46.00	9,200
Farro Srl - in liquidazione	161,243	40,310	25.00	54,658
Valdastico 14 Scarl - in liquidation	10,063	3,019	30.00	3,000
Caserme VDA Scarl	20,000	6,882	34.41	6,882
Montecchio Scarl	10,000	4,000	40.00	4,000
Marco Polo Scarl	10,000	4,950	49.50	4,950
Officina Trentino Scarl	10,000	4,900	49.00	4,900
San Benedetto Merano Scarl	10,000	4,056	40.56	4,056
Sub-total				91,646
Equity investments in other companies				-
Current financial assets				98,323

# CASH AND CASH EQUIVALENTS

Cash and cash equivalents refer to the balances of the current accounts held with credit institutions as well as cash and equivalents on hand. The change in cash and cash equivalents compared to the previous year is as follows:

Description (euro/1000)	31/12/2021	31/12/2020	Change
Bank and post office deposits	46,544,510	58,068,833	(11,524,323)
Cheques			0
Cash and cash equivalents on hand	76,514	98,350	(21,836)
Total	46,621,024	58,167,183	(11,546,159)

Please refer to the cash flow statement for further explanations on the origin of the change in cash and cash equivalents.

# ACCRUED INCOME AND PREPAID EXPENSES

These represent the portions of cost suspended in application of the accrual basis. They mainly relate to disbursements for insurance premiums paid in advance, or commissions for bank guarantees. No deferrals or accruals were recorded with a duration of over five years.

# **BALANCE SHEET - LIABILITIES**

# SHAREHOLDERS' EQUITY

# Reconciliation statement between the net result and shareholders' equity of the parent company and the corresponding values in the consolidated financial statements

The Group's consolidated equity and consolidated net result at 31/12/2021 are reconciled with those of the parent company as follows:

COMPONENTS	Shareholders' equity at 31/12/2021	Result for the year 2021
Shareholders' equity and result for the year of the parent company	5,425,283	1,743
Removal of the book value of consolidated equity investments:		
Book value of the equity investments	(8,929,462)	-
Pro-rata value of the group shareholders' equity eliminated	72,871,938	9,760,556
Consolidation difference allocated to assets	996,456	(706,777)
Difference between the book value of the equity investments and the pro-rata value of shareholders' equity	64,938,932	9,053,779
Other adjustments		
- Intra-group profits on work and the sale of assets	(65,120)	(65,120)
- intra-group dividends	-	-
- equity investments valued using the "shareholders' equity" method	(26,419)	198,026
- valuation of leasing contracts using the "financial lease" method	(133,145)	(58,077)
- other adjustments	(212,340)	(212,339)
Total other adjustments	(437,024)	(137,509)
Shareholders' equity and result for the year for the group	69,927,191	8,918,013
Third-party capital and result	4,199,091	125,896
Consolidated shareholders' equity	74,126,282	9,043,909

# Statement of changes in Group equity

Description	Share capital	Legal reserve	Reva- luation reserve	Other reserves	Profit (loss) carried forward	Profit for the year	Equity at- tributable to minority interests	TOTAL
At 01/01/2020	1,000,000	200,000	1,677,489	3,652,377	46,468,405	8,006,287	4,072,404	65,076,962
Allocation result	-	-	-	571,165	7,435,122	(8,006,287)	-	-
Inclusion in the scope of consolidation	-	-	-	-	-	-	791	791
Revaluation pursuant to (Italian) Decree Law 104/2020	-	-	4,616	-	-		-	4,616
Distribution of dividends	-	-	-	-	-	-	-	-
Result for the year	-	-	_	5	-	8,918,014	125,896	8,776,275
at 31/12/2020	1,000,000	200,000	1,682,105	4,223,547	53,903,527	8,918,014	4,199,091	74,126,279



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# **PROVISIONS FOR LIABILITIES AND CHARGES**

These provisions are made to cover taxes, including deferred taxes and possible costs for tax disputes regarding pending proceedings vis-à-vis the tax authorities, as well as estimated costs and charges to be incurred after completing contracts.

This item is made up of the following:

Description	31/12/2020	Increases	Decreases	Consolida- tion entries	31/12/2021
for taxes, also deferred	720,359	124,459	(710,606)	0	134,212
Derivative financial liabilities	41,909	0	[36,618]	0	5,291
others:					
- future contract charges	1,129,564	432,561	(709,248)	0	852,877
- post-testing contract risks	950,000	492,244	(402,244)	0	1,040,000
- legal disputes	60,000	0	0	0	60,000
Total other provisions	2,139,564	924,805	[1,111,492]	0	1,952,877
Total	2,901,832	1,049,264	(1,858,716)		2,092,380

The tax for provision includes the provision for deferred taxes.

The following costs and charges were allocated to the item "Other provisions":

- Future contract costs estimated after contract completion, which normally relate to: - Site abandonment costs for removal of installations, return of machinery and disposal of unused materials;
  - costs for testing the work carried out;
  - charges for contractual penalties, for work that is redone according to customer specifications, for settling "claims" made by sub-contractors or sub-suppliers;
  - post-delivery maintenance costs relating to the work, if stated in the contract;
- Post-testing contract risks: estimated costs to be incurred after testing work, for remedying any non-conformities and defects in relation to the works that arise within two years after provisional testing, which may be eliminated at the expense of the contractor (pursuant to articles 1667/1668 of the Italian Civil Code).

# STAFF SEVERANCE INDEMNITY

The amount of the provision is sufficient to fulfil contractual and legal obligations and is shown net of any advances paid to employees. Details of the changes are provided below:

Description	31/12/2020	Increases	Decreases	31/12/2021
Staff severance fund, changes during the period	728,527	110,755	83,368	755,914

# PAYABLES

Consolidated payables, after elimination of intragroup values, are valued at nominal value with due dates broken down as follows:

Description	31/12/2021	31/12/2020	Change
Payables due to banks	59,911,932	55,228,526	4,683,406
Payables due to other lenders	1,217,331	1,462,594	(245,263)
Advances	100,360,636	76,998,558	23,362,078
Trade payables	73,809,519	78,433,608	(4,624,089)
Payables due to subsidiaries	0	0	0
Payables from subsidiaries not included in the scope of consolidation	23,209	0	23,209
Payables due to associated companies	7,068,447	4,634,311	2,434,136
Tax payables	1,784,795	1,383,210	401,585
Payables due to pension and social security institutions	1,145,227	1,074,559	70,668
Other payables	3,632,337	3,579,095	53,242
Total	248,953,433	222,794,461	26,158,972

The breakdown of payables by due date is as follows:

Description	Due within the year	Due after the year	After 5 years	Total
Payables due to banks	23,295,789	36,616,143		59,911,932
Payables due to other lenders	440,221	777,110		1,217,331
Advances	94,864,041	5,496,595		100,360,636
Trade payables	73,809,519			73,809,519
Payables from subsidiaries not included in the scope of consolidation	23,209			23,209
Payables due to associated companies	7,068,447			7,068,447
Tax payables	1,784,795			1,784,795
Payables due to pension and social security institutions	1,145,227			1,145,227
Other payables	3,600,267	32,070		3,632,337
Total	206,031,515	42,921,918	0	248,953,433

### Payables due to banks

Payables to banks represent overall exposure to the banking system at year end. The balance includes both payables referring to short-term loans, taken out to meet temporary operating requirements, and medium- to long-term payables in the form of both mortgage loans and unsecured loans. The changes are detailed below:

Description	31/12/2021	31/12/2020	Change
- For current account overdrafts	3,030,872	700,909	2,329,963
- Unsecured loans and mortgage loans due within 12 months	20,264,917	15,646,556	4,618,361
payables due to banks within 12 months	23,295,789	16,347,465	6,948,324
- amounts due after 12 months but within 5 years	36,616,143	37,945,200	(1,329,057)
- amounts due after 5 years	0	935,861	(935,861)
Payables due to banks after 12 months	36,616,143	38,881,061	(2,264,918)
Total	59,911,932	55,228,526	4,683,406

There are no payables due beyond five years.

# Advances

Advances represent the amounts paid by customers by way of contractual advances, i.e. down payments and confirmation deposits in relation to contract work in progress and real estate purchases, respectively. This item is broken down as follows:

Description	31/12/2021	31/12/2020	Change
Advances for work in progress to order	37,268,258	46,833,384	(9,565,126)
Advances from customers on property sales	41,840,018	21,696,600	20,143,418
Deposits from customers on property sales	15,754,765	8,468,574	7,286,191
Other deposits	1,000	-	1,000
Subtotal within 12 months	94,864,041	76,998,558	17,865,483
Advances from customers on property sales	5,496,595	-	5,496,595
Subtotal beyond 12 months	5,496,595	-	5,496,595
Total	100,360,636	76,998,558	23,362,078

# Trade payables

These are mainly invoices received for subcontracted services and supplies of goods. The balance includes both the payable documented by invoices already recorded at the end of the reporting period, as well as the payable, for the year, resulting from invoices to be received and recorded the following year. The total amount is recorded net of trade discounts and rebates.

# Payables to subsidiaries (consortium companies))

"Payables to subsidiaries" refer to commercial transactions, carried out under normal market conditions, with consortiums and consortium companies set up to carry out the contract work acquired as temporary consortia ("ATI") together. They mainly arise from the charge-back of costs incurred by the investee consortium companies. They are not included in the scope of consolidation as their impact on the Group's consolidated financial statements is not relevant.

# Payables due to associated companies

Payables due to associated companies show the values of commercial relationships held during the year with non-controlled consortium companies that are not included in the scope of consolidation, for the same reasons explained in the previous point.

# Tax payables

These amounted to 1,784,795 euros at 31/12/2021. The amount is mainly represented by the withholding tax payable to the tax authorities by subsidiaries on behalf of employees and third party collaborators practicing arts and professions, the IRES payable, and the VAT payable.

# Other payables

The item "Other payables" mainly includes:

- the payable for employees' holidays accrued but not yet taken,
- indemnity is transferred,
- the payable for insurance premiums not yet paid to the respective insurance companies.

# ACCRUED LIABILITIES AND DEFERRED INCOME

These represent the portions of cost suspended in application of the accrual basis. There are no accrued expenses or deferred income that mature beyond five years.

- the amounts not yet paid to supplementary pension funds to which employees' staff severance

# COMMITMENTS, GUARANTEES, RISKS AND CONTINGENT LIABILITIES

Pursuant to article 38, paragraph 1, of (Italian) Legislative Decree no. 127/91, the following table summarises any off-balance-sheet commitments, guarantees and contingent liabilities, specifying the nature of the collateral provided.

Description (euro/1000)	31/12/2021	31/12/2020	Change
Insurance guarantees for contractual advances	24,939	24,042	897
Insurance guarantees on work being carried out properly	22,460	22,417	43
Other insurance guarantees	17,245	18,001	(756)
Bank guarantees on work being carried out properly	26,286	31,290	(5,004)
Bank guarantees for contractual advances	-	785	(785)
Bid bonds issued by banks	500	6,463	(5,963)
Bank guarantees as a guarantee for "closed real estate" commitments	-	-	-
Other bank guarantees	8,944	10,227	(1,283)
Bank surety guarantees in the interest of third parties	-	-	-
Surety guarantees in the interest of related parties	12,825	24,578	(11,753)
Surety guarantees in the interest of subsidiaries by the parent company	-	5	(5)
Surety guarantees in the interest of investee companies and consortium companies	-	3	[3]
Pledge of company shares	619	619	-
Total	113,818	138,430	(24,612)

To further explain the content of the items, it is hereby specified that:

- the item **Bank guarantees for good execution of works** 1\* includes the guarantee of 18 million euros issued to the concessionaire Ospedal Grando Srl for the performance of work at the Cittadella Sanitaria ("Healthcare District") in Treviso; the value, included in the overall total of Euro 31.2 million shown in the table, is reported net of the bank guarantee of Euro 4 million, as this has the same content and was issued in our favour by another member of the temporary consortium, ARCO LAVORI soc. Coop.
- with regard to "surety guarantees in the interest of related parties", the amount of Euro 12.8 million refers to guarantees given to companies that were subject to a demerger on 28.10.2017 and are in addition to the first priority mortgage guarantees issued by the investee companies on assets belonging to them in favour of the lenders; these guarantees therefore represent a second, ancillary guarantee.

Lastly, it should be noted that bank and insurance guarantees totalling 59.6 million euros were issued against the liabilities included in the balance sheet under the item **Advance payments** and concern advances paid in fulfilment of preliminary contracts for future sales.



# INFORMATION AND CLARIFICATIONS ABOUT THE INCOME STATEMENT

Before analysing the individual items, please note that comments on overall performance are provided in the Directors' Report, pursuant to article 2428 of the (Italian) Civil Code.

Given the analytical presentation of revenues and costs in the Income Statement and the previous comments on balance sheet items, only the main items are commented on below.

# VALUE OF PRODUCTION

This item is made up of the following:

Description	31/12/2021	31/12/2020	Change
Sales and services revenues	205,153,531	240,213,482	(35,059,951)
Changes in inventories of work in progress, semi-finished and finished goods	324,680	-	324,680
Changes in contract work in progress	37,246,377	7,566,145	29,680,232
Increases in fixed assets for in-house production	0	-	0
Other revenues and income	3,023,289	2,215,781	807,508
Total	245,747,877	249,995,408	(4,247,531)

Sales and service revenues are broken down as follows:

Description	31/12/2021	31/12/2020	Change
Sale of real estate	39,122,500	45,063,064	(5,940,564)
Contract revenues (public contracts)	72,054,506	60,328,917	11,725,589
Contract revenues (private contracts)	88,236,851	129,139,301	(40,902,450)
Ancillary revenues from contracts	2,099,207	1,631,086	468,121
Revenues from chargeback of costs	2,944,564	3,317,435	(372,871)
Others	695,903	733,679	(37,776)
Total	205,153,531	240,213,482	(35,059,951)

# **PRODUCTION COSTS**

Production costs are strictly linked to the specific section in the Directors' Report and to the performance of point A (Value of production) of the Income Statement. Details of production costs are shown in the following tables.

Description	31/12/2020	Change	Scritture consolidamento	31/12/2021
Raw and ancillary materials and goods	34,166, 336	12,113,384	(37,486)	46,242,234
Services	158,139,759	17,182,376	[826,498]	174,495,637
Use of third-party assets	4,636,759	584,468	[626,237]	4,594,990
Salaries and wages	13,735,705	948,398		14,684,103
Pension and social security contributions	4,336,489	193,608		4,530,097
Staff severance indemnity	849,109	41,188		890,297
Other personnel costs	192,240	5,892		198,132
Amortisation of intangible fixed assets	250,179	(92,436)	196,775	354,518
Amortisation of intangible fixed assets	1,413,616	(265,886)	493,252	1,640,982
Other write-downs of fixed assets	597,015	(87,015)		510,000
Write-downs of receivables recorded under current assets	20,559	(3,876)		16,683
Changes in inventories of raw materials	15,212,413	(27,384,848)	(7,470,147)	(19,642,582)
Risk provision	103,767	388,477		492,244
Other provisions	544,921	(134,239)		410,682
Sundry operating expenses	2,876,075	(493,277)	80,111	2,462,909
Total	237,074,942	2,996,214	(8,190,230)	231,880,926

# Raw and ancillary materials, consumables and goods

Purchases for raw materials, in addition to the costs incurred for the procurement of materials for the execution of site works, also include the costs incurred for the acquisition of building areas on which real estate developments already intended for sale are being constructed as part of preliminary contracts for future sales. The cost incurred for the purchase of these areas is allocated as inventories of raw materials in cases where construction work has not yet commenced at the reporting date, or as contract work in progress in cases where, with work already commenced, it can be classified to all intents and purposes as a contract.

# Services

Description	31/12/2021	31/12/2020	Change
Utilities	2,297,112	1,648,279	648,833
Outsourced services and work	154,710,759	136,723,042	17,987,717
Professional and technical services	8,972,025	7,957,179	1,014,846
Other services	2,487,001	5,214,859	(2,727,858)
Travel expenses	1,552,071	1,063,022	489,049
Insurance and banking services	1,653,393	2,809,360	(1,155,967)
Remuneration for corporate bodies	1,972,187	1,955,797	16,390
Legal, tax and notarial consulting services	851,089	768,221	82,868
Total	174,495,637	158,139,759	16,355,878

# Use of third-party assets

This includes costs incurred for the hire of equipment and machinery for work activities at construction sites, as well as short- and long-term rental fees incurred for company cars and vehicles. The item relating to lease payments, included here for the purposes of preparing the statutory financial statements, has been reversed in application of accounting standard OIC 17.

# Personnel costs

Description	31/12/2021	31/12/2020	Change
Salaries and wages	14,684,103	13,735,705	948,398
Pension and social security contributions	4,530,097	4,336,489	193,608
Staff severance indemnity	890,297	849,109	41,188
Other personnel costs	198,132	192,240	5,892
Total	20,302,629	19,113,543	1,189,086

# Amortisation, depreciation and write-downs

Description	31/12/2021	31/12/2020	Change
Amortisation of intangible fixed assets	354,518	250,179	104,339
Depreciation of tangible fixed assets	1,640,982	1,413,616	227,366
Other write-downs of fixed assets	510,000	597,015	(87,015)
Write-downs of receivables recorded under current assets	16,683	20,559	(3,876)
Total	2,522,183	2,281,369	240,814

Depreciation of intangible fixed assets reflects the amount of goodwill arising from the allocation of the differential between the purchase value of the shareholding in Prennhof Srl and Sans Souci Srl and the values of the corresponding portions of equity. It should be noted that goodwill is amortised over ten financial years for the goodwill relating to the shareholding in Prennhof and over three financial years for the goodwill relating to the subsidiary Sans Souci Srl.

# Changes in inventories of raw and ancillary materials, consumables and goods

The decrease in this item compared to the previous year is justified by the reallocation to Inventories of work in progress of the value of building areas that had been allocated here in the previous year pending the actual start of work.

# Other provisions

The item includes the provisions allocated for the adjustment of the provision for risks relating to potential costs and charges arising after testing the work carried out.

# Sundry operating expense

This item includes the costs incurred for taxes and duties other than income taxes, non-recurring losses and the costs incurred on behalf of third parties and subsequently charged back in full, recording a specific positive entry in the income statement.

# FINANCIAL INCOME AND CHARGES

At 31.12.2021, the financial management recorded an overall net burden of Euro 2,156,736 and is made up as follows:

Description	31/12/2021	31/12/2020	Change
Income from equity investments	-	19,746	(19,746)
Other income	508,906	242,249	266,657
Interest and other financial charges	(2,665,642)	(1,134,508)	(1,531,134)
Total	(2,156,736)	(872,513)	(1,284,223)

Other financial income includes accrued interest income from credit institutions or other kinds of financial income.

With regard to the item Interest and other financial charges, it is noted that the total amount of 2,665,642 euros includes:

- interest payable to banks for ordinary credit, 88,074 euros
- interest payable on mortgage loans and unsecured loans, 747,839 euros
- financial charges for amortised cost, 400,000 euros



- commissions on guarantees issued to guarantee transactions of a financial nature, 583,206 euros

# VALUE ADJUSTMENTS TO FINANCIAL ASSETS

The overall change is as follows:

Description	31/12/2021	31/12/2020	Change
Revaluations	198,026	15,356	182,670
Write-downs	(550)	(228,891)	228,341
Total	197,476	(213,535)	411,011

# **Revaluation of equity investments**

This item shows a balance of 198,026 euros and refers to the revaluation resulting from the consolidation of investments in associated companies under the equity method.

# INCOME TAXES FOR THE YEAR

Balance at 31/12/2021	Balance at 31/12/2020	Changes
2,863,783	3,058,143	(194,360)

Current income taxes for the year are calculated on the basis of estimated taxable income and in compliance with applicable legislation.

Deferred tax assets and liabilities are calculated on the temporary differences between the assets and liabilities recorded in the consolidated financial statements and the corresponding values recognised for tax purposes, based on the tax rates and tax legislation in force or substantially in force at the reporting date. Prepaid taxes are recorded as assets when it is likely that they will be recovered, i.e. when it is expected that taxable amounts will become available in the future that are sufficient to recover the asset.

The recoverability of prepaid tax assets is reviewed at the close of each financial year. Current and deferred taxes are recorded in the Income Statement, with the exception of those relating to items that are directly debited from or credited to Shareholders' Equity through the overall Income Statement, in which case the tax effect is directly recognised under Shareholders' Equity. Current and deferred taxes are compensated if income taxes are applied by the same tax authority, there is a legal right to compensation and the Net Balance is expected to be paid out.

Other taxes not referring to income, such as property taxes, are included among "Sundry operating expenses".

Please find below a dedicated table containing the description of the temporary differences that led to deferred and prepaid taxes being recorded.

Taxes	Balance at 31/12/2021	Balance at 31/12/2020	Change
Current taxes:	3,610,538	2,498,410	1,112,128
IRES (corporate income tax)			
IRAP (regional income tax)			
Deferred and prepaid taxes	(746,755)	559,733	(1,306,488)
IRES (corporate income tax)			
IRAP (regional income tax)			
Total	2,863,783	3,058,143	(194,360)

# **OTHER INFORMATION**

# Information relating to the *fair value* of derivative financial instruments

Pursuant to Article 38, paragraph 1, point o-ter of (Italian) Legislative Decree 127/1991, it should be noted that the subsidiary Carron Cav. Angelo Spa took out a cash flow hedge, in place at the reporting date. The relevant information is reported below:

Type of contract	OTC IRS (Interest Rate Swap)
Purpose	Interest rate risk hedge on loan
Issuing counterparty	BNL BNP Paribas
Transaction date	30/06/2020
Start date	30/06/2020
Expiry date	30/06/2025
Notional amount	5,000,000 euros
Refund method	Quarterly instalments
Mark-to-market value (*)	(5,291)

(\*) values at 31/12/2021

The mark-to-market value for the amount shown in the table above was recognised in the income statement with the related provision for risks. Refer to the section Provisions for risks and charges and write-downs for details.

# Information on transactions with related parties

Transactions carried out between "related parties", as identified by Accounting Standard no. 12 issued by the OIC (Italian Accounting Board), referred to by article 2427, no. 22-bis of the (Italian) Civil Code, were completed under normal market conditions.

# Information on agreements not disclosed in the balance sheet

There were no agreements in place that have not been disclosed in the balance sheet.

# Information pursuant to Article 1, paragraph 125 of (Italian) law 124 dated 4 August 2017

Pursuant to art. In compliance with the obligation of transparency pursuant to Article 1, Paragraph 125-bis of (Italian) Law no. 124 of 4 August 2017, it is noted that grants, subsidies, paid positions and in any case any kind of economic benefits, were received from the public administration.

Legislation	Granting authority	Project title	Nominal amount of aid
(ITALIAN) DECREE-LAW no. 23 of 8 April 2020 Urgent measures on access to credit and tax compliance for companies, (OG - General Series no. 94 of 08/04/2020)	SACE S.P.A.	COVID-19: SACE Italy Guarantee	10,000,000,00
(ITALIAN) DECREE LAW no. 34/2020 Urgent measures related to the COVID-19 emergency (OG 128 of 19/5/2020) converted with amendments into (Italian) Law no. 77 of 17/7/2020 (GU 180 of 18/7/2020)	Italian Revenue Agency	Provisions on the payment of IRAP	45,833,00
(ITALIAN) DECREE-LAW no. 23 of 8 April 2020 Urgent measures on access to credit and tax compliance for com- panies, (OG - General Series no. 94 of 08/04/2020)	SACE S.P.A.	COVID-19: SACE Italy Guarantee	15,000,000,00
Provisions for preparing the annual and multiannual state budget (2001 Budget Law)	FONDIMPRESA	TRAINING FOR RECOVERY	905,54
(ITALIAN) DECREE-LAW no. 23 of 8 April 2020 Urgent measures on access Italia to credit and tax compliance for companies, (OG - General Series no. 94 of 08/04/2020)	SACE S.P.A.	COVID-19: SACE Italy Guarantee	8,000,000,00
Act 6/2020 Decree 18269 – 02/10/2020	Province of Bolzano	Qualified personnel search	24,471,54
Act 6/2020 Decree 18269 - 02/10/2020	Province of Bolzano	Qualified personnel search	22,616,13
Act 15/2015 Decree 16826 – 29/10/2015	Province of Bolzano	Innovation and research	2,250,00

It should also be noted that the group companies have made use of the tax credits resulting from (Italian) Law 178/2020 on incentives for the purchase of capital goods.

# Information on the remuneration of the Sole Director and the Statutory Auditor

In accordance with the law, details are provided below of the total remuneration due to the Sole Director and the independent audit firm appointed to carry out the statutory audit of the parent company and the companies included in the scope of consolidation using the full consolidation method.

Corporate body	Remuneration
Directors	241,235
Independent audit firm	76,440
Total	317,675

# SIGNIFICANT EVENTS OCCURED AFTER THE CLOSING OF THE FINANCIAL YEAR

For an analysis of the nature of the business and any significant events after 31.12.2021, business outlook and all other information concerning at statements, please refer to the Directors' Report.

These consolidated financial statements, which consist of the balance sheet, income statement and explanatory notes, provide a true and correct representation of the balance sheet and financial position as well as the result for the year and correspond to the results of accounting entries of the parent company and the information sent by the companies included in the scope of consolidation

**The Sole Director** Marta Carron

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# **EXTERNAL** AUDITOR'S REPORT TO THE CONSOLIDATED FINANCIAL STATEMENTS

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# Deloitte.

EXTERNAL AUDITOR'S REPORT PURSUANT TO ART. 14 OF (ITALIAN) LEGISLATIVE DECREE NO. 39 DATED 27TH JANUARY 2010

To the Shareholders of Carron Holding S.r.l.

# REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

# Professional opinion

We have audited the consolidated financial statements of Carron Group (the"Group'), made up of the balance sheet at 31 December 2021, the income statement and cash flow statement for the financial year ending on the same date, and the explanatory notes.

In our opinion, the consolidated financial statements provide a true and correct representation of the Company's balance sheet and financial position at 31 December 2021, and of the net result and cash flows for the financial year closed on the same date, in compliance with the Italian regulations disciplining their preparation criteria.

# **Basis of opinion**

We conducted our audit in accordance with international auditing standards (ISA Italy). Our responsibilities pursuant to said standards are described further in the section Responsibility of the independent audit firm for the audit of the consolidated financial statements of this report. We are independent from Carron Holding S.r.l., in compliance with the ethical and independence regulations and standards which, under Italian law, are applicable to the external audit of the financial statements. We believe that we have collected sufficient and appropriate evidence on which to base our professional opinion.

# Responsibility of the Sole Director for the consolidated financial statements

The Sole Director is responsible for preparing consolidated financial statements that provide a true and fair view in accordance with Italian regulations governing their preparation criteria and, under the terms provided for by law, for that part of the internal control he deems necessary in order to prepare financial statements that do not contain any significant errors due to fraud or unintentional conduct or events.

The Sole Director is responsible for assessing the company's ability to continue operating as a going concern and, when drawing up the consolidated financial statements, for the appropriate use of the assumption that the company is a going concern, as well as for providing adequate information in this regard.

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The Sole Director uses the going concern assumption in preparing the consolidated financial statements, unless he has judged that the conditions are in place to liquidate the parent company Carron Holding S.r.I. or to stop operations or he has no realistic alternative to these options.

# Responsibility of the audit company for the audit of the consolidated financial statements

Our aim is to obtain a reasonable degree of certainty that the consolidated financial statements, as a whole, do not contain any significant errors caused by fraud or unintentional conduct or events, and to issue a report on our audit, which includes our opinion. By reasonable assurance we mean a high level of certainty which, however, does not provide a guarantee that an audit carried out in compliance with international auditing standards (ISA Italy) shall always identify a significant error, if there any. Errors may be caused by fraud or unintentional conduct or events and WITH considered significant if there is the reasonable expectation that they may individually or collectively influence the economic decisions made by the readers based on the consolidated financial statements.

With reference to the audit carried out, in compliance with international standards on auditing (ISA Italy), we expressed our professional opinion and maintained our professional scepticism throughout our audit. Furthermore:

- we identified and assessed the risks of significant errors in the account financial statements, caused by fraud or unintentional conduct or events; we defined and carried out audit procedures in response to said risks; we collected sufficient and appropriate evidence on which to base our professional opinion. The risk of not identifying a significant error caused by fraud is greater compared with the risk of not identifying a significant error caused by unintentional conduct or events. This is because fraud implies collusion, falsifications, intentional omissions, misleading representations or forcing internal control.
- we acquired an understanding of the internal control procedures in place that are relevant to . the audit, in order to define appropriate audit procedures for the circumstances and not to express an opinion on the effectiveness of the Group's internal control procedures;
- we assessed whether the accounting standards used were appropriate and whether the ٠ accounting estimates made by the directors were reasonable, including the relative information;
- we reached a conclusion on whether it was appropriate for directors to assume that normal . company operations would continue and, based on the evidence collected, on the presence of any significant uncertainty regarding events or circumstances that may cast significant doubts on the Company's ability to continue operating as a going concern. If there is significant uncertainty, we are obliged to draw attention in the audit report to the relative information in the financial statements or, if this information is inadequate, to reflect this circumstance in the formulation of our opinion. Our conclusions are based on the evidence collected up until the date of this report. However, future events or circumstances may mean that the Group ceases to operate as a going concern;
- We have assessed the presentation, structure and content of the consolidated financial ٠ statements, as a whole, including the explanatory notes, and whether the financial statements represent the underlying transactions and events in order to provide a correct representation.

# **Deloitte**

٠ we have collected sufficient and appropriate evidence regarding the financial information of the companies or different economic activities carried out within the Group in order to express a professional opinion on the consolidated financial statements. We are responsible for managing, supervising and carrying out the external audit for the Group. We are the only party responsible for providing a professional auditor's opinion on the consolidated financial statements.

We notified the individuals in charge of governance, named at an appropriate level as required by ISA Italy standards, of the scope and time frames planned for the audit, among other aspects, and of the significant results that emerged, including any significant shortcomings found during the audit with regard to the Company's own internal control.

# REPORT ON OTHER LEGAL PROVISIONS AND REGULATIONS

# Opinion pursuant to Article 14, Paragraph 2, Letter e) of (Italian) Legislative Decree no. 39/10

The directors of Carron Holding S.r.l. are responsible for preparing the directors' report for the Group at 31 December 2021, as well as its consistency with the relative consolidated financial statements and compliance with legal provisions.

We performed the procedures indicated by audit principle no. 720B (SA Italy) in order to express an opinion on the coherency between the directors' report and the consolidated financial statements of Carron Group at 31st December 2021, and whether said report complies with legal provisions, as well as to issue a declaration regarding any significant errors.

In our opinion, the directors' report is consistent with the consolidated financial statements at 31 December 2021 and has been prepared in compliance with legal provisions.

With reference to the declaration referred to by art. 14, paragraph 2, letter e), of (Italian) Legislative Decree no. 39/10, issued on the basis of our knowledge and understanding of the company and its context of reference which we developed over the course of our audit, we do not have anything to report.

DELOITTE & TOUCHE S.p.A.

Stren Mul

Cristiano Nacchi Shareholder

Padua, 24 June 2022

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Carron Financial Statements 2021

DIRECTORS' REPORT - Consolidated Financial Statements

# **DIRECTORS' REPORT**

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# CARRON S.P.A. FINANCIAL STATEMENTS AT 31/12/2021



Carron Financial Statements 2021

DIRECTORS' REPORT - Carron SPA Financial Statements

# Introduction

This report was prepared by the company's Board of Directors and approved with special resolution on 02 May 2022 and shows the operating performance for the year ended 31 December 2021. Except as otherwise specified, the amounts are presented in thousands of Euro in order to facilitate understanding and clarity.

## DIRECTORS' REPORT - Carron SPA Financial Statements

# THE SITUATION AT 31 DECEMBER 2021

The Italian economy showed a marked recovery starting in the spring of 2021, but slowed down at the end of the year, at the same time as the fourth wave of the pandemic. The European Commission's recent estimates show Italy's excellent GDP performance to be among the best in Europe in 2021: +6.5% compared to 2020. Compared to our main European competitors, only France recorded a higher increase (+7% compared to 2020), while Spain and Germany saw smaller increases (+5% and +2.8% respectively).

Italian growth was driven by domestic demand, especially in terms of investments, and the important contribution of the construction industry stood out among the productive sectors, once again become a driving force for the economy after so many years of crisis.

The year that has just ended saw the coexistence of a number of elements, triggered by the pandemic shock: on the one hand, the unprecedented opportunities represented by the NRRP and Superbonus as instruments to revive the economy, development drivers with enormous potential, not only for a rapid economic recovery, but also for sustained growth beyond the short term.

However, a number of critical issues also emerged in 2021 that threaten to seriously encumber the much hoped-for development scenarios. The persistent supply bottlenecks linked to the unavailability of certain raw materials and intermediate products at global level, as well as their soaring prices, threaten to bring entire production sectors to a standstill. Moreover, inflation has skyrocketed since the end of the year, a problem driven by the vertical increase in prices, especially of energy goods. This has alarmed the central banks, which will have to decide on future monetary policies.

The new geopolitical scenarios on the eastern front with the ongoing conflict between Russia and Ukraine, in addition to the factors mentioned above, seriously risk limiting if not jeopardising the expected expansion of the world and Italian economies in 2022. The European Commission has already recently revised its forecasts downwards for this year, reducing its previous estimate of +4.2% to +3.7%, postponing the start of growth until spring.

The construction sector has confirmed its growth path already started at the beginning of 2021, after the setback recorded in the pandemic year.

The ANCE (Italian Association of Private Construction Contractors) estimate for last year was a significant increase of +16.4% in real terms, resulting from generalised increases in all sectors. This important growth had not been recorded for many years and was not just a mere statistical rebound following the pandemic shock: the comparison with 2019, a pre-pandemic year, remained positive (+9.1%), confirmation that the construction industry is on the way to a gradual recovery.

Growth in 2021 (+16.4%) will make it possible to largely recover pre-COVID levels after the -6.2% drop recorded in 2020; however, the production gap with the beginning of the crisis in the sector remains high (-28.8% investment compared to 2007, i.e. a loss of 60 billion per year in construction investment).

# **THE SECTORS IN 2021**

The substantial increase in production levels estimated by ANCE for construction investments (+16.4% compared to 2020) was generalised to all sectors and driven, in particular, by extraordinary housing maintenance and public works.

Regarding new residential construction, the ANCE estimate was for a 12% increase in real terms, linked to the positive trend in building permits since 2016.

Investments in housing renovation, which accounted for 37.5% of the sector total, were particularly positive at +25%. This estimate, much higher than in previous years, took into account the effects on production levels of the rapid recovery in demand stimulated by the special incentives for the renovation and redevelopment of the housing stock, which have made work on existing buildings a once-in-a-lifetime opportunity: the 90% Facade Bonus, the 110% Superbonus and the other 'ordinary' bonuses. The mechanisms of credit assignment and invoice discounting also played a key role in limiting the financial commitment on the part of citizens.

Private investment in non-residential construction increased by +9.5%, confirming a positive dynamic that has been underway since 2016, interspersed with the negative sign of the pandemic year. The estimate took into account not only the particularly positive data on building permits since 2015, but also the favourable economic environment that had a significant impact on production levels in this sector, more closely linked to trends in the various sectors of economic activity.

The public non-residential construction sector also showed substantial growth in 2021 compared to the previous year. This estimate took into account the measures in support of public investments implemented by the government in recent years, especially in favour of regional bodies, as well as the start-up and expansion of ongoing work on some major infrastructure projects. Finally, the estimate of the public works sector for 2021 also took into account an initial accelerating effect brought about by the NRRP, especially with reference to the spending programmes already in place that were included in the Plan.

### DIRECTORS' REPORT - Carron SPA Financial Statements

# 2022 FORECASTS AT NATIONAL LEVEL

The current year opens with some major critical issues that could jeopardise the recovery of the construction sector. In addition to the remarkable increases in the prices of the main building materials and accelerating inflation – issues that had already exploded in 2021 – there were two factors of uncertainty, namely the start of the conflict between Russia and Ukraine and the introduction of severe limitations on credit transfers in the recent Sostegni-ter Decree, which blocked investments in the first months of 2022.

ANCE's forecast for 2022, before the start of the Ukraine conflict, was a slight increase in construction investment of +0.5% compared to the high values reached in 2021.

With reference to investments in new housing, the forecast is for an increase in production levels of +4.5% compared to 2021, while for non-residential private housing an increase in investments of 5% is estimated. A higher estimate for this sector could have been made (also in view of the positive dynamics of building permits in the years 2015-2019 and the first nine months of 2021), if accompanied by a general economic context that had definitively left the health emergency behind. Indeed, the non-residential investment sector is among those most affected by the dynamics taking place in other economic sectors.

With reference to the public works sector, ANCE estimates for 2022 an increase by 8.5% compared to 2021.

This increase is mainly explained by the expected utilisation of NRRP resources.

In 2022, a consolidation of the Plan's implementation phase is expected, especially in the part under the jurisdiction of the regional bodies, which sees the realisation of small and medium works spread throughout the territory and included in existing spending programmes (making the territory and buildings safe, school construction, urban regeneration, etc.), and the continuation of works on some railway lines under construction (such as HS/HC Naples-Bari, HS Tortona-Genoa, and HS/HC Brescia-Verona-Padua).

However, the realisation of these investments, and the progress of the NRRP in general has run into some critical issues.

Firstly, as already pointed out, the high cost of materials. On this issue, the government has already adopted emergency measures in relation to works carried out in the first and second semesters of 2021 and has recently returned to the issue with the Sostegni-ter Decree (Italian Decree Law 4/2022). While these measures testify to the government's attention to the matter, they do not yet seem to have effectively resolved all the problems affecting the public works market and, therefore, implementation of the NRRP. The planned compensatory measures appear to be insufficient to avert the risk of building site closures. Moreover, the issue does not only concern ongoing contractual relationships, but also works that are soon to be entrusted, the projects for which have been prepared on the basis of price lists that are far removed from current market prices. An adjustment of the price lists and tender starting prices is necessary, as has recently been done by some major contracting entities, in order to ensure the smooth progress of works to be carried out and thus compliance with the established time schedules.

# NRRP CONTRIBUTION

The trend of public works in 2021 was also affected by an initial accelerating effect due to the National Recovery and Resilience Plan (NRRP) and limited to investments already underway and included in the European plan. This is the case, for example, with the ongoing railway works on the main HS/HC lines such as the Brescia-Verona-Padua line, the Tortona-Genoa line and the Naples-Bari line. Indeed, the recent RFI (Rete Ferroviaria Italiana) data on the 2020-2021 expenditure forecasts of the works financed with the NRRP show an increase of almost 300 million euros, compared to the expenditure forecasts, due exclusively to the works in progress. Instead, there are delays with the planned railway investments for Southern Italy.

The NRRP, which allocates 108 billion euros to investments of interest to the construction sector, will be the main driver of the performance of the public works sector in 2022, for which an 8.5% growth over the previous year is estimated.

This growth will essentially depend on the spending programmes at local level and the construction sites being built.

# **COMPANY PERFORMANCE IN THE YEAR 2021**

The year 2021 was a year of consolidation for Carron SpA after the increase in the previous year with a slight decrease in Production Value, but an improvement in operating profitability.

The activity carried out in the market in recent years, and in particular in the three-year period 2019-2021, has made it possible to generate a significant works portfolio, reaching the amount of 700 million euros at 31/12/2021.

Contracts acquired during 2021 amounted to 213 million euros, of which 70.5 million euros were for the contract for the renovation of the building in Via Pirelli 35, Milan finalised in 2022, while works carried out during the year amounted to 200 million euros. Unfortunately, of note is the portfolio loss of 45 million euros related to Save SpA's revocation of the tender already awarded for work on the expansion of Venice Airport.

# DIRECTORS' REPORT - Carron SPA Financial Statements

# **ORDER BOOK**

Carron SpA's backlog of works at 31/12/2021 amounted to 770 million euros, of which 360 million euros was for tender contracts and the execution of civil construction works, 40 million euros for the execution of infrastructure works, 120 million euros for nursing homes under construction and 180 million euros for nursing homes in the process of being authorised.





2021



BUILDING NURSING HOME INFRASTRUCTURE

# ACQUISITIONS

The Carron Group made important work acquisition private customers.

The most important include:

Customer	Customer Subject of contract		Amount
Kryalos Sgr Spa -on behalf of Fondo Virtus	Renovation and conservative restoration of the building complex in Via Regina Giovanna 27-29, Milan	€	22,200,000
Savills Investment Management Sgr Spa	Construction of the new building in Viale Sarca 336, Milan	€	10,700,000
CDPI Immobiliare Sgr Spa on behalf of the FIV - Comparto Plus fund	Redevelopment of the EX Demanio-Centro Servizi Scandicci building complex in Scandicci (FI)	€	24,500,000
Sans Souci Srl	Renovation of buildings for hotel use in Siena	€	9,700,000
Senectus Srl	Construction of a healthcare facility in Castelnuovo Garfagnana (LU)	€	7,000,000
Augusto Imperatore condominium	Building facade renovation in Rome	€	2,700,000
REAM Sgr Spa	Healthcare facility with 175 beds in Rapagnano (FM)	€	18,200,000
REAM Sgr Spa	Healthcare facility with 290 beds in Varese (VA)	€	26,500,000
Coima Sgr Spa	Property redevelopment in Via Pirelli 35, Milan	€	70,500,000

# The Carron Group made important work acquisitions in 2021, both in the public works sector and from
#### FOCUS ON CONSTRUCTION SITES

### OSPEDAL GRANDO S.r.l. - Licensee project company Construction of the "Cittadella Sanitaria" at the hospital in Treviso

- Structural and external envelope works were completed in building 29, while and internal building works continued with screeds, flooring, plasterboard and masonry walls, ceilings and doors;
- The works in buildings 30A and 30B were completed;
- In the outdoor areas, ongoing works included excavation and earthmoving, the laying of utility networks, paving and landscaping of green areas;

#### UNIVERSITY OF PADOVA - Former Geriatric Hospital - Padua

· Administrative activities for the amicable settlement and outline agreement with the contracting authority; start of the 10-year plant maintenance plan.

#### MARCHE REGION

### Executive planning and execution of the works necessary for the effective and functional construction of the new hospital in Campiglione di Fermo in the Municipality of Fermo, province of Fermo.

- New hospital complex in Campiglione di Fermo (FM):
- Hospital: continuation of works, reinforced concrete works such as foundations, elevations, floors, installation of anti-seismic devices, structural metalwork for roofing, waterproofing, infill walls, plasterboard works such as walls and wall linings, start of installation of elevator systems, mechanical and electrical systems (carried out by members of temporary associations of companies), earthmoving and perimeter backfilling. Road network (complementary contract): suspension of site works, safety works carried out;

#### FORMER SS 236 GOITESE IN MANTUA PROVINCE

#### Construction of northern ring road of Guidizzolo (MN)

• Bituminous paving, public lighting works, supply and installation of barriers and road signs.

#### **PROVINCE OF TRENTO**

#### Executive design and execution of construction work for the 1st expansion stage of the Trento 3 water treatment plant and regrading of S.S. (State road) 12 of Abetone and Brennero

- Initial lifting completed, with the exception of some detail finishes;
- · Completion of purification plant structural works, both on-site reinforced concrete works and precast works:
- · Completion of tank waterproofing, sanitising treatments of interior walls and waterproofing of purification plant roof;
- Block masonry and related finishing treatments are being completed;
- Light and heavy structural metalwork is being carried out inside the purification plant building;
- The external works of the purification plant are being carried out;

#### CA' TRON - H-CAMPUS - closed real estate fund

#### Construction of an innovation and training hub consisting of:

- Buildings for training activities (H-School)
- Buildings for recreational, sports and catering services (service centre and sport arena)
- Student residence building
- Buildings for other activities (Farm 3)
- Infrastructure and green areas
- Construction of school buildings understood as reinforced concrete/steel load-bearing structures, related finishing works, electrical, mechanical and specialised plant works as well as all external urban infrastructure works; delivery and completion of works, lot 4;

#### KRYALOS S.G.R. S.p.A.

### Demolition and construction of a building for office use and annexed functions in via Gattamelata, Milan

- Activities carried out:
- Plant:
- Facades:
- Plasterboard and basement boarding;
- Flooring;
- Technological installations

# AUTOSTRADA BRESCIA VERONA VICENZA PADOVA Spa Completion of the new bus terminal in Montecchio Maggiore (VI) and connections to the non-

# motorway road network

concrete works and precast works, laying of underground utilities;

### PATAVIUM Srl

#### Restoration and renovation of Roccabonella palace (PD)

#### IMMOBILMARCA Srl

### Construction of 2 residential buildings in Silea (TV)

and system components, start of external finishing works;

#### EDIZIONE PROPERTY S.p.A.

- Renovation of the building complex in Piazza Augusto Imperatore (Rome) Activities carried out:
- installation, interior and exterior conservative restoration, and installation of exterior windows and doors;

#### **OPENZONE** Spa

#### Construction of Le Torri buildings, Bresso (MI) Activities carried out:

- Start of double skin and window installation; Structural metalwork;

#### IMMOBILMARCA Srl

### Construction of residential units in Riese Pio X (TV) Activities carried out:

rough works such as screeds, plasterboards, insulation, waterproofing and installations;

#### KRYALOS S.G.R. S.p.A.

#### Renovation of building for office use in Viale Regina Giovanna, Milan Activities carried out:

# 145

· Works carried out: Excavation and earthmoving works, road embankments, on-site reinforced

 Works carried out: building works, plasterboard works, screeds, plant works, finishing works; handover of the property to the building manager and some units to the respective customers;

• Works carried out: completion of rough and advanced rough works, continuation of finishing works

 Completion of demolition and structural works, construction of plasterboard partitions and storey ceilings, installation of mechanical, electrical and special systems, commencement of fit-out

Reinforced concrete structures; Basement installations; Installation layouts for the floors;

· Works carried out: earthmoving works, completion of rough works and continuation of advanced

Site preparation, demolition and excavation works, reinforced concrete works; consolidation works.

#### SANS SOUCI SRL

#### Renovation of buildings for hotel use in the municipality of Siena

• Activities carried out: Site set-up, strip out and internal demolition; Clearing of existing park;

#### SENECTUS Srl

#### Construction of nursing home in Castelnuovo Garfagnana (LU)

· Activities carried out: Demolition, site set-up, pouring of foundation slab, pouring of half of the ground floor columns;

#### LARGO AUGUSTO CONDOMINIUM

#### Building facade renovation in Largo Augusto, Rome

· Works carried out: conservative restoration of the travertine and brick facades of the Augusto Imperatore 2 building, including conservative restoration of the decorations and high reliefs on the façade;

#### SAVILLS SGR Spa

#### Renovation of a building for office use Viale Sarca 336, Milan

• Activities carried out: Site preparation, reinforced concrete works, mechanical systems, waterproofing;

#### CDP Sgr Spa

#### Redevelopment of Ex Demanio-Centro Servizi Scandicci building complex, Scandicci (FI)

· Activities carried out: Site set-up, preliminary environmental tests and inspections, earthmoving and excavations, and demolition of existing external structures;

#### **FONDO SALUTE ITALIA**

# Construction of a nursing home with 200 beds for non-self-sufficient people in Via Servais, Turin

Activities carried out: Building completion and sale;

#### Spesa Intelligente S.p.A. -

#### Construction of a building for commercial use in Comacchio (FE)

• Works carried out: completion of internal finishing works in the shop and external finishing works related to car parks, the road network and landscaping of green areas; administrative activities related to testing and handover of the building;

#### REAM S.G.R. S.p.A.

#### Construction of nursing home with 120 beds in Torrevecchia Pia (PV)

• Activities carried out: Building completion and disposal,

#### REAM S.G.R. S.p.A.

#### Renovation for construction of nursing home in via Lancia & via Issiglio, Turin – 200+200 beds

• Activities carried out: Completion of the structure (completion of reinforced concrete structures, masonry, plasterboard works, interior finishes, cladding, waterproofing, installation of interior and exterior fixtures, elevator, electrical and mechanical systems); start of urban infrastructure works, including works deductible from building permit fees;

#### LIFENTO SAS on behalf of the Lifento Salute fund

#### Construction of nursing home in Cecina (LI) - 160 beds

· Activities carried out: Completion of the building (completion of reinforced concrete and metalwork structures, masonry, plasterboard work, interior finishes, insulation, waterproofing, installation of interior and exterior fixtures, elevator, electrical and mechanical systems), including exterior works; Supply and installation of furniture (kitchen, laundry, rooms and common areas); Completion of infrastructure works;

# PRIMONIAL LUXEMBOURG REAL ESTATE SA on behalf of the PRIMONIAL Italian Healthcare fund Implementation of nursing homes Limbiate (MI) - 300 beds

Activities carried out: Completion of the structure (completion of reinforced concrete structures,

#### Commercial complex in via lancia, Turin

laying, waterproofing, external flooring;

#### **REAM SGR Spa**

# Construction of nursing home, Rapagnano (FM)

authorisations from the relevant bodies.



masonry, plasterboard works, interior finishes, cladding, waterproofing, installation of interior and exterior fixtures, elevator, electrical and mechanical systems) including exterior works; Supply and installation of furniture (kitchen, laundry, rooms and common areas); Completion of urban infrastructure works, including works deductible from building permit fees (municipal pharmacy);

• Start of demolition works, strip outs, environmental remediation, earthmoving in general, basement car park foundations, basement car park elevations in reinforced concrete, basement car park floor

· Activities carried out: Preparatory works and final and executive design process for obtaining

210,000

180,000

150,000

120,000 90,000

60,000

30,000

0

#### DIRECTORS' REPORT - Carron SPA Financial Statements

10,000

60,000 50,000

40,000

30,000

20,000

10,000

5,000

-5,000

-10,000

-15,000

-20,000

-25,000

0

0



EBITDA (EUR0 / 1000)



EBIT (EUR0 / 1000)



8,000 6,000 4,000 2,000 0





2021

# 149

2020

1.50

1.20

0.90

0.60

0.30

0.00



**1.168** 2021

R.0.E.



CURRENT RATIO CURRENT ASSETS/CURRENT LIABILITIES



6.00% 4.00% 2.00%



EF



# QUICK RATIO





2019

# EBITDA



2020



2019

# EBIT







Carron Financial Statements 2021

DIRECTORS' REPORT - Carron SPA Financial Statements

#### BALANCE SHEET AND FINANCIAL DATA AT 31 December 2021

(In thousands of Euro)

Description
Fixed assets
Financial receivables from associated companies due beyond 12 months
Total non-current assets
Net working capital
Provisions for liabilities, staff severance indemnity, net long term debt
Net invested capital
Equity
Other liabilities due after 12 months
Net financial position
Sources

### FIXES ASSETS

For the purposes of reclassification of the financial statement values, non-current assets include intangible and tangible assets at their net value, as well as medium/long-term financial assets, typically represented by investments not included in the scope of consolidation, loan receivables and trade receivables due after 12 months.

At 12/31/2021 it amounted to 49.6 million euros (47.5 million euros at 31/12/2020), of which 0.6 million euros for intangible fixed assets (0.6 million euros at 31/12/2020), 16.6 million euros for tangible assets (17.0 million euros at 31/12/2020), 19.3 million euros for financial assets (14.8 million euros at 31/12/2020), as well as trade receivables beyond twelve months totalling 13.0 million euros (15.2 million euros at 31/12/2020), recording an overall increase, at 31/12/2020, of 2.1 million euros.

The detailed analysis of the changes occurred is contained in the specific illustrative section of the "Explanatory notes to the financial statements" to which reference is made.

2021	2020	Variation
32,265	34,163	(1,898)
17,385	13,379	4,006
49,650	47,542	2,108
37,000	6,352	30,648
(2,266)	(3,149)	883
84,384	50,745	33,639
60,001	53,112	6,889
-	12	(12)
24,383	[2,379]	26,762
84,384	50,745	33,639

#### **NET WORKING CAPITAL**

Net working capital, given by the difference between trade working capital, amounting to Euro 196.8 million (receivables, inventories, work in progress and other assets) and current trade liabilities, amounting to Euro 159,8 million (suppliers, advances from customers and property promissee purchasers, trade payables and other payables), amounts to Euro 37,0 million and is made up as follows:

(In thousands of Euro)

Description	2021	2020	Variation
Inventories	14,493	1,921	12,572
Work in progress	114,138	77,528	36,610
Trade receivables	36,172	38,239	(2,067)
Receivables due from controlled consortium companies	254	664	(410)
Receivables from associated companies	3,346	2,092	1,254
Receivables due from parent companies	858	0	858
Receivables due from subsidiaries by the parent company	141	229	[88]
Tax receivables	2,797	633	2,164
Receivables for prepaid taxes	34	34	0
Receivables due from others	23,727	11,747	11,980
Current financial assets	94	106	[12]
Accruals and deferrals	777	704	73
Total current trade assets	196,831	133,897	62,934
Advances received	79,826	53,827	25,999
Trade payables	66,160	64,109	2,051
Payables due to subsidiaries	0	1	[1]
Payables to parent company	3,029		3,029
Payables due to associated companies	5,745	4,545	1,200
Payables to subsidiaries from the parent company	6	0	6
Tax payables	1,077	1,068	9
Payables due to pension and social security institutions	880	853	27
Other payables	3,032	3,076	[44]
Accruals and deferrals	74	67	7
Total current trade liabilities	159,829	127,546	32,283
Net commercial working capital at 31.12.2021	37,002	6,351	30,651

At 31/12/2020, net working capital increased from 6.3 million euros at 31/12/2020 to 37.0 million euros at 31/12/2021, recording an increase of 30.7 million euros. As described above, the increase in this item is largely due to the increase in inventories, net of advances paid by customers/buyers, which reflect the natural progression of works represented by 'Real estate with contracts for future sales' that are only offloaded at the time of the notarial deed of sale.

#### **INVESTED CAPITAL**

Net invested capital amounted to 84.3 million euros (50.7 million euros in 2020), an increase of 33.6 million euros. The increase is mainly attributable to the increase in net working capital, largely due to the increase in inventories, net of advances paid by customers/buyers, which reflect the natural progression of works represented by 'completed real estate' contracts that are only offloaded at the time of the notarial deed of sale.

#### SHAREHOLDERS' EQUITY

At 31/12/2021, equity, consisting of share capital and legal and optional reserves, amounted to 60.0 million euros, an increase of 6.9 million euros compared to 31/12/2020 (53.1 million euros), resulting from the profit for the year of 6.9 million euros.

#### **NET FINANCIAL POSITION**

#### (In thousands of Euro)

Description	2021	2020	Variation
Cash and cash equivalents	47	72	(25)
Cash and cash equivalents held in banks	30,161	52,036	(21,875)
Liquidity	30,208	52,108	(21,900)
Short-term bank debt	(22,216)	(16,168)	(6,048)
Non-current bank loans	(32,375)	(33,560)	1,185
Net financial position towards the lending system	(24,383)	2,380	(26,763)
Receivables due from subsidiaries after 12 months	4,450	-	4,450
Receivables due from associated companies after 12 months	832	733	99
Receivables due from other companies after 12 months	12,103	12,646	(543)
Financial position towards others	17,385	13,379	4,006
Total net financial position	(6,998)	15,759	(22,757)

The Group's financial position vis-à-vis the banking system increased by Euro 26,7 million, from Euro (+) 2,3 million at 31.12.2020 to Euro (-) 24,4 million at 31.12.2021. The overall position, which includes financial receivables and payables from/to other companies and from/to subsidiaries and associated companies, amounted to (-) 7.0 million euros, an increase of (+) 22.8 thousand euros compared to 31/12/2020.

The presence of numerous construction sites for real estate with contracts for future sales, which by their very nature have high funding requirements due to the different rotation quotients of the economic cycle (fast) and the financial cycle (slow), contributed significantly to the change in NFP, while the time required to collect progress payments determined by the General Contractor's activities remained substantially unchanged.

For changes in non-current bank loans, refer to the appropriate section of the Notes to the Financial Statements.

#### NOTES TO THE INCOME STATEMENT

### Reclassified income statement (value added approach)

The following reclassification highlights the intermediate results of economic management by highlighting the "Value added", the "Gross operating margin or Ebitda", the "Operating margin or Ebidt" and the result for the year:

(In thousands of Euro)

Description	2021	%	2020	%
value of production	201,700	100.00	209,290	100.00
costs for acquisitions	(172,258)	(85.40)	(181,181)	(86.57)
added value	29,442	14.60	28,109	13.43
labour costs	(14,884)	(7.38)	[14,121]	(6.75)
sundry operating expenses	(1,935)	(0.96)	(2,666)	[1.27]
other provisions	(411)	(0.20)	[469]	(0.22)
Ebitda	12,212	6.05	10,853	5.19
depreciation and amortisation	(1,178)	(0.58)	(871)	(0.42)
provisions and write-downs	(405)	(0.20)	(104)	(0.05)
Ebit	10,629	5.27	9,878	4.72
financial income (charges)	(1,804)	(0.89)	(836)	(0.40)
revaluations (write-downs)	[1]	(0.00)	[229]	(0.11)
profit before tax	8,825	4.38	8,813	4.21
income taxes	(1,941)	(0.96)	(2,518)	(1.20)
net profit for the year	6,884	3.41	6,295	3.01

#### Income statement



Production in 2021 records an Decrease by 3.63 % compared to the previous year, from Euro 209.3 million to Euro 201.7 million.

Costs for external acquisitions of goods and services amounted to Euro 172,3 million, accounting for 85.40% of the value of production (Euro 181,2 million, accounting for 86.57% in 2020).

Value added amounted to Euro 29,4 million, which corresponds to 14.60% of the value of production, against Euro 28,1 million in 2020 (13.43% of the value of production).

#### The item "value of production" is broken down as follows:

(In thousands of Euro)

Description	2021	2020	Variation
Sales and services revenues	161,809	199,276	(37,467)
Changes in work in progress	36,609	8,493	28,116
Changes in product inventories	325	-	325
In-house work	-	-	-
Other revenues and income	2,956	1,521	1,435
Total value of production	201,700	209,290	(7,590)

### Breakdown of production value by sector

Description	31/12/2021	Description	31/12/2020
Building	59,45%	Edilizia	54,50%
Construction- future sales	30,00%	Edilizia -Vendita di cosa futura	36,75%
Infrastructure	7,85%	Infrastrutture	8,15%
Other	2,70%	Altro	0,6%





#### The item "production costs" is broken down as follows:

(In thousands of Euro)

Description	2021	2020	Variation
Raw and ancillary materials	33,002	26,872	6,130
Provision of services	148,041	135,078	12,963
Use of third-party assets	3,463	3,789	(326)
Changes in inventories	[12,247]	15,442	[27,689]
Total external purchases	172,259	181,181	(8,922)
Labour costs	14,884	14,121	763
Amortisation and depreciation, risk provision and write-downs	1,994	1444	550
Sundry operating expenses	1,935	2,666	(731)
Total production costs	191,072	199,412	(8,340)

### Composition of profit for the year

(In thousands of Euro)

Description	2021	2020	Variation
Value added	29,442	28,109	1,333
Compensation for work	(14,884)	[14,121]	(763)
Sundry operating expenses	(1,935)	[2,666]	731
Other provisions	[411]	[469]	59
Ebitda	12,212	10,853	1,360
Depreciation	(1,178)	(871)	(307)
Amortisation, depreciation and write-downs	(405)	[104]	(301)
Ebit	10,629	9,878	752
Financial income and (charges)	(1,804)	(836)	(968)
Financial income and (charges)	[1]	[229]	228
Financial income and (charges)	8,825	8,813	12
Taxes	(1,941)	(2,518)	577
Shareholder's net income	6,884	6,295	589

The positive operating performance, first and foremost the significant improvement in EBITDA, which increased from 5.19% at 31/12/2020 to 6.05% at 31/12/2021 [+16%], can be attributed to the company's continued focus on order management, while the increase in financial expenses is related to the greater use of institutional credit linked to the natural trend of orders with preliminary contracts for future sales.

# INFORMAZIONI RICHIESTE DALLE DISPOSIZIONI DEL D.LGS. 32/2007 RECANTE "ATTUAZIONE DIRETTIVA 2003/51/CE PORTANTI MODIFICHE ALL'ART. 2428 CODICE CIVILE"

#### INDICATOR

Ratio of current assets to current liabilities Current assets/current liabilities

# Equity to fixed assets ratio

Shareholders' equity/Fixed assets

Ratio of fixed assets to total assets Fixed assets/net assets

#### Flexibility of net assets

Current assets/net assets

#### **Overall debt ratio** Shareholders' equity/Total liabilities

#### Debt to equity ratio

Shareholders' equity/Net financial position vis-à-vis len

Acid test

Current assets-stocks/Current liabilities

### **Total debt ration** Total liabilities/ Shareholders' equity

#### Financial debt/Ebitda

Payables to lending institutions/EBITDA

#### Ebitda/Financial payables

Ebitda/Net financial position vis-à-vis lenders

2021 20   1,247 1,2	
1,247 1,2	
	17
1,17 1,	
0,18 0,1	94
0,821 0,7	96
0,277 0,2	94
nders -2,461 22,3	19
1,168 1,2	76
3,611 3,3	97
-1,997 0,2	19
-0,5 4,	56

#### **OTHER INFORMATION**

#### Status of the dispute

The civil litigation situation regarding the group's activities, supported by the assessments of the designated lawyers, does not give rise to particular concerns, given that the pending litigations and their very modest value are not deemed to influence or prejudice the economic and financial situation of the company.

#### **Tax situation**

At 31/12/2021 there were no tax disputes.

#### **Risk management policies**

The company's business is generally subject to various operational, counterparty and contract risks, as well as financial risks:

#### **Operational risks**

In this case, the risks that could affect the creation of value and due to an inefficient and/or ineffective management of business operations were taken into account, in particular those connected with the management of offers and the actual execution of orders. The various risk areas that fall into this category include the planning of offers, warehouse management and logistics, as well as risks related to the management of IT systems, planning and reporting, effective supply chain and personnel management, also with reference to health and safety, the environment, human rights and local communities. These risks may occur if, during the bidding and/or order implementation process, policies and procedures of the business entities are not sufficiently adequate to manage the risk factors arising from the degree of complexity of the project, or as a result of unforeseeable events. To this end, the activity carried out is aimed at controlling these risks from the analysis phase of the commercial initiative to be undertaken (bidding) with a view to assessing the risk-return of the project in case of award and its impact on the portfolio configuration, both in terms of concentration and overall risk profile. In this context, among other activities, a pre-bid assessment is carried out to identify potential risks and consequent impacts related to the project, as well as to identify the necessary mitigation and/or contingency measures to cover risks. The risk recognition activity is then performed again during the award phase and monitored and updated during execution of the order to swiftly detect evolution of the risk exposure and promptly adopt appropriate mitigation measures.

#### **Counterparty risk**

The size and/or technical capability of the counterparty indicates the potential problems connected with relations with customers, shareholders, subcontractors and suppliers of the company, giving as complete a picture as possible of the characteristics of partners with whom to start or continue a collaboration. For each of these types of counterparties, the risk factors connected with financial and operational reliability take on more or less significance, in addition to the strategic role that may be assumed by a collaboration as opposed to a specific business initiative, as well as everything connected with legal, compliance and applicable standards (ethics, guality, health and safety, environment, human rights) to protect the regularity of the relationship.

#### **Order risk**

This aspect is crucial for an effective analysis of all the risks arising from the company's core business, to define which instruments to use to identify and monitor the so-called order risks from the bidding phase, with a view to risk prevention as part of an in-depth risk assessment of opportunities linked to the pursuit of a specific initiative. It is also fundamental to constantly monitor risks once they have been understood by the management, by proactively and dynamically managing the resulting risk exposure and the continuous evolution that this may undergo over time.

#### **Financial risks**

These risks can be classified as follows:

- Market risk (price of raw materials and fluctuation of share prices)
- Credit risk
- Exchange rate risk
- Interest rate risk
- Liquidity risk

The management of the Group's financial risks is carried out within the framework of specific organisational directives that govern the management of the aforementioned risks and the control of all the operations that have strict relevance in the composition of financial and/or commercial assets and liabilities.

There are no specific financial, price, credit or liquidity risks other than those arising from operating activities.

The company has a minimal exposure to the interest rate risk related to the recourse to funding needed to develop nursing homes, the operating methods in any event allow this exposure to be reduced to a minimum due to the fact that the duration and amount of the same is strictly related to the needs for the realisation of the works.

There is no direct exposure to exchange rate risk as operations are carried out and revenues are produced exclusively in Italy, and the main costs incurred are in euros.

The company does not have particularly significant credit risk areas; the operating procedures allow to control the credit risk, selecting the execution of contracts and/or services on behalf of customers who have an adequate level of credit and quarantees. Therefore, the maximum exposure to credit risk is represented by the book value in the financial statements.

Given the changed economic conditions compared to the past, the Group is significantly exposed to fluctuations in the price of raw materials and services; this risk is managed by resorting to a large supplier base, allowing to obtain the best market conditions, and, where possible, by entering into procurement contracts with clauses to contain risks related to raw material cost trends.

The risk areas relating to the protection of the health and safety of workers are managed in strict compliance with the laws and regulations.

#### Quality - Environment - Safety

The tools that allow to increase the efficiency of the quality system have assumed an increasing importance within the company and also in the year 2021 maximum attention was placed on strengthening this aspect by implementing all the measures dictated by the regulations in force.

To this end, the company has updated the "Integrated Management System (IMS) - Quality, Environment and Safety". The system therefore complies with the international standards UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 e UNI ISO 45001:2018. The three management systems are certified in accordance with the standards for the construction sector, for the following activities:

- Design, construction, renovation and maintenance of construction, infrastructural (road and railway) and hydraulic engineering works;
- Restoration of real estate under protection.

The relevant certificates were issued by ASACERT (an independent certification body in accordance with international standards ISO/IEC 17021). Certifications are maintained annually and renewed every three years.

The Group companies operate using the certified Quality Management System, also with regard to the Environment and Safety.

The system has been pre-established in order to achieve general objectives with the aim of:

- Rationalising and optimising both management and executive activities consistent with the new company organisation, by implementing the use of computerised processes;
- Minimising errors;
- Guaranteeing customer satisfaction, namely by assuring customers that the work, in technical and economic terms, is accomplished and maintained with the required quality, and also allowing external verification on the Integrated Management System;
- Orienting corporate culture towards environmentally-friendly behaviour (control and rationalisation of the consumption of water and energy resources, correct management and separation of waste and waste produced) and operated in compliance with the binding legislation and the voluntary regulatory framework (UNI EN ISO 14001:2015);
- Pursuing the best possible conditions in terms of health and safety in the workplace and hygiene of the environments in which the personnel operates, in compliance with the requirements of current legislation and the voluntary framework (UNI ISO 45001:2018);
- Managing their activities also with the aim of preventing accidents, injuries and work-related diseases and safeguarding the health of workers, company assets, third parties and the community in which the company operates, thereby arranging the purchase, operation and maintenance of machines, plants and equipment, the organisation of workplaces, and the definition of operating methods and organisational aspects, with a view to continuous improvement;
- Ensuring the widest possible dissemination of all information notices regarding health and safety risks in the workplace and the intervention procedures in emergency situations that may harm persons or the environment;
- Reducing the general negative environmental impacts during the performance of company activities through an assessment of the same already in the planning phase and through an accurate selection, assessment and awareness-raising of suppliers and contractors;
- Seeking clear and direct forms of internal and external communication that give evidence of transparent behaviour and are founded on respect and collaboration;
- Seeking the satisfaction of all internal and external stakeholders;
- Maintaining the certification of the company's Integrated Management System.

The Integrated Management System policy is based on compliance with several general concepts:

- responsibilities of each operator;
- of the Integrated Management System;
- Planning and review of company objectives.

In particular, the objectives and resources used to achieve them are defined yearly on a corporate basis following the review of the Integrated Management System and can be updated in relation to organisational and process changes, or strategic choices relating to the market policy of the company. The achievement of objectives is monitored on the basis of parametric values in order to objectively evaluate the achievement and take decisions based on factual information.

The company pays particular attention to the environmental and safety aspects in the workplace by applying the Management System, with constant actions by all personnel involved, assisted by the Internal Prevention and Protection Service composed of a supervisor and 4 employees.

The main actions are summarised as follows:

- improve knowledge and apply safety in the workplace;
- and equipment and avoid accidents in the workplace;
- updating, subsequent distribution and application of the requirements set out;
- updating according to the progress of the site;
- plans and the current legislation on safety in the workplace;
- the causes and implement appropriate corrective actions.

Participation and involvement at all levels, based on the critical nature of the tasks and

Continuous improvement, both in terms of satisfying customer requirements and the effectiveness

Education, communication and training activities for all workers (office employees, labourers, technicians, supervisors, managers, emergency workers, workers with specific duties, prevention and protection service supervisor and staff, workers' representatives) in compliance with current legislation, including updates and supplementing with appropriate alternative training in order to

Supplier gualification, also and above all, in terms of legality and the absence of mafia infiltrations (through verification of registration to prefectural 'white lists' or through the Unindustria trade association by means of the legality protocol), and qualifying safety with a careful analysis of the documentation for verifying technical and professional suitability and the operational safety plan;

Continuous maintenance and control of machines and equipment in compliance with current legislation, standards adopted and internal procedures in order to always have efficient machines

Management of chemical products through the acquisition of the relative safety data sheets, their

Analysis of the planned work on site, drafting of the operational safety plans and subsequent

Systematic surveillance and monitoring in the workplace to comply with the provisions of the safety

Investigation of any accidents, injuries and dangerous behaviour or situations in order to establish

#### Human resources

Carron pays constant attention to staff development by dedicating time and customised measures to improving know-how and skills, with the aim of enhancing customer satisfaction and initiating new projects and business areas.

The purpose of HR management is to guarantee the effective and efficient use of resources, with reference to both the quantitative and qualitative aspects of the personnel, providing mutual benefit for the group and its people. For this to be effective, it is necessary to ensure, at the various levels of the organisation, that the individual, professional and organisational skills of those persons holding positions of responsibility correspond to and are consistent with expected performance.

#### **Training and development**

The objective of staff training is of significant importance, especially regarding aspects governed by regulations in relation to technical and professional skills and managerial behaviour.

The year 2021, particularly in terms of training and development, was heavily affected by the COVID-19 restrictions, both from a regulatory standpoint (Prime Ministerial Decree banning in-person attendance of training, extension of validity of enabling certification) and by express application of the company protocol preventing gatherings. However, where possible and allowed, remote online training courses were delivered on topics related to safety and technical/theoretical aspects.

These restrictions are still in place, although they are close to being relaxed. This has allowed for better planning for the immediate future and for calibrating developmental training needs and the associated budget. Safety training, both job-related and developmental, will be the subject of immediate development.

#### White list registration

The company is registered in the list of suppliers, service providers and operators not subject to mafia infiltration attempts, operating in the sectors most exposed to risk (the so-called white list) as identified in Article 1, Paragraphs 53 and 54 of (Italian) Law no. 190 of 6 November 2012 and concerning the following sectors

- extraction, supply and transport of soil and inert materials; -
- packaging, supply and transport of concrete and bitumen;
- hiring of machinery with operator;
- supply of wrought iron;
- operated Equipment Rental;
- road haulage on behalf of third parties;
- environmental services, including collection, national and cross-border transport (also on behalf of third parties), waste treatment and disposal, as well as remediation and reclamation activities and other services related to waste management.

Registration on the white list, which is voluntary, fulfils the requirements of anti-mafia certification for carrying out the activities for which registration has been ordered and is therefore subject to the following conditions:

- Decree no. 159 of 6 September 2011 (Anti-mafia Code);
- intentions pursuant to Art. 84, Paragraph 3, of the Anti-mafia Code.

#### Legality rating

The AGCM defines the company's level of legality reached through a score attributed to the individual applicant companies.

The legality rating is a new tool introduced in 2012 for Italian companies, aimed at promoting and introducing principles of ethical behaviour by assigning a rating on compliance with the law to requesting companies and, more generally, on the level of attention paid to the proper management of business. A sufficient legality rating level can help companies obtain benefits in terms of the granting of public funding and easier access to bank lending.

- Absence of one of the causes of forfeiture, suspension or prohibition pursuant to Art. 67 of Legislative

- Absence of any mafia infiltration attempts designed to influence the company's choices and

#### SIGNIFICANT EVENTS AFTER 31 DECEMBER 2021

Please refer to the "Business Outlook" paragraph for information on the events that occurred after the closing of the financial year.

# It is also hereby specified that:

- The company does not own any treasury shares, neither directly nor through a trust company or third party;
- Over the course of the year, the company did not buy or sell treasury shares, neither directly nor through a trust company or third party.

# **BUSINESS OUTLOOK**

While the consequences of the pandemic effects that have accompanied us over the past two years seem to be stabilising, the challenges that we will be faced with in the coming years have become apparent in the past financial year, i.e., the repercussions on the market as a result of rising raw material costs and increasing inflation after years of general stability.

The Group presents itself before these new scenarios with an acquired works portfolio offering a three-year timeframe, and with expected production in 2022 of around 270 million euros.

More problematic is the assessment of the expected margin, given the current pressure on the purchase prices of materials and services, which threatens to significantly undermine the profitability that had been expected to further improve. To contain the negative effects, the company has taken all necessary actions towards its customers in order for the increased burden to be recognised. In particular, two fronts can be identified. One is represented by public contracts, where the Italian government has intervened with a special legislative intervention known as the 'Materials Decree', while the other is represented by orders to private entities, with requests made to customers with whom negotiations are underway, and on which we cannot yet express the outcome.

Ultimately, the effects of the above will also be felt in the financial area, but it is believed that the company's assets, the credit lines granted by the banking system, and the expected cash flows will make it possible to maintain an adequate balance capable of meeting commitments made.

San Zenone degli Ezzelini, 2 May 2022

**The Board of Directors** The Chairman Arch. Diego Carron



# FINANCIAL STATEMENTS AT 31 DECEMBER 2021

CARRON CAV. ANGELO S.P.A.



# BALANCE SHEET

ASSETS		31/12/2021	31/12/202
В	FIXED ASSETS		
1)	Intangible fixed assets		
3	Industrial patents and intellectual property rights	276,852	191,50
4	Concessions, licences, trademarks and similar rights	1,652	
7	Others	379,098	420,52
	TOTAL INTANGIBLE ASSETS	657,602	612,02
II)	Tangible fixed assets		
1	Lands and buildings	13,789,401	14,233,01
2	Plants and machinery	1,819,512	2,097,00
3	Industrial and commercial equipment	83,374	108,37
4	Other assets	782,571	534,49
5	Assets under development and advances	153,409	
	TOTAL TANGIBLE FIXED ASSETS	16,628,267	16,972,88
111)	Financial fixed assets		
1	Equity investments in:		
	a) subsidiaries	505,200	5,20
	b) associated companies	18,228	18,22
	d-bis) other companies	439,194	438,67
	Total equity investments	962,622	462,10
2	Receivables:	,,.	
-	a) from subsidiaries		
	due after the next year	4,450,000	
	Total receivables due from subsidiaries	4,450,000	
	b) from associated companies	4,430,000	
	due after the next year	831,643	732,64
	Total receivables from associated companies	831,643	732,64
	d-bis) others	001,040	702,04
	due after the next year	12,103,164	12,646,03
	Total receivables from others	12,103,164	12,646,03
	Total receivables	17,384,807	13,378,67
3	Other securities		
3		1,000,000	1,000,00
	Total other securities	1,000,000	1,000,00
	TOTAL FINANCIAL FIXED ASSETS	19,347,429	14,840,77
	TOTAL ASSETS	36,633,298	32,425,68
С	CURRENT ASSETS		
U)	Inventories		
1	Raw, ancillary and consumable materials	13,582,209	1,334,93
3	Contract work in progress to order	114,137,808	77,528,37
4	Finished products and goods	910,658	585,97
	TOTALINVENTORIES	128,630,675	79,449,28
1	Receivables		
1	Trade receivables	0/ 470.00/	00.000.4
	due within the next year	36,172,206	38,239,44
	due after the next year	10,760,000	12,857,37
	Total trade receivables	46,932,206	51,096,81

### STATUTORY FINANCIAL STATEMENTS

# BALANCE SHEET

# AS

ASSETS		31/12/2021	31/12/2020
2	From subsidiaries		
	due within the next year	254,440	663,941
	Total receivables due from subsidiaries	254,440	663,941
3	From associated companies		
	due within the next year	3,345,998	2,091,899
	due after the next year	2,145,067	2,145,065
	Total receivables from associated companies	5,491,065	4,236,966
4	From parent companies		
	due within the next year	857,831	
	Total receivables from parent companies	857,831	
5	From companies subject to the control of parent companies		
	due within the next year	141,328	229,260
	Total receivables from companies subject to the control of parent companies	141,328	229,260
5-bis	For tax credits		
	due within the next year	2,796,637	632,90
	due after the next year	29,863	19,28
	Total tax credits	2,826,500	652,19
5-ter	Prepaid taxes	34,093	34,093
5-quater	Due from others		
	due within the next year	23,727,461	11,746,746
	due after the next year	81,940	95,065
	Total receivables from others	23,809,401	11,841,81
	TOTAL RECEIVABLES	80,346,864	68,755,08
)	Financial fixed assets that do not constitute assets		
1	Equity investments in subsidiaries	6,677	6,67
2	Equity investments in associated companies	87,590	92,35
4	Other equity investments		7,040
	TOTAL FINANCIAL FIXED ASSETS THAT DO NOT CONSTITUTE ASSETS	94,267	106,080
IV)	Cash and cash equivalents		
1	Bank and post office deposits	30,160,764	52,035,690
3	Cash and equivalents on hand	47,063	72,48
	TOTAL CASH AND CASH EQUIVALENTS	30,207,827	52,108,17
	TOTAL CURRENT ASSETS	239,279,633	200,418,623
D	ACCRUALS AND PREPAYMENTS	776,506	703,530
	TOTAL ASSETS	276,689,437	233,547,830

### STATUTORY FINANCIAL STATEMENTS

# BALANCE SHEET

LIABILITI	ES	31/12/2021	31/12/2020
A	SHAREHOLDERS' EQUITY		
	Share capital	10,000,000	10,000,000
	Revaluation reserves	3,873,657	3,869,04
IV	Legal reserve	2,000,000	2,000,00
VI	Other reserves with corresponding details		
	Extraordinary reserve	37,243,556	31,648,68
	Miscellaneous other reserves	2	(700,001
	Total other reserves	37,243,558	30,948,68
IX	Profit (loss) for the year	6,883,942	6,294,87
	TOTAL SHAREHOLDERS' EQUITY	60,001,157	53,112,59
В	PROVISIONS FOR LIABILITIES AND CHARGES		
2	For taxes, also deferred	105,409	710,60
3	Derivative financial liabilities	5,291	41,90
4	Others	1,612,877	1,837,76
	TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	1,723,577	2,590,27
С	STAFF SEVERANCE INDEMNITY	530,344	559,08
-		,	,
D	PAYABLES		
4	Payables due to banks		
	due within the next year	22,215,872	16,168,49
	due after the next year	32,375,000	33,560,00
	Total payables due to banks	54,590,872	49,728,49
6	Advances		
	due within the next year	79,826,340	53,827,17
	Total advances	79,826,340	53,827,17
7	Trade payables		
	due within the next year	66,160,168	64,108,85
	Total trade payables	66,160,168	64,108,85
9	Payables due to subsidiaries		
	due within the next year		75
	Total payables due to subsidiaries		75
10	Payables due to associated companies		
	due within the next year	5,745,218	4,545,12
	Total payables due to associated companies	5,745,218	4,545,12
11	Payables due to parent companies		
	due within the next year	3,029,484	
	Total payables due to parent companies	3,029,484	
11bis	Payables due to companies subject to the control of parent companies		
	due within the next year	6,237	
	Total payables to companies subject to the control of parent companies	6,237	

# BALANCE SHEET

LIABILITIES		31/12/2021	31/12/2020
12	Tax payables		
	due within the next year	1,076,999	1,067,513
	Total tax payables	1,076,999	1,067,513
13	Payables due to pension and social security institutions		
	due within the next year	880,431	853,072
	Total payables due to pension and social security institutions	880,431	853,072
14	Other payables		
	due within the next year	3,032,369	3,076,083
	due after the next year	12,070	12,070
	Total other payables	3,044,439	3,088,153
	TOTAL PAYABLES	214,360,188	177,219,139
E	ACCRUALS AND DEFERRALS	74,171	66,737
	TOTAL LIABILITIES	276,689,437	233,547,836

# STATUTORY FINANCIAL STATEMENTS

# INCOME STATEMENT

		31/12/2021	31/12/2020
A	VALUE OF PRODUCTION		
1	Sales and services revenues	161,809,061	199,276,15
2	Changes in inventories of work in progress, semi-finished and finished goods	324,680	
3	Changes in contract work in progress	36,609,437	8,492,64
5	Other revenues and income		
	Grants for current expenses	1,614,703	6,44
	Others	1,342,402	1,515,23
	Total other revenues and income	2,957,105	1,521,67
	TOTALE VALORE DELLA PRODUZIONE	201,700,283	209,290,47
В	TOTAL VALUE OF PRODUCTION		
6	For raw and ancillary materials, consumables and goods	33,001,945	26,871,76
7	For services	148,040,905	135,078,25
8	For use of third-party assets	3,462,740	3,789,30
9	For personnel:		
	a) salaries and wages	10,752,664	10,181,60
	b) social security contributions	3,271,272	3,168,98
	c) staff severance indemnity	686,791	666,37
	e) other costs	173,035	104,30
	Total personnel costs	14,883,762	14,121,26
10	Amortisation, depreciation and write-downs		
	a) amortisation of intangible fixed assets	124,453	80,71
	b) depreciation of tangible fixed assets	1,053,679	790,53
	Total amortisation, depreciation and write-downs	1,178,132	871,24
11	Changes in inventories of raw and ancillary materials, consumables and goods	(12,247,274)	15,441,64
12	Risk provision	404,867	103,76
13	Other provisions	410,682	469,20
14	Sundry operating expenses	1,934,927	2,665,91
	TOTAL PRODUCTION COSTS	191,070,686	199,412,36
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A - B)	10,629,597	9,878,11
С	FINANCIAL INCOME AND CHARGES		
15	Income from equity investments		
10	others		19,74
	Total income from equity investments		19,74
16	Other financial income		,
	d) income other than the above		
	others	475,062	226,82
	Total other financial income	475,062	226,82
17	Interest and other financial charges	,	
	others	2,279,265	1,082,90
	Total interest and other financial charges	2,279,265	1,082,90
	TOTAL FINANCIAL INCOME AND CHARGES (15 + 16 - 17 + - 17-bis)	(1,804,203)	(836,326

# INCOME STATEMENT

		31/12/2021	31/12/2020
D	VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES		
19	Write-downs		
	a) of shares	550	186,982
	d) of derivative financial instruments		41,909
	Total write-downs	550	228,891
	Total value adjustments to financial assets and liabilities (18 - 19)	(550)	(228,891)
	RESULT BEFORE TAXES (A-B±C±D)	8,824,844	8,812,895
20	Current, deferred and prepaid income taxes for the year		
	Current taxes	2,546,099	1,909,629
	deferred and prepaid taxes	(605,197)	608,394
	Total current, deferred and prepaid income tax for the year	1,940,902	2,518,023
01		( 000 0 ( 0	( 00 ( 000
21	Profit (loss) for the year	6,883,942	6,294,872

# Chairman of the Board of Directors Diego Carron

# STATUTORY FINANCIAL STATEMENTS

# CASH FLOW STATEMENT, INDIRECT METHOD

		31/12/2021	31/12/2020
	CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)		
	Profit (loss) for the year	6,883,942	6,294,872
	Income taxe	1,940,902	2,518,023
	Interest payable/(Interest receivable)	1,804,203	856,072
	(Dividends)		(19,746)
	(Gains)/Losses from the disposal of assets	213,904	(93,898)
1	Profit (loss) for the year before income taxes, interest, dividends and dividends/losses from disposal	10,842,951	9,555,323
	Adjustments for non-monetary items without an offsetting counterpart in net working capital		
	Allocations to provisions	944,336	584,561
	Amortisation and depreciation of fixed assets	1,178,132	871,247
	Value adjustments to financial assets and financial liabilities of derivative financial instruments that do not involve monetary movements		41,909
	Other increases/(decreases) for non-monetary items	847,529	(51,883
	Total adjustments for non-monetary items without an offsetting counterpart in net working capital	2,969,997	1,445,834
2	Cash flow before changes in net working capital	13,812,948	11,001,157
	Changes in net working capital		
	Decrease/(increase) in inventories	(49,181,392)	6,949,000
	Decrease/(Increase) in trade receivables	3,317,462	(20,562,782
	Increase/(decrease) in trade payables	3,256,894	8,175,451
	Decrease/(Increase) in accrued income and prepaid expenses	(72,976)	96,270
	Increase/(decrease) in accrued liabilities and deferred income	7,434	10,388
	Other decreases/(Other increases) in net working capital	13,291,920	15,964,599
	Total changes in net working capital	(29,380,658)	10,632,926
3	Cash flow after changes in net working capital	(15,567,710)	21,634,083
	Other adjustments		
	Collected/(paid) interest	[1,804,203]	(1,017,371
	(Income taxes duly paid)	(1,815,965)	(2,345,847
	Collected dividends		19,746
	(Use of funds)	(1,834,774)	(299,359)
	Total other adjustments	(5,454,942)	(3,642,831)
	CASH FLOW FROM OPERATING ACTIVITIES (A)	(21,022,652)	17,991,252

		31/12/2021	31/12/2020
В	CASH FLOW FROM INVESTMENT ACTIVITY		
	Tangible fixed assets		
	(Investments)	(963,315)	(241,674)
	Divestments	40,347	128,353
	Intangible fixed assets		
	(Investments)	(170,033)	(124,031)
	Financial fixed assets		
	(Investments)	(5,114,516)	191,969
	Divestments	455,633	[14,479]
	Current financial assets		
	(Investments)		(645,809)
	Divestments	11,813	5,750
	CASH FLOW FROM INVESTMENT ACTIVITY (B)	(5,740,071)	[699,921]
С	CASH FLOS FROM FINANCING ACTIVITY		
	Third-party financing		
	Increase/[Decrease] in short-term payables due to banks	2,329,992	[6,326,355]
	Raising finance	18,000,000	30,184,396
	(Repayment of loans)	(15,467,617)	(16,385,113)
	Equity		
	Paid share capital increase		
	CASH FLOW FROM FINANCING ACTIVITY (C)	4,862,375	7,472,928
	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A $\pm$ B $\pm$ C)	(21,900,348)	24,764,259
	Cash and cash equivalents at the beginning of the year		
	Bank and post office deposits	52,035,690	27,293,605
	Cash and equivalents on hand	72,485	50,311
	TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	52,108,175	27,343,916
	Cash and cash equivalents at the end of the year		
	Bank and post office deposits	30,160,764	52,035,690
	Cash and equivalents on hand	47,063	72,485
	TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	30,207,827	52,108,175

The Chairman of the Board of Directors

Arch. Diego Carron

# CASH FLOW STATEMENT



Carron Financial Statements 2021

# **EXPLANATORY NOTES** CARRON S.P.A. FINANCIAL STATEMENTS AT 31/12/2021

#### NOTES TO THE FINANCIAL STATEMENTS - INITIAL SECTION

#### INTRODUCTION

The company CARRON CAV. ANGELO S.p.A., whose financial statements at 31/12/2021 are henceforth analysed, including these explanatory notes which form an integral and substantial part thereof, is subject to the rules on the management and coordination of companies by the parent company Carron Holding S.r.L., pursuant to Articles 2497 et seq.

#### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

For a description of the significant figures, news and events that characterised the company's activities during the year, refer to the Directors' Report prepared by the Board of Directors and attached to the financial statements for the year ended 31/12/21.

#### ACCOUNTING PRINCIPLES

The financial statements for the year ended 31 December 2021 have been prepared in accordance with the rules of the Italian Civil Code, as interpreted and supplemented by the accounting principles and criteria developed by the Organismo Italiano di Contabilità (OIC) ("Italian Accounting Board") and, if not provided, by the standards issued by the International Standards on Accounting Board (IASB), to the extent that they are not in conflict with Italian rules and accounting principles.

The financial statements have been drawn up on a going concern basis, as there are no doubts regarding this assumption. The financial statements are made up of the balance sheet, income statement, cash flow statement (prepared in accordance with the tables provided by articles 2424 and 2424 bis of the Italian civil code, articles 2425 and 2425 bis of the Italian civil code and article 2425 ter of the Italian civil code, respectively) and these explanatory notes.

The purpose of these explanatory notes is to illustrate, analyse and, in some cases, supplement financial statement data; they contain the information required by articles 2427 and 2427 bis of the Italian Civil Code and other provisions of the Italian Civil Code as well as other prior laws. They also provide all the additional information that is considered necessary in order to provide the most transparent and complete representation possible, even if this is not required by specific legal provisions.

For an analysis of the nature of the business and any significant events after 31.12.2021, business outlook and all other information concerning the financial statements, please refer to the Directors' Report. Amounts are expressed in Euro, unless otherwise specified

Financial statement items were reported and presented taking into account the scope of the transaction or of the contract.

# EXCEPTIONAL CIRCUMSTANCES PURSUANT TO ARTICLE 2423, FIFTH PARAGRAPH, OF THE (ITALIAN) CIVIL CODE

During the year there were no exceptional cases requiring recourse to the exceptions provided for by Article 2423, paragraph 5 of the (Italian) Civil Code.

#### ACCOUNTING CRITERIA APPLIED

The most significant accounting criteria used to prepare the financial statements, in accordance with article 2426 of the (Italian) Civil Code and the aforementioned accounting standards, are as follows:

#### INTANGIBLE FIXED ASSETS

Intangible fixed assets are recorded at purchase or production cost, including any ancillary and directly attributable costs, and do not include any financial charges. They are systematically amortised in each financial year on a straight-line basis.

Improvements to third-party assets are capitalised and recorded under "other intangible fixed assets" if they are not separable from the assets themselves (otherwise they are recorded under the relevant item of "Tangible fixed assets"); they are systematically amortised either over the period of expected future useful life or the residual lease period, whichever is shorter, taking into account any renewal period, if this is at the discretion of the Company. If, irrespective of any amortisation already recorded, the value of the asset is impaired, then the asset is written-down accordingly; if, in subsequent years, the reasons justifying the write-down no longer apply, the original value shall be restored, up to the value that the asset would have had if the value adjustment had never occurred, except for the items "Goodwill" and "Long-term Charges" referred to by point 5 of art. 2426 of the (Italian) Civil Code.

#### TANGIBLE FIXED ASSETS

Tangible fixed assets are recorded at the purchase or internal construction cost, net of the depreciation applied during the current and previous years. The cost includes the ancillary costs and direct and indirect costs for the portion reasonably attributable to the asset, relating to the construction period and up to the moment when the asset can be used. Likewise, the cost may include the financial charges incurred to finance the (internal or external) construction up to the moment when the asset is ready for use, within the limit of its recoverable value. Tangible fixed assets can only be revalued if special laws so require or permit.

Fixed assets recorded at cost in a foreign currency are reported using the exchange rate at the time of their purchase or at the lower exchange rate at the financial year-end, if the reduction is considered to be long-lasting.

Fixed assets are systematically depreciated each year on a straight-line basis, based on the rates established by applicable tax laws, which are considered to reflect the assets' residual useful life. The rates applied are detailed below:

industrial buildings	3.00%
light constructions	12.50%
general equipment	10.00%
operator machinery and specific equipment	15.00%
workshop equipment	10.00%
electrical and electronic instruments and levels	40.00%
excavators and mechanical loaders	20.00%
metal formwork and metal sheet piles	25.00%
miscellaneous minor equipment	40.00%
office furniture and ordinary office equipment	12.00%
electromechanical and electronic office equipment	20.00%
computers and electronic telephone systems	20.00%
transport vehicles	20.00%
cars	25.00%

For fixed assets that came into operation during the year, rates are reduced by 50%, based on the assumption that purchases are evenly distributed throughout the year.

If, irrespective of any depreciation already recorded, the value of the asset is impaired, then the asset is written-down accordingly; if, in subsequent years, the reasons justifying the write-down no longer apply, the original value shall be restored, up to the value that the asset would have had if the value adjustment had never occurred.

Ordinary maintenance and repair costs are fully charged to the income statement. Incremental maintenance costs are attributed to the assets to which they refer and are depreciated in relation to their residual useful life.

Costs incurred to expand, modernise or improve the structural elements of a tangible asset are only capitalised if they produce a significant and measurable increase in the production capacity, safety or useful life of the asset. If these costs do not produce these effects, they are treated as routine maintenance and charged to the income statement

Once intangible fixed assets are destined for sale, they are reclassified in a specific item under current assets and are valued at either their net book value or their realizable value based on market trends, whichever is lower. Assets destined for sale are no longer subject to depreciation.

Spare parts are distinguished between:

- parts with a low unit cost and low total value that are used on a recurring basis, which are recognised as costs at the time of purchase;
- spare parts with a high unit cost that are not used on a recurring basis, which are classified as tangible fixed assets and depreciated over a period of time that is equal to either the residual useful life of the asset to which they refer or their own useful life, calculated by estimating the period of use, whichever is shorter;
- parts with a high unit cost that are used on a very recurring basis, which are included among inventories and charged to the income statement based on consumption.

#### FINANCIAL FIXED ASSETS

Financial assets consist of:

- Equity investments;
- Financial receivables;
- Other securities.

Equity investments and other securities are recorded at purchase or formation cost.

Purchase cost means the actual purchase price including any ancillary charges. Equity investments recorded under fixed assets represent the company's long-term and strategic investments in other companies whose activities are strictly linked to its own core business.

For Financial receivables recorded as financial assets, refer to the criteria summarised in the Receivables paragraph below.

#### **INVENTORIES**

Inventories are recorded at either the purchase or production cost, calculated based on the specific cost, whichever is lower. Purchase cost means the actual purchase price plus ancillary costs, excluding financial charges.

Buildings to be sold (finished products) are valued at either the cost, calculated as above, or the normal market value, whichever is lower. Advances and deposits received from the parties to a preliminary agreement are recorded as liabilities in the balance sheet and are recognised as revenues at the time the notarial deed is concluded.

### **CONTRACT WORK IN PROGRESS**

This item includes contracts that are valued based on fees accrued with reasonable certainty, considering the percentage of work completed, applying the cost-to-cost method. Any losses on contracts that are estimated with reasonable approximation are entirely deducted from the value of the work in progress in the year in which they become known. If this loss exceeds the value of the work in progress, the Company makes a special provision for liabilities and charges that is equal to the excess loss. Any likely losses are recognised in the year in which they are foreseeable, on the basis of an objective and reasonable assessment of existing circumstances. Losses are recognised regardless of the stage of completion of the contract. These losses have not been offset with positive margins expected on other contracts. For the purpose of recognising losses, contracts are therefore considered individually. Additional fees are only included among contract revenues if the client has formally accepted them by the reporting date; or, if there is no formal acceptance, if it is highly probable as at the reporting date that the request for additional fees will be accepted on the basis of the most recent information available and past experience. Sums received from the customer while carrying out the work, which are a form of financial advance, are recorded as liabilities under the specific item Advances from customers. Contract work in progress is recognised net of any write-down provisions and/or final losses, as well as of the advances on the contract in progress, paid by Clients on the basis of duly accepted Work Progress Reports, the amounts of which are recognised as Revenues. If the provision for final losses for an individual contract exceeds the value of the work recognised as an asset in the balance sheet, then this excess shall be allocated to the provisions for liabilities and charges.

Future charges for construction contracts related to repairs, penalties, guarantees and risks in general, are quantified and accrued in a specific risk provision.

#### RECEIVABLES

Receivables are recorded in the financial statements based on the amortised cost method, taking into account the time factor and the presumable realizable value. The amortised cost method is not applied when the effects are irrelevant, i.e. when the transaction costs, commission paid between the parties and any other difference between the initial value and the value upon expiry are not very significant or if the receivables are short-term (meaning that they are due within 12 months). Trade receivables due after 12 months from the date of initial recognition, without the payment of interest, or bearing interest that is significantly different to market rates, and the related revenues, are initially recorded at the value calculated by discounting future cash flows to the market interest rate. The difference between the initial value recorded for the receivable, calculated in the above way, and the value when due is reported in the income statement as financial income throughout the duration of the receivable, using the effective interest rate criterion.

The value of receivables as calculated above, is altered, where necessary, using a write-down provision to directly reduce the value of the receivables themselves and adjust them to their estimated realisable value. The write-down amount at the reporting date is equal to the difference between the book value and the value of estimated future cash flows, reduced by the amounts that are not expected to be collected, discounted by the receivable's original effective interest rate (i.e. the effective interest rate calculated when the receivable was first recorded).

The write-down amount is recorded in the income statement.

#### CURRENT FINANCIAL ASSETS

This item includes equity investments that are instrumental to the company's core business at their purchase value, such as those related to consortium companies set up specifically to execute contracted works as a single entity (with other partners as part of a temporary association of companies). These are therefore not long-term investments as they only last for the amount of time it takes to complete the work to which they refer. In view of the foregoing, these equity investments are recorded under this item and not under financial assets

#### CASH AND CASH EQUIVALENTS

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

#### ACCRUALS AND DEFERRALS

The "accruals and deferrals" item includes the portion of costs and revenues that refer to the year but are payable/receivable in future years, as well as the portion of costs and revenues that are paid/ collected in the current financial year but actually refer to future years, in accordance with the accrual principle.

#### **PROVISIONS FOR LIABILITIES AND CHARGES**

Provisions for liabilities and charges are set aside to cover specific losses or payables whose existence is certain or probable, but for which it is not possible to determine either the actual amount or date of occurrence at the financial year-end. The provisions made reflect the best estimate possible on the basis of the information available. Risks for which the occurrence of a liability is only possible are described in the explanatory notes on the provisions, without setting aside any provision for liabilities and charges. Provisions for liabilities and charges are primarily recognised as cost items in the income statement, under the relevant classes (B, C or D). Should it not be possible to make a correlation between the nature of the provision and one of the items to the aforementioned classes, the provisions for liabilities and charges are recognized under items B12 and B13 of the income statement

The separate item "Other provisions" includes the costs estimated after completing contracts, which normally relate to:

- costs for dismantling the construction site, i.e. costs for removing installations, for bringing the machinery back to our headquarters, for the transport of unused materials to another site or to our headquarters, including any losses on abandoned materials;
- costs for testing the work carried out;
- charges for contractual penalties, for work that is redone according to customer specifications, for settling "claims" made by sub-contractors or sub-suppliers;

- post-delivery maintenance costs relating to the work, if stated in the contract; charges for contractual guarantees.
- Costs are allocated on the basis of the company's past experiences.

### STAFF SEVERANCE INDEMNITY PROVISION

The item "staff severance indemnity" shows the amount that employees would be entitled to receive if they ceased to be employed at the reporting date. The indemnities for length-of-service represented by this item, namely the provision for the year and the annual revaluation of the existing provision, are determined in accordance with applicable laws and regulations. Staff severance indemnity is recorded in the relevant liability item and the relative provision is recorded in the corresponding income statement item.

With the reform of regulation for supplementary pension schemes and severance pay, which came into force on 01/01/2007 through (Italian) Legislative Decree no. 252/2005, this item only increased as a result of the revaluation at 31/12/2006, since the remaining part of the cost shown in the income statement, starting from the year 2007, was paid either to supplementary pension funds or to the Treasury Fund held at INPS (Italian National Institute for Social Security), depending on the choice made by each individual employee.

#### PAYABLES

Payables are recorded based on the amortised cost method, taking into consideration the time factor. This criteria is not applied to financial payables that already existed before (Italian) Legislative Decree no. 139/2015 (the so-called "financial statement decree") came into force, which still had an effect as at 1st January. These payables are recorded at their nominal value. The amortised cost method is not applied to payables if their effects are irrelevant. Effects are considered irrelevant for shortterm payables (meaning that they are due within 12 months). For more details on the amortised cost method, please refer to the information provided in the section on receivables. Payables for holidays accrued by employees and for deferred remuneration, inclusive of the amount due to social security institutions, are allocated on the basis of the amount that should be paid out in the event of employment being terminated at the reporting date.

### REVENUES

Revenues generated by the sale of goods are recorded upon substantial and not formal transfer of ownership, taking the transfer of risks and benefits as reference criteria to define "substantial transfer"

Revenues generated by the sale of products and goods or service provision relating to the company's ordinary activities are recorded net of returns, discounts, rebates and bonuses, and net of taxes directly connected to the sale of products and provision of services. Revenues for the provision of services, or related to services established in contracts, are recognised upon completion and/or accrual, or on the basis of duly approved and certified Work Progress Reports. Transactions with related parties are carried out under normal market conditions.

### COSTS

Costs are accounted for on an accrual basis, regardless of the date of collection and payment, net of returns, discounts, rebates and bonuses.

# FINANCIAL INCOME AND CHARGES

Financial income and charges are recorded on an accrual basis. Costs for the disposal of receivables in any form (with recourse and without recourse) and of any kind (commercial, financial, other) are recorded in the year to which they refer.

# **INCOME TAXES**

Income taxes are recorded based on estimated taxable income in accordance with applicable regulations, taking into account any tax exemptions and tax credits to which the company is entitled. Deferred tax assets and liabilities are calculated on the temporary differences between the values of assets and liabilities based on statutory accounting criteria and the corresponding amounts recognised for tax purposes. They are valued by taking into account the presumable tax rate that the Company is expected to pay in the year when these differences shall contribute to the formation of the tax result, considering the tax rates already in force or issued at the reporting date. They are reported, respectively, in the "deferred tax provision" item under liabilities, among the "provisions for liabilities and charges", and in the "receivables for prepaid taxes" item under current assets. Prepaid tax assets are recognised for all deductible temporary differences, in compliance with the principle of prudence, if there is reasonable certainty that, in the years in which such differences will be reversed, the taxable income will not be less than the differences that they will cancel. In contrast, deferred tax liabilities are recognised for all taxable temporary differences. Deferred taxes relating to reserves that are subject to tax upon distribution are not recognised if it is

unlikely that said reserves will be distributed to shareholders.



# **EXPLANATORY NOTES**

# ASSETS

### FIXED ASSETS

The total value of assets at 31/12/2021 amounted to 36,633,297 euros, an increase of 4,207,614 euros compared to the previous year.

### INTANGIBLE FIXED ASSETS

Balance at 31/12/2021	Balance at 31/12/2020	Changes
657,602	612,022	45,580

### Changes in intangible fixed assets

These amounted to 657,602 euros at 31/12/2021, a change of 45,580 euros compared to the previous year. Intangible fixed assets specifically include costs for the acquisition and implementation of software, as well as costs related to the management and retention of SOA certification.

Description	Industrial patents and intellectual property rights	concessions, licenses, trademarks and rights similar	Other intangible fixed assets	Total intangible fixed assets
(euro)				
Value at the beginning of the year				
Cost	496,156	144	607,543	1,103,843
Depreciation (accumulated depreciation)	304,654	144	187,023	491,821
Book value	191,502		420,520	612,022
Changes during the year				
Increases for acquisitions	168,283	1,750		170,033
Amortisation for the year	82-933	98	41,422	124,453
Total changes	85,350	1,652	(41,422)	45,580
Value at the end of the year				
Cost	664,439	1,894	607,543	1,273,876
Depreciation (accumulated depreciation)	387,587	242	228,445	612,274
Book value	276,852	1,652	379,098	657,602

### TANGIBLE FIXED ASSETS

These amounted to 16,628,267 euros at 31/12/2021, a decrease of 344,615 euros compared to the previous year.

Balance at 31/12/2021	Balance at31/12/2020	Changes
16,628,267	16,972,882	(344,615)

#### Movements in tangible fixed assets

### Balance at 31/12/2021

A detailed description of the changes that have occurred for each asset category and the changes during the year is presented below.

Description	Land and	Plants a
	buildings	machine

Description	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible fixed assets under develop- ment and advances	Total tangible fixed assets
Value at the beginning of the year						
Cost	15,436,182	2,623,357	767,814	1,857,328		20,684,681
Revaluations	2,898,063	916,433	167,345	298,981		4,280,822
Depreciation (accumulated amortisation)	4,101,232	1,442,786	826,785	1,621,818		7,992,621
Book value	14,233,013	2,097,004	108,374	534,491		16,972,882
Changes during the year						
Increases for acquisitions	14,700	320,511	62,891	487,492	77,721	963,315
Decreases for dispo- sals and divestments (of book value)		291,317		38,622	(75,688)	254,251
Amortisation for the year	458,312	306,686	87,891	200,790		1,053,679
Total changes	(443,612)	(277,492)	(25,000)	248,080	153,409	(344,615)
Value at the end of the year						
Cost	15,450,881	3,040,483	810,868	2,366,601	153,409	21,822,242
Revaluations	2,898,063	334,219	167,345	89,734		3,489,361
Depreciation (accumulated amortisation)	4,559,543	1,555,190	894,839	1,673,764		8,683,336
Book value	13,789,401	1,819,512	83,374	782,571	153,409	16,628,267

At 31.12.2021, the item "Land and buildings" includes the value of land, for Euro 3,891,800, which is not subject to depreciation as a result of the tax provisions introduced by (Italian) Decree Law no. 223/2006.

### STATEMENT OF THE REVALUATIONS CARRIED OUT

Pursuant to Article 10 of (Italian) Law 72/1983, listed below are the tangible assets recorded in the company's financial statements at 31/12/2018 which have been subject to revaluation transactions pursuant to (Italian) Law 342/2000, (Italian) Legislative Decree 185/2008 and (Italian) Decree Law 104/2020.

Description	Rivalutazione di legge	Totale rivalutazioni
Land and buildings	2,898,063	2,898,063
Plants and machinery	334,219	334,219
Industrial and commercial equipment	167,345	167,345
Other assets	189,734	189,734
Total	3,489,361	3,489,361

### FINANCIAL LEASING

The Company has a series of financial lease agreements in place for which the following information is provided pursuant to Article 2427, first paragraph, point 22 of the (Italian) Civil Code:

Description	Importo
Total amount of assets held under financial leasing at the end of the year	1,224,005
Amortisation that would have been recorded during the year	498,883
Value adjustments/write-down reversals that would have been recorded during the year	(131,985)
Current value of outstanding payment instalments at the end of the year	1,169,110
Financial charges for the year based on the actual interest rate	22,497

# OIC (Italian Accounting Board) RECLASSIFICATION

ACTIVITIES	
A) Ongoing contracts	
a1) Value of leased assets at the end of the previous year	
of which gross value	2,167,659
of which accumulated depreciation	653,128
of which adjustments	-
of which value reinstatements	0
Total	1,514,530
a2) assets purchased during the year	232,794
a3) assets for which purchase option was exercised during the year	0
a4) share of depreciation for the year	474,447
a5) adjustments for the year	48,873

a6) value reinstatements during the year on assets	
a7) Value of leased assets at the end of the current year	
of which gross value	2,302,7
of which accumulated depreciation	1,078,7
of which adjustments	
of which value reinstatements	
Total	1,224,0
a8) reversal of prepaid expenses for financial leasing transactions	202,1
B) Assets for which the purchase option is exercised	
b1) difference in value of assets for which the purchase option is exercised, calculated according to the "finance lease" method, compared to their net book value at the end of the year	
C) LIABILITIES	
c1) lease liabilities at the end of the previous year	
of which due during the next year	367,1
of which due between 1 and 5 years	988,0
of which due after 5 years	
Total	1,355,7
c2) lease liabilities arising during the year	232,5
c3) reductions for capital repayment	414,2
c4) reductions for purchase options exercised during the year	45,2
c5) lease liabilities at the end of the year	
of which due during the next year	422,7
of which due between 1 and 5 years	706,2
of which due after 5 years	
Total	1,128,4
c6) reversal of accruals on financial leasing fees	
D) total gross effect at year-end	-96,4
E) net tax effect	-19,2
F) effect on shareholders' equity at year-end	-77,2
INCOME STATEMENT	
Reversal of fees on financial leasing transactions	508,2
Depreciation recorded on contracts in place	474,4
Depreciation recorded on assets for which purchase option was exercised	
Financial charge on leasing transactions recorded	22,1
Adjustments / value reinstatements on leased assets	4,4
Effect on pre-tax result	17,7
Tax effect recorded	-9,9
Effect on the result for the year	12,

#### FINANCIAL FIXED ASSETS

Financial assets amounted to 19,347,429 euros at 31/12/2021, a change of 4,506,650 euros compared to the previous year.

Balance at 31/12/2021	Balance at 31/12/2020	Changes
19,347,429	14,840,779	4,506,650

The tables below show details of the changes during the year.

#### Changes in equity investments, other securities and derivative financial assets

Equity investments in subsidiaries, associated and other companies amounted to 962,622 euros at 31/12/2021, an increase of 500,516 euros compared to the previous year.

Changes to equity investments during the year are shown in the tables below:

Description	Equity investments in subsidiaries	Equity investments in associated companies	Equity investments in other companies	Total equity investments	Other securities
Value at the beginning of the year					
Cost	5,200	18,228	438,678	462,106	1,000,000
Book value	5,200	18,228	438,678	462,106	1,000,000
Changes during the year					
Increases for acquisitions	500,000		516	500,516	
Total changes	500,000		516	500,516	
Value at the end of the year					
Cost	505,200	18,228	439,194	962,622	1,000,000
Book value	505,200	18,228	439,194	962,622	1,000,000

#### EQUITY INVESTMENTS IN SUBSIDIARIES

At 31/12/2021, this item included the value of the equity investment in the joint venture Forte JV EEIG, headquartered in Malta, a company under liquidation and awaiting closure. The increase refers to the acquisition of 90% of the company Sans Souci Srl for 500,000 euros.

#### EQUITY INVESTMENTS IN ASSOCIATED COMPANIES

At 31/12/2021, this item included the value of the equity investment in the company Consorzio Vie del Mare.

#### EQUITY INVESTMENTS IN OTHER COMPANIES

The balance sheet item consists of the following items:

Company name	Value at 31/12/2020	Increases	Sales Write-downs	Value at 31/12/2021
Ospedal Grando Srl	275,000			275,000
New Jersey Srl	9,873			9,873
Strada del Mare Spa	26,382			26,382
Parc. Piazza Vittoria Srl	97,423			97,423
Consorzio Nog.ma in liquidation	30,000			30,000
Banca delle Terre Venete	-	516		516
Total	438,678	516		439,194

#### **OTHER SECURITIES**

The item Other securities includes the value of the investment share in the Salute 2 fund worth 1,000,000 euros, as well as the investment share in the Geminus investment fund, which was fully written down.

#### Changes and due date of non-current receivables

At 31/12/2021, receivables recorded under financial assets amounted to 17,384,807 euros, an increase of 4,006,134 euros, and are broken down as follows:

Description	Value at the beginning of the year	Changes during the year	Value at the end of the year	Amount due after the year
Non-current receivables From subsidiaries	_	4,450,000	4,450,000	4,450,000
Non-current receivables From associated companies	732,643	99,000	831,643	831,643
Non-current receivables due from others	12,646,030	(542,866)	12,103,164	12,103,164
Total non-current receivables	13,378,673	4,006,134	17,384,807	17,384,807

The change in receivables from subsidiaries reflects the disbursement of a non-interest-bearing loan to the subsidiary Sans Souci Srl, while the increase in receivables from associated companies relates to a non-interest-bearing loan to the subsidiary Officina Trentino Scarl.

Other receivables, on the other hand, mostly reflect the amount of loans granted to the former subsidiary Immobilmarca Srl, disbursed during the period of works for the construction of the commercial complex in the municipality of Silea (TV). The disposal of the aforementioned credit position is subject to the sale of the property itself and the other residential real estate initiatives under development by the former subsidiary. For further information on the recoverability of the receivable in question, please refer to what is described below with reference to trade receivables.

#### The following changes were recorded during the year:

Description	31/12/2020	Acquisitions	Repayments	Reclassifications	31/12/2021
Sans Souci Srl		4,450,000			4,450,000
Subsidiaries		4,450,000			4,450,000
Consorzio Vie del Mare	30,800				30,800
Trento Tre Scarl	701,843				701,843
Officina Trentino Scarl		99,000			
Associated companies	732,643	99,000			831,643
Immobilmarca Srl	10,081,000			(156,000)	9,925,000
Five Srl	266,300		266,300		
New Jersey Srl	98,730		85,566		13,164
Galileo Srl	100,000		100,000		
Manus Srl	2,100,000				2,100,000
Ospedal Grando Srl		65,000			65,000
Others	12,646,030	65,000	451,866	(156,000)	12,646,030
Total	13,378,673	4,614,000	451,866	(156,000)	17,384,807

#### Information on equity investments in subsidiaries recorded under fixed assets

Below is a detailed list of equity investments in subsidiaries and associated companies with the information required by Article 2427, point 5, of the (Italian) Civil Code...

Company name	City, if in Italy, or foreign country	Tax code (for Italian compa- nies)	Capital in Euro	Profit (loss) for the last year in Euro	Sha- rehol- ders' equity in Euro	Sha- reholding in Euro	Percen- tage of quota held	Book value or corre- sponding recei- vable
San Souci Srl	San Zenone degli Ezzelini (TV)	01520660 521	10,500	[68,419]	(60,507)	(45,456)	90%	500,000
Forte JV EEIG	Malta		10,000		10,000		52%	5,200
Total								505,200

The company Sans Souci Srl, falling within the situation referred to in Article 2482-ter, has made use of the provisions of Article 6, paragraph 1 of (Italian) Law Decree 23/2020 converted by (Italian) Law 40/2020 as extended by Article 3, paragraph 1-ter of (Italian) Decree Law 228/2021 converted by (Italian) Law 15/2022 postponing decisions on the immediate reduction of capital for the loss for the year.

#### Information on equity investments in associated companies recorded under fixed assets

Company name	City, if in Italy, or foreign country	Tax code (for Italian companies)	Capital in Euro	Profit (loss) for the last year in Euro	Profit (loss) for the last year in Euro	Percen- tage of quota held	Book value or corre- sponding receivable
Consorzio Vie del Mare scarl	Mestre	03758460277	50,000	(7,967)	41,246	26.04%	18,228
Total							18,228

The difference between the purchase and the book value of the portion of equity held by investee companies is detailed below:

Company name	(a) Value atl 31/12/2021	(b) Sha- reholders' equity at 31/12/2021	(c) Profit (loss) 2021	(d) % sharehol- ding	Share held in euros (bxd)	Difference at 31/12/2021
Subsidiaries						
Forte JV in liquidation (**)	5,200	-	-	52.00%		
Sans Souci Srl	500,000	(60,507)	(68,419)	90.00%	(54,456)	(554,456)
Total	505,200					
Associated companies						
Consorzio Vie del Mare	18,228	41,246	(7,967)	26.04%	10,740	(7,488)
Total	18,228					-
Other companies						
Ospedal Grando Spa (*)	275,000	15,112,009	4,287,890	2.50%	377,800	102,800
New Jersey	9,873	244,235	(2,007)	5.08%	12,407	2,534
Strada del Mare Spa (*)	26,382	110,664	(17,346)	4.54%	5,024	(21,358)
Parcheggio Piazza Vittoria Srl	97,423	1,898,862	(5,012)	5.00%	94,943	(2,480)
Consorzio NOG.MA in liquidation	30,000	443,319	[156,681]	5.99%	26,555	(3,445)
Banca delle Terre Venete	516	274,470,000	15,877,000	0.00%	215	(301)
Total	439,194					
Total equity investments	962,622					

(\*) The values indicated refer to the financial statements at 31.12.2020 (\*\*) Pending formal closing figures by the relevant bodies

In particular, it is believed that the purchase price of the subsidiary Sans Souci S.r.l. can be recovered through cash flows to be generated from the sale of the soon-to-be-built hotel, for which the necessary authorisations and concessions have already been obtained, and on which construction work is expected to begin in the year 2022; Instead, with regard to the differences between the book value and the corresponding share of the equity of the other investee companies, it was decided not to adjust the value of the equity investment as it is believed that this value can be recovered in the future.

### Breakdown of non-current receivables by geographic area

The breakdown of receivables at 31/12/2021 by geographic area is shown in the following table (article 2427, first paragraph, no. 6 of the Italian Civil Code).

Geographic area	Non-current receivables due from subsidiaries	Non-current receivables from associated companies	Non-current receivables due from others	Total Non-current receivables
Italy	4,450,000	831,643	12,103,164	17,384,807
Total	4,450,000	831,643	12,103,164	17,384,807

### VALUE OF FINANCIAL FIXED ASSETS

#### Other securities

Balance at 31/12/2021	Balance at 31/12/2020	Changes	
1.000.000	1.000.000		

As mentioned above, this includes the value of the quotas of the Salute 2 and Geminus investment funds.

### Analysis of the value of financial assets

Description	Book value	Fair value
Equity investments in other companies	439,194	-
Receivables from subsidiaries	4,450,000	4,450,000
Receivables from associated companies	831,643	831,643
Other accounts receivable	12,103,164	12,103,164
Other securities	1,000,000	-

# Details of the value of non-current equity investments in other companies

Description	Book value
Ospedal Grando Sr	275,000
New Jersey Srl in liquidation	9,873
Strada del Mare Spa	26,382
Parc. Piazza Vittoria Srl	97,423
Consorzio Nog.ma in liquidation	30,000
Banca delle Terre Venete	516
Total	439,194

#### Details of the value of non-current receivables from subsidiaries

Description	Book value	Fair value	
Crediti vs. Sans Souci Srl	4,450,000	4,450,000	
Total	4,450,000	4,450,000	

### Details of the value of non-current receivables from associated companies

Description	Book value	Fair value
Consorzio Vie del Mare Scarl	30,800	30,800
Trento Tre Scarl	701,843	701,843
Officine Trentino Scarl	99,000	99,000
Total	831,643	831,643

### Details of the value of non-current receivables from others

Description	Book value	Fair value
Immobilmarca Srl	9,925,000	9,925,000
New Jersey Srl in liquidation	13,164	13,164
Manus Srl	2,100,000	2,100,000
Ospedal Grando Srl	65,000	65,000
Totale	12,103,164	12,103,164

### Details of the value of other non-current securities

Description	Book value
Others	1,000,000
Total	1,000,000

As mentioned above, this includes the value of the quotas of the Salute 2 and Geminus investment funds.

#### **CURRENT ASSETS**

The total value of current assets at 31/12/2018 amounted to 239,279,633 euros. The changes during the year are shown in detail below.

### INVENTORIES

The total value of inventories amounted to 128,630,675 euros at 31/12/2021, a change of 49,181,392 euros compared to the previous year.

Balance at 31/12/2021	Balance at 31/12/2020	Changes
128,630,675	79,449,283	49,181,392

Description	Value at the beginning of the year	Changes during the year		
Raw and ancillary materials and consumables	1,334,934	12,247,275	13,582,209	
Work in progress to order	77,528,371	36,609,437	114,137,808	
Finished products and goods	585,978	324,680	910,658	
Total inventories	79,449,283	49,181,392	128,630,675	

#### RAW AND ANCILLARY MATERIALS AND CONSUMABLES

The amount of 13,582,209 euros at 31/12/2021 includes costs incurred for the purchase of land, including ancillary charges, on which construction activities will commence in subsequent years.

# CONTRACT WORK IN PROGRESS

The value of Contract work in progress at 31/12/2021 was 114,137,808 euros, an increase of 36,609,437 euros over the previous year. This item includes the value of services provided at 31/12/2021 but not yet invoiced to customers.

#### **FINISHED PRODUCTS AND GOODS**

This item includes the value of a property located in the municipality of Castelfranco Veneto and several real estate units in the province of Turin.

#### CURRENT RECEIVABLES

Current asset receivables, analysed in detail in the following tables, amounted to 80,346,864 euros at 31/12/2021, a change of 11,591,779 euros compared to the previous year.

Balance at 31/12/2021	Balance at31/12/2020	Changes
80,346,864	68,755,085	11,591,779

### CHANGES TO AND DUE DATE OF CURRENT RECEIVABLES

Description	Value at the beginning of the year	Changes during the year	Value at the end of the year	Amount due during the year	Amount due after the year
Trade receivables recorded under current assets	51,096,813	[4,164,607]	46,932,206	36,172,206	10,760,000
Receivables from subsidia- ries recorded under current assets	663,941	(409,501)	254,440	254,440	
Receivables from associated companies recorded under current assets	4,236,966	1,254,099	5,491,065	3,345,998	2,145,067
Receivables from parent companies recorded under current assets		857,831	857,831	857,831	
Receivables from compa- nies subject to the control of parent companies recorded under current assets	229,266	(87,938)	141,328	141,328	
Tax credits recorded under current assets	652,195	2,174,305	2,826,500	2,796,637	29,863
Receivables for prepaid taxes recorded under current assets	34,093		34,093		
Other accounts receivable re- corded under current assets	11,841,811	11,967,590	23,809,401	23,727,461	81,940
Total current receivables	68,755,085	11,591,779	80,346,864	67,295,901	13,016,870

Nessuno dei crediti sopra riportati ha una durata residua superiore ai 5 anni.

A supporto della tabella appena esposta si segnalano le seguenti informazioni.

#### **TRADE RECEIVABLES**

The change in receivables due within 12 months is part of the ordinary variations due to the performance of orders.

Receivables from customers beyond 12 months, amounting to 10,760,000 euros, decreased by approximately 2,000,000 euros. The receivable relates to the residual consideration for contract services provided to Immobilmarca Srl (former subsidiary), which is no longer in the scope of consolidation of Carron SpA following the demerger in 2017.

The settlement of this receivable is related to the realisation of receivables, also from the company Immobilmarca Srl, recorded as financial assets, to which reference should be made for further details. The realisation of this item is subject to the completion of the debtor's real estate disposal programme, i.e., the results of the activities that the debtor is conducting for the residential real estate developments in Riese Pio X (TV) and Silea (TV), both of which are almost complete and at an advanced stage of marketing, as well as real estate developments in the nursing home field that currently present good business prospects that will allow the debtor company to find the liquidity needed to start the process of repaying this position.

#### BAD DEBT PROVISION

The nominal value of receivables was adjusted using a specific bad debt provision, which underwent the following changes over the course of the financial year:

Description	Write-down provision pursuant to Article 2426 of the (Italian) Civil Code	Write-down provision pursuant to Article 106 of (Italian) Presidential Decree 917/1986	Total
Balance at 31/12/2020	20,939	1,344,608	1,365,547
Use during the year		406,378	406,378
Balance at 31/12/2021	20,939	938,230	959,169

#### **RECEIVABLES FROM SUBSIDIARIES**

The amount of 250,780 euros refers to the receivable from the subsidiary Beato Pellegrino Scarl, a company whose activity has ended and which will therefore be put into liquidation.

### **RECEIVABLES FROM ASSOCIATED COMPANIES**

The amount refers to receivables from jointly controlled consortium companies. These are partly trade receivables arising from the charging of invoices for costs incurred, and partly financial receivables disbursed to consortium companies to support them in meeting temporary cash requirements.

#### **RECEIVABLES FROM PARENT COMPANIES**

The receivable from the parent company Carron Holding Srl relating to the transfer of a tax credit was received in full in the first months of the year 2022.

# RECEIVABLES FROM COMPANIES SUBJECT TO THE CONTROL OF PARENT COMPANIES

This is a receivable from Carron Bau Srl-GmbH mainly for services provided during the year.

### TAX CREDITS

Under Tax credits, the largest item for 2,629,135 euros relates to the tax credit for Facade Bonus works, acquired following a customer's use of the option to pay for works executed using the 'invoice discount' method. This receivable was subsequently transferred to the parent company Carron Holding Srl in the year 2022.

Receivables due beyond 12 months, on the other hand, include the tax credit from the tax authorities resulting from application of the rule set forth in (Italian) Law 160/2019 and (Italian) Law 178/2020 on investment incentives.

#### RECEIVABLES FOR PREPAID TAXES

Prepaid taxes refer to deductible temporary differences; they are described in the relative table in the last section of these explanatory notes.

#### **RECEIVAVBLES DUE FROM OTHERS**

The largest item refers to Advances to suppliers showing advances and deposits paid for the purchase of land and as fees paid for the assignment of preliminary contracts for the sale of buildings to be used as nursing home facilities.

#### BREAKDOWN OF CURRENT RECEIVABLES BY GEOGRAPHIC AREA

The breakdown of receivables at 31/12/2021 by geographic area is shown in the following table (article 2427, first paragraph, no. 6 of the Italian Civil Code).

Geographic area	Current trade receivables	Current receivables due from subsidiaries	Receivables from associated companies recorded as current assets	Receivables from parent companies recorded as current assets	Receivables from companies controlled by parent companies Recorded as current assets
Italy	46,932,206	254,440	5,491,065	857,831	141,328
Total	46,932,206	254,440	5,491,065	857,831	141,328
Geographic area		Current tax credits	Receivables for prepaid taxes recorded under current assets	Other accounts receivable recorded under current assets	Total current receivables
Italy		2,826,500	34,093	23,809,401	80,346,864
Total		2,826,500	34,093	23,809,401	80,346,864

#### **CURRENT FINANCIAL ASSETS**

#### Changes in current financial assets

These amounted to 94,267 euros at 31/12/2021, a change of 11,813 euros compared to the previous year.

Balance at 31/12/2021	Balance at31/12/2020	Changes
94,267	106,080	(11,813)

This item includes equity investments in consortium companies specifically set up to carry out works, pursuant to the provisions of Article 2602 et seq. of the (Italian) Civil Code. These companies are nonprofit as they are specifically set up to perform work contracted out, together with other associates. The Consortium Companies therefore implement a shared organisation of the member companies for the purpose of regulating and performing the work covered by the contract. In accordance with the provisions of the Articles of Association governing the consortium companies, all direct and indirect costs incurred by said companies in carrying out their activities are charged to the member companies, in proportion to the share held by each of them during the period.

The other equity investments recorded in this category and listed in the following table and are shown net of the write-down provision set aside to adjust the carrying amount, where necessary.

Details of the changes that occurred between the various categories during the year are shown below:

Description	Value at the beginning of the year	Changes during the year	Value at the end of the year
Current equity investments in subsidiaries	6,677		6,677
Current equity investments in associated companies	92,357	[4,767]	87,590
Other current equity investments	7,046	[7,046]	
Total financial fixed assets that do not constitute assets	106,080	(11,813)	94,267

# DETAILS OF EQUITY INVESTMENTS IN SUBSIDIARIES RECORDED AS CURRENT ASSETS

The following information is provided on directly or indirectly held equity investments for subsidiary and associated companies (Article 2427, paragraph 1, point 5 of the (Italian) Civil Code).

### Subsidiaries

Company name	City, if in Italy, or foreign country	Tax code (for Italian companies)	Capital in Euro	Sha- rehol- ders' equity in Euro	Sha- reholding in Euro	Percen- tage of quota held	Book value or corre- sponding recei- vable
Beato Pellegrino Scarl in liquidation	San Zenone degli Ezzelini (TV)	04681270262	10,000	10,000	6,677	6.77 %	6,677
Total							6,677

# DETAILS OF EQUITY INVESTMENTS IN ASSOCIATED COMPANIES RECORDED AS CURRENT ASSETS

#### Associated companies

Company name	City, if in Italy, or foreign country	Tax code (for Italian companies)	Capital in Euro	Book value or corre- spon- ding recei- vable	Sha- rehol- ders' equity in Euro	Sha- reholding in Euro	Percen- tage of quota held	Book value or corre- sponding recei- vable
Trento Tre Scarl	Ravenna	02560550390	20,000		20,000	9,200	46.00%	9,200
Farro Srl in liquidazione	Riese Pio X (TV)	02461690261	62,400	(12,900)	161,243	40,310	25.00%	54,658
Valdastico 14 Scarl in liquidation	Mezzoco- rona (TN)	01979430228	10,000		10,063	3,000	30.00%	3,000
Caserme VDA Scarl	Saint Christph (AO)	01169070073	20,000		20,000	6,882	34.41%	6,882
Montecchio Scarl	Vicenza	04226660241	10,000		10,000	4,000	40.00%	4,000
Marco Polo Scarl	San Zenone degli Ezzelini	05068820264	10,000		10,000	4,950	49.50%	4,950
Officina Trentino Scarl	Lavis (TN)	02584980277	10,000		10,000	4,900	49.00%	4,900
Total								87,590

# CASH AND CASH EQUIVALENTS

Cash and cash equivalents refer to the balances of the accounts held with credit institutions as well as cash and equivalents on hand. These amounted to 30,207,827 euros at 31/12/2021, and therefore show a change of 21,900,348 euros compared to 31/12/2020

Balance at 31/12/2021	Balance at 31/12/2020	Changes
30,207,827	52,108,175	(21,900,348)

Description	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio
Bank and post office deposits	52,035,690	(21,874,926)	30,160,764
Cash and cash equivalents	72,485	(25,422)	47,063
Total cash and cash equivalents	52,108,175	(21,900,348)	30,207,827

# ACCRUED INCOME AND PREPAID EXPENSES

Balance at 31/12/2021	Balance at 31/12/2020	Changes
776,506	703,530	72,976

At 31/12/2021, there are no accruals or deferrals with a duration of over five years.

Description	Prepaid expenses	Total accrued income and prepaid expenses
Value at the beginning of the year	703,530	703,530
Changes during the year	72,975	72,976
Value at the end of the year	776,505	776,506

This item is broken down as follows (Article 2427, Paragraph 1, No. 7, of the Italian Civil Code).

Description	Amount
Sundry prepaid expenses	594,459
Prepaid expenses for lease payments	182,047
Total	776,506



# **EXPLANATORY NOTES - LIABILITIES** AND SHAREHOLDERS' EQUITY

### SHAREHOLDERS' EQUITY

The company's equity amounted to 60,001,157 euros at 31/12/2021, a change of 6,888,561 euros compared to 31/12/2020.

60,001,157	53,112,596	6,888,561	
Balance at 31/12/2021	Balance at 31/12/2020	Changes	

# CHANGES IN SHAREHOLDERS' EQUITY ITEMS

Description	Value at	Allocation		Other changes		Result for	Value at
	the begin- ning of the year	of previous year's profit Other allocations	Increases	Decreases	Reclassifica- tions	the year	the end of the year
Share capital	10,000,000						10,000,000
Valuation reserves	3,869,041		4,616				3,873,657
Legal reserve	2,000,000						2,000,000
Extraordinary reserve	31,648,684	849,912	5,444,960		(700,000)		37,243,556
Miscellaneous other reserves	(700,001)	6		3	700,000		2
Total other reserves	30,948,683	849,918	5,444,960	3			37,243,558
Profit (loss) for the year	6,294,872	7,144,784	6,294,872	5,444,960		6,883,942	6,883,942
Total shareholders' equity	53,112,596	(6,294,866)	11,744,448	5,444,963		6,883,942	60,001,157

#### DETAILS OF OTHER RESERVES

Description	Amount
Euro rounding difference	2
Total	2

Share capital consists of 10 million ordinary shares with a unit value of 1.00 euro and is fully subscribed and paid-up at the date of these financial statements.

#### AVAILABILITY AND USE OF SHAREHOLDERS' EQUITY

The following table shows each component of equity, indicating its origin, possibility of use, distributability and how it has been used in the previous three years (Article 2427, paragraph 1, no 7-bis of the (Italian) Civil Code).

Description	Amount	Possible use	Available share	Summary of uses in the three previous years for other reasons
Share capital	10,000,000	В		
Revaluation reserves	3,873,657	A,B,C	3,873,657	
Legal reserve	2,000,000	A,B	2,000,000	
Other reserves				
Extraordinary reserve	37,243,556	A,B,C,D	37,243,556	4,000,000
Miscellaneous other reserves	2			
Total other reserves	37,243,558		37,243,556	4,000,000
Total	53,117,215		43,117,213	4,000,000
Non-distributable amount			2,000,000	
Residual distributable amount			41,117,213	

Key: A: for capital increase B: to hedge losses C: for distribution to shareholders D: for other statutory restrictions E: other

### ORIGIN, POSSIBLE USES AND POSSIBILITY OF DISTRIBUTION OF THE MISCELLANEOUS **OTHER RESERVES**

Description

Euro r	unding difference
Totale	

Key: A: for capital increase B: to hedge losses C: for distribution to shareholders D: for other statutory restrictions E: other

Amount	Possible use
2	A,B,C,D
2	

#### FORMATION AND USE OF SHAREHOLDERS' EQUITY ITEMS

As provided for by Article 2427, paragraph 1, point 4) of the (Italian) Civil Code, the following information is provided:

Description	Share	Legal re- serve	Other reserves	Result for the year	Total
At the beginning of the previous year	10,000,000	1,539,517	28,155,759	5,444,960	45,140,236
Allocation of profit for the year					
other allocations				[6,294,872]	[6,294,872]
Other changes					
increases		460,483	6,661,966	6,294,872	13,417,321
decreases			1	5,444,960	5,444,961
Result from the previous year				6,294,872	
At the end of the previous year	10,000,000	2,000,000	34,817,724	6,294,872	53,112,596
Allocation of profit for the year					
other allocations			849,918	(7,144,784)	[6,294,866]
Other changes					
increases			5,449,576	6,294,872	11,744,448
decreases			3	5,444,960	5,444,963
Result for the current year				6,883,942	
At the end of the current year	10,000,000	2,000,000	41,117,215	6,883,942	60,001,157

Please find below additional information regarding revaluation reserves.

They amounted to Euro 3,869,042 at the beginning of the year.

As can be seen in the summary table below, the revaluation reserve set aside in the 2001, 2002 and 2005 financial years pursuant to (Italian) Law 342/2000, amounting to a total of 5,502,030 euros, was fully incorporated into the share capital.

Instead, the revaluation reserve recognised pursuant to (Italian) Law 185/2008 was incorporated into the company's share capital in the amount of 3,931,000 euros, while 2,658,000 euros was transferred to the beneficiaries Manus Srl and Five Srl following the demerger in 2017. Of this reserve, the amount of 2,191,000 euros remains on the balance sheet.

During the financial year 2020, a revaluation operation was carried out pursuant to (Italian) Legislative Decree 104/2020. The revaluation in question concerned part of the company's assets, recording an increase in their value of 1,729,371 euros, from which the amount of the substitute tax calculated at 3% of the gross amount, equal to 51,881 euros, must be subtracted; the net increase in the revaluation reserve is therefore 1,677,490 euros. During the year 2021 following the sale of certain revalued assets, the reserve was adjusted for the amount equal to the substitute of 4,616 euros.

The total value of revaluation reserves recognised in the balance sheet at 31/12/2021 was 3,873,657 euros.

Description	Revaluation amount	Use	Reserve ba- lance
Revaluation pursuant to (Italian) Law 342/2000			
year 2001 - revaluation	4,136,962		4,136,962
(-) 19% substitute tax	(786,023)		(786,023)
year 2002 - utilisation of reserve for share capital increase		(1,983,543)	(1,983,543)
year 2003 - revaluation	1,362,399		1,362,399
(-) 19% substitute tax	(258,856)		(258,856)
year 2005 - revaluation	1,190,395		1,190,395
(-) 19% substitute tax	[142,847]		(142,847)
year 2006 - utilisation of reserve for share capital increase		(2,470,939)	(2,470,939)
year 2009 - utilisation of reserve for share capital increase		(1,047,548)	(1,047,548)
Revaluation reserve subtotal pursuant to (Italian) Law 342/2000	5,502,030	5,502,030	-
Revaluation pursuant to (Italian) Law 185/2008			
year 2008 - revaluation	8,953,870		8,953,870
(-) substitute tax	(173,789)		(173,789)
(+) substitute tax recovered on sales of real estate	22,496		22,496
year 2009 - utilisation of reserve for share capital increase		(3,952,452)	(3,952,452)
year 2017 – demerger and transfer to the beneficiary MANUS Srl		(1,415,220)	(1,415,220)
year 2017 – demerger and transfer to the beneficiary FIVE Srl		(1,243,353)	(1,243,353)
Revaluation reserve subtotal pursuant to (Italian) Decree Law 185/2008	8,802,577	(6,611,025)	2,191,552
Revaluation pursuant to (Italian) Decree Law 104/2020			
year 2020- revaluation	1,729,371		
(-) 3% substitute tax	(51,881)		
(+) substitute tax recovered on sales of real estate	4,616		
Revaluation reserve subtotal pursuant to (Italian) Decree Law 104/2020	1,682,106		1,682,106
			2 072 / 57
BALANCE SHEET AT 31/12/2021			3,873,657

Description	Revaluation amount	Use	Reserve ba- lance
Revaluation pursuant to (Italian) Law 342/2000			
year 2001 - revaluation	4,136,962		4,136,962
(-) 19% substitute tax	(786,023)		(786,023)
year 2002 - utilisation of reserve for share capital increase		(1,983,543)	(1,983,543)
year 2003 - revaluation	1,362,399		1,362,399
(-) 19% substitute tax	(258,856)		(258,856)
year 2005 - revaluation	1,190,395		1,190,395
(-) 19% substitute tax	(142,847)		(142,847)
year 2006 - utilisation of reserve for share capital increase		(2,470,939)	(2,470,939)
year 2009 - utilisation of reserve for share capital increase		(1,047,548)	(1,047,548)
Revaluation reserve subtotal pursuant to (Italian) Law 342/2000	5,502,030	5,502,030	-
Revaluation pursuant to (Italian) Law 185/2008 year 2008 - revaluation	8,953,870		8,953,870
(-) substitute tax	(173,789)		(173,789)
(+) substitute tax recovered on sales of real estate	22,496		22,496
year 2009 - utilisation of reserve for share capital increase	22,470	(3,952,452)	(3,952,452)
year 2017 – demerger and transfer to the beneficiary MANUS Srl		(1,415,220)	(1,415,220)
year 2017 – demerger and transfer to the beneficiary FIVE Srl		(1,243,353)	(1,243,353)
Revaluation reserve subtotal pursuant to (Italian) Decree Law 185/2008	8,802,577	(6,611,025)	2,191,552
Revaluation pursuant to (Italian) Decree Law 104/2020			
year 2020- revaluation	1,729,371		
(-) 3% substitute tax	(51,881)		
(+) substitute tax recovered on sales of real estate	4,616		
Revaluation reserve subtotal pursuant to (Italian) Decree Law 104/2020	1,682,106		1,682,106
BALANCE SHEET AT 31/12/2021			3,873,657

Revaluation pursuant to (Italian) Decree Law	
04/2020	

For tax purposes, in the event of distribution, the taxable amount is the revaluation amount gross of substitute tax.

The following items are recorded under shareholders' equity:

### RESERVES OR OTHER PROVISIONS WHICH, IN THE EVENT OF DISTRIBUTION, FORM PART OF THE COMPANY'S TAXABLE INCOME, REGARDLESS OF THE PERIOD OF FORMATION

Shareholders' equity includes revaluation reserves which, if they were distributed, would be included in the company's taxable income, regardless of the period in which they originated. Specifically, these are the revaluation reserves pursuant to (Italian) Decree Law 185/2008 and (Italian) Decree Law 104/2020 recognised in the financial statements for a total of 3,873,657 euros, of which the amount of 550,679 euros is unrestricted and will therefore not contribute to forming the company's taxable income in the event of distribution.

Reserves	Value
Revaluation pursuant to (Italian) Legislative Decree 185/2008 - Restricted	1,794,740
Revaluation pursuant to (Italian) Legislative Decree 104/2020 - Restricted	1,528,238
Total	3,322,978

#### **RESERVES INCORPORATED INTO THE SHARE CAPITAL**

The following reserves have been used for free share capital increases and, regardless of the period in which they originated, they would contribute to the company's taxable income in the event of distribution.

Reserves	Value
Reserve pursuant to (Italian) Law 342/2000 used for share capital increase	2,583,396
Reserve pursuant to (Italian) Law 185/2008 set aside at 31/12/2008	1,855,815
Total	4,439,211

#### **PROVISIONS FOR LIABILITIES AND CHARGES**

Provisions have been made for taxes, including deferred taxes, for legal disputes, for estimated costs and charges to be incurred after the completion of contracts, and for costs that may arise after acceptance of works, as well as for any liabilities generated by derivative financial instruments payable.

Balance at 31/12/2021	Balance at 31/12/20	)20	Changes	
1.723.577	2.590.279		(866.702)	
Description	Reserve for taxes, also deferred	Derivative financial liabilities	Other provisions	Total provisions for liabilities and charges
Value at the beginning of the year	710,606	41,909	1,837,764	2,590,279
Changes during the year				
Allocation during the year	105,409		815,549	920,958
Use during the year	710,606	36,618	1,040,436	1,787,660
Total changes	(605,197)	(36,618)	(224,887)	(866,702)
Value at the end of the year	105,409	5,291	1,612,877	1,723,577

The change related to the provision for deferred taxes is attributable to deferred taxes accrued on the margins generated by contract work in progress with an interim duration.

The item Derivative financial instruments shows the amount of a provision recorded in the balance sheet that reflects the mark-to-market value of an interest rate derivative, where the underlying is an unsecured loan recorded under Payables to banks.

The item Other provisions, totalling 1,612,877 euros at 31/12/2021, is broken down as follows:

- Provision for future charges on job orders for euro 852,877
- Provision for post-testing risks on job orders in the amount of euro 700,000
- Provision for risks on legal disputes for 60,000 euros

#### STAFF SEVERANCE INDEMNITY

Balance at 31/12/2021	Balance at 31/12/2020	Changes
530,344	559,085	(28,741)

Description	Staff severance indemnity
Value at the beginning of the year	559,085
Changes during the year	
Allocation during the year	23,378
Use during the year	47,114
Other changes	(5,005)
Total changes	(28,741)
Value at the end of the year	530,344

This provision represents the company's actual payable due to employees at 31/12/2021, net of any advances paid.

The final amount is sufficient to fulfil contractual and legal obligations. The amount of as yet unpaid severance indemnity relating to terminated employment contracts at 31/12/2021 is recorded under item D13 of balance sheet liabilities, under the item Other payables.

#### PAYABLES

Balance at 31/12/2020	Balance at 31/1

	37,141,049
2/2020	Changes

#### CHANGES AND DUE DATE OF PAYABLES

The maturity of payables is broken down in detail in the table below:

Description	Value at the beginning of the year	Changes during the year	Value at the end of the year	Quota expiring within the year	Quota expiring after the year
Payables due to banks	49,728,498	4,862,374	54,590,872	22,215,872	32,375,000
Advances	53,827,174	25,999,166	79,826,340	79,826,340	
Trade payables	64,108,857	2,051,311	66,160,168	66,160,168	
Payables due to subsidiaries	750	(750)			
Payables due to associated companies	4,545,122	1,200,096	5,745,218	5,745,218	
Payables due to parent companies		3,029,484	3,029,484	3,029,484	
Payables due to companies subject to the control of parent companies		6,237	6,237	6,237	
Tax payablesi	1,067,513	9,486	1,076,999	1,076,999	
Payables due to pension and social security institutions	853,072	27,359	880,431	880,431	
Other payables	3,088,153	[43,714]	3,044,439	3,032,369	12,070
Total payables	177,219,139	37,141,049	214,360,188	181,973,118	32,387,070

None of the above payables have a residual maturity of more than five years.

With reference to the above data, the following should be noted:

#### **PAYABLES DUE TO BANKS**

The debt exposure to the banking system amounted to a total of 54,590,872 euros at 31/12/2021, an increase of 4,862,375 euros over the previous year.

Payables to banks, due within twelve months, amounted to 22,215,872 euros at 31/12/2021, corresponding to the principal amount of medium- to long-term loans due within the next financial year, in addition to the payables for short-term credit facilities granted by credit institutions. Instead, the portion maturing beyond twelve months amounted to 32,375,000 euros at 31/12/2021, which does not extend beyond five years.

The position reflects the amounts due for loans, mortgage loans and other medium/long-term financing granted to the company. Loans and mortgage loans referring to real estate assets are secured by a first priority mortgage.

#### Description

Short-term portion of mortgages and loans	
Short-term current account credit lines	

#### Total payables to banks within 12 months

Long-term portion of mortgages and loans (within 5 years)

Long-term portion of mortgages and loans (beyond 5 years)

# Payables banks beyond 12 months

#### Total payables due to banks

In detail, payables for medium- and long-term mortgages and loans are broken down as follows:

#### Description

Total loans with guarantee
Loans backed by MCC or SACE guarantee
Unsecured loans
Mortgage-backed loans

#### Total loans with guarantee

During the year, the company made use of additional credit facilities, compared to those already used in 2020, provided by the various regulations issued as a result of the health emergency. Specifically, the changes were as follows:

Financing institution	31/12/2021	31/12/2020	Change
BNL BNP Paribas - Accompanied by MCC guarantee	4,375,000	5,000,000	(625,000)
INTESA SAN PAOLO – Accompanied by SACE guarantee	-	15,000,000	(15,000,000)
INTESA SAN PAOLO – Accompanied by SACE guarantee	15,000,000	-	15,000,000
MPS – Accompanied by SACE guarantee	5,000,000		5,000,000
CDP – Accompanied by SACE guarantee	10,000,000		10,000,000
Total loans with guarantee	34,375,000	20,000,000	14,375,000

#### ADVANCES

These amounted to 79,826,340 euros at 31/12/2021, a change of 25,999,166 euros compared to the previous year.

They represent the amount paid by customers by way of advance on contract work in progress, as well as advances and deposits from customers on consignment of future sale of real estate. Advances related to contract work in progress, paid by Customers while work is still being carried out and normally ascertained through Work Progress Reports, are recorded under the item "revenues". Detail of the change is provided below:

Description	31/12/2021	31/12/2020	Change
Advances from customers on contract work in progress	26,965,557	23,662,000	3,303,557
Advances from customers on property sales	41,840,018	21,696,600	20,143,418
Deposits from customers on property sales	11,019,766	8,468,574	2,551,191
Other deposits	1,000		1,000
Total advances	79,826,340	53,827,174	25,999,166

	31/12/2021	31/12/2020	Change
	19,185,000	15,467,616	3,717,382
	3,030,872	700,882	2,329,992
	22,215,872	16,168,498	6,047,374
]	32,375,000	33,560,000	(1,185,000)
	-	-	-
	32,375,000	33,560,000	(1,185,000)
	54,590,872	49,728,498	4,862,374

31/12/2021	31/12/2020	Change
13,185,000	20,298,350	(7,113,350)
1,000,000	8,729,268	(7,729,268)
37,375,000	20,000,000	17,375,000
51,560,000	49,027,618	2,532,382

For the sake of clarity, it should be noted that against advances and deposits on property sales amounting to 52,859,784 euros, the valuation of completed works, amounting to 84,472,560 euros, is correspondingly allocated to assets under Contract work in progress.

### TRADE PAYABLES

These amounted to 66,160,168 euros at 31/12/2021, a change of 2,051,311 euros compared to the previous year. The balance includes both the payable to suppliers documented by invoices already registered at 31/12/2021 and the payable resulting from invoices to be received that are registered the following year. The total amount is recorded net of trade discounts and rebates.

### PAYABLES DUE TO ASSOCIATED COMPANIES

These amounted to 5,745,217 euros at 31/12/2021, a change of 1,200,096 euros compared to the previous year.

Amounts due to companies jointly controlled with others are allocated to this item; the item includes both trade and financial payables.

The table below shows the breakdown of the balance as at 31/12/2021.

Counterparty description	Amount as of 31/12/2021
Montecchio Scarl	3,251,805
Trento Tre Scarl	2,421,349
Caserme VDA Scarl	20,998
Consorzio Vie del Mare	8,073
Valdastico 14 Scarl	42,992
Total	5,745,217

#### PAYABLES TO PARENT COMPANY

These amounted to 3,029,484 euros at 31/12/2021, a change of 3,029,484 euros compared to the previous year.

This represents the payable to the parent company Carron Holding equal to the VAT payable balance transferred during the year following activation of the 'Group VAT' option.

#### TAX PAYABLES

These amounted to 1,077,000 euros at 31/12/2021, a change of 9,486 euros compared to the previous year.

The item includes the balance of the payable to the tax authorities for direct and indirect taxes, in addition to the taxes the company pays as withholding agent.

The most significant item is the payable to the tax authorities for IRPEF (personal income tax) deductions from remuneration paid to employees.

# PAYABLES DUE TO PENSION AND SOCIAL SECURITY INSTITUTIONS

AThese amounted to 880,431 euros at 31/12/2021, a change of 27,360 euros compared to the previous year.

The item includes payables to social security institutions such as INPS (Italian National Institute for Social Security), INAIL (National Institute for Insurance against Accidents at Work) and the Cassa Edile (Special Construction Workers' Fund).

#### **OTHER PAYABLES**

These amounted to 3,044,439 euros at 31/12/2021, a change of 43,714 euros compared to the previous year. The most significant item included here relates to payables to employees for unused holidays.

#### **BREAKDOWN OF PAYABLES BY GEOGRAPHIC AREA**

The breakdown of Payables at 31/12/2021 by geographic area is shown in the table below (article 2427, first paragraph, no. 6, of the Italian Civil Code).

Geographic area		Payables due to banks			Advances 1		rade payables	
Italy			54,590,872		79,826,340		66,160,168	
Total			54,590,872		79,826,340		66,160,168	
Geographic area	Payables due to associated companies	Payables due to parent companies	Payables due to companies subject to the control of parent companies	Tax payables	Payables due to pension and social security institutions	Other payables	Payables	
Italy	5,745,218	3,029,484	6,237	1,076,999	880,431	3,044,439	214,360,188	
Total	5,745,218	3,029,484	6,237	1,076,999	880,431	3,044,439	214,360,188	

Geographic area		Payables due to banks 54,590,872			Advances T 79,826,340		Trade payables 66,160,168	
Geographic area	Payables due to associated companies	Payables due to parent companies	Payables due to companies subject to the control of parent companies	Tax payables	Payables due to pension and social security institutions	Other payables	Payables	
Italy	5,745,218	3,029,484	6,237	1,076,999	880,431	3,044,439	214,360,188	
Total	5,745,218	3,029,484	6,237	1,076,999	880,431	3,044,439	214,360,188	
#### PAYABLES BACKED BY REAL GUARANTEES ON COMPANY ASSETS

	Payables backed b	y real guarantees			
Description	Debts backed by mortgage loans	Total payables backed by real guarantees	Payables not backed by real guarantees	Total	
Payables due to banks	13,185,000	13,185,000	41,405,872	54,590,872	
Advances			79,826,340	79,826,340	
Trade payables			66,160,168	66,160,168	
Payables due to associated companies			5,745,218	5,745,218	
Payables due to parent companies			3,029,484	3,029,484	
Payables due to companies subject to the control of parent companies			6,237	6,237	
Tax payables			1,076,999	1,076,999	
Payables due to pension and social security institutions			880,431	880,431	
Other payables			3,044,439	3,044,439	
Total payables	13,185,000	13,185,000	201,175,188	214,360,188	

#### ACCRUED LIABILITIES AND DEFERRED INCOME

Balance at 31/12/2021	Balance at 31/12/2020	Changes
74,171	66,737	7,434

Description	Accrued liabilities	Deferred income	Total accrued liabilities and deferred income
Value at the beginning of the year	34,263	32,474	66,737
Changes during the year	(22,529)	29,963	7,434
Value at the end of the year	11,734	62,437	74,171

This item is broken down as follows (Article 2427, Paragraph 1, No. 7, of the Italian Civil Code).

Description	Amount
Deferred income	62,437
Accrued liabilities	11,734
Total	74,171

These refer to adjusting entries for the year recorded on an accrual basis.

The criteria adopted for the valuation and conversion of amounts expressed in a foreign currency for said items are reported in the first section of these explanatory notes.

At 01/12/2021, there were no accruals or deferrals with a duration of over five years.



### **EXPLANATORY NOTES - INCOME STATEMENT**

#### INFORMATION AND CLARIFICATIONS ABOUT THE INCOME STATEMENT

Before analysing the individual items, please note that comments on overall performance are provided in the Directors' Report, pursuant to article 2428 of the (Italian) Civil Code. Given the analytical presentation of revenues and costs in the Income Statement and the previous comments on balance sheet items, only the main items are commented on below.

#### PRODUCTION VALUE

Balance at 31/12/2021	Balance at 31/12/20	)20	Changes	
201,700,283	209,290,474		(7,590,191)	
Description		31/12/2021	31/12/2020	Changes
Sales and services revenues		161,809,061	199,276,157	(37,467,096)
Changes in product inventories		324,680		324,680
Changes in work in progress to order		36,609,437	8,492,642	28,116,795
Other revenues and income		2,957,105	1,521,675	1,435,430
Total		201,700,283	209,290,474	(7,590,191)

Please refer to the Directors' Report for further information on the reasons behind these changes.

#### Breakdown of sales and services revenues by business category

Revenues from sales and services are broken down as follows:

Business category	Current year value
Sales of products	39,122,500
Sales of accessories	114,423
Provision of services	119,710,514
Rental income	347,112
Others	2,514,512
Total	161,809,061

For a better understanding, the following detail is provided on the items that determine the item Revenues from sales and services:

Description	31/12/2021	31/12/2020
Revenues from the sale of real estate and land	39,122,500	45,053,064
Revenues from the sale of materials	114,423	651,843
Contract revenues (public contracts)	44,231,864	45,726,191
Contract revenues (private contracts)	73,449,121	104,143,038
Revenues from the provision of services	598,737	410,200
Ancillary revenues from contracts	2,029,528	1,607,660

Total	161,809,061	199,276,157
Revenues from chargebacks	72,470	-
Revenues from chargebacks to associated consortium companies	1,843,304	1,423,035
Rental income	347,112	251,125

#### Breakdown of sales and services revenues by geographic area

Geographic area	Current year value
Italy	161,809,061
Total	161,809,061

#### **PRODUCTION COSTS**

191,070,686	199,412,362	(8,341,676)	
Balance at 31/12/2021	Balance at 31/12/2020	Changes	

#### D

Description	31/12/2021	31/12/2020	Variazioni
Raw and ancillary materials and goods	33,001,945	26,871,760	6,130,185
Services	148,040,905	135,078,259	12,962,646
Use of third-party assets	3,462,740	3,789,303	(326,563)
Salaries and wages	10,752,664	10,181,605	571,059
Pension and social security contributions	3,271,272	3,168,983	102,289
Staff severance indemnity	686,791	666,371	20,420
Other personnel costs	173,035	104,302	68,733
Amortisation of intangible fixed assets	124,453	80,717	43,736
Amortisation of intangible fixed assets	1,053,679	790,530	263,149
Changes in inventories of raw materials	(12,247,274)	15,441,642	(27,688,916)
Risk provision	404,867	103,767	301,100
Other provisions	410,682	469,207	(58,525)
Sundry operating expenses	1,934,927	2,665,916	(730,989)
Total	191,070,686	199,412,362	(8,341,676)

#### COSTS FOR RAW MATERIALS, CONSUMABLES AND GOODS

These amounted to 33,001,945 euros at 31/12/2021, a change of 6,130,184 euros compared to the previous year.

In detail, this item consists of the following purchasing categories:

Description	31/12/2021	31/12/2020
Purchase of aggregates	239,323	308,683
Purchase of concrete	2,658,106	6,037,032
Purchase of iron	822,521	1,449,990
Purchase of concrete products	32,196	89,165
Purchase of metal material	19,860	12,270
Purchase of insulation materials	47,275	-
Purchase of waterproofing materials	231,133	826,908
Purchase of coating materials	255,876	-
Purchases of various building materials	3,357	51,390
Purchase of miscellaneous consumables	16,053,599	13,602,907
Purchase of stationery	19,621	25,364
Fuels and lubricants	407,672	379,995
Work clothing	45,635	64,908
Purchase of fixed and mobile telephony	21,978	14,888
Purchase of real estate and land	11,346,811	4,008,263
Total	33,001,945	26,871,760

#### **COSTS FOR SERVICES**

These amounted to 148,040,905 euros at 31/12/2021, a change of 12,962,646 euros compared to the previous year.

In detail, this item consists of the following purchasing categories:

Description	31/12/2021	31/12/2020
Earthmoving and demolitions	3,458,685	4,756,683
Concrete processing	1,439,248	688,703
Rough works	20,558,465	21,448,298
Prefabricated structures	760,700	1,916,328
Advanced rough works	14,807,546	13,068,603
Finishing works	20,666,353	13,805,839
Construction of windows and facades	10,982,057	13,255,875
Plant construction	35,578,510	26,077,723
Roadworks	2,522,909	4,416,145
Various building works	5,823,929	7,889,928
Ancillary site services	2,278,105	1,855,964
Laboratory tests, analyses and inspections	93,907	61,088
Tipping costs from consortium companies	12,721,317	10,388,096

Purchase of electricity	852,437	348,265
Purchase of methane gas	23,090	53,373
Water service	113,389	211,719
Waste disposal services	615,115	462,923
Fixed telephony bills	93,975	113,748
Mobile phone bills	68,735	78,991
Consulting and technical services	7,642,046	7,056,271
Legal/notary services and expenses	316,497	261,939
Tax and administration consulting services	321,697	154,926
Mediations	12,902	23,435
Fee to the Independent Auditors	45,079	45,469
Remuneration due to the Board of Statutory Auditors	52,000	51,999
Remuneration due to directors	858,727	1,013,223
INPS administrator contributions	117,584	115,199
Advertising services	154,497	83,696
Business information services	23,662	14,750
Personnel training services	45,873	25,082
Building maintenance expenses	17,595	22,581
Security services	418,014	429,311
Cleaning services	338,360	213,592
Transport/delivery service	101,757	219,718
Hardware and software support	124,006	125,716
Machine/equipment maintenance costs	256,243	230,294
Vehicle maintenance expenses	60,285	76,468
Vehicle maintenance expenses	43,774	21,405
Tender costs	181,967	
Condominium expenses	16,218	20,849
Miscellaneous services	876,165	729,602
Motorway tolls - vehicles	123,538	81,470
Motorway tolls - cars	48,529	30,433
Accommodation expenses	256,071	182,309
Travel expenses	510,298	427,178
Entertainment expenses	130,057	72,496
Insurance premiums	720,375	1,356,789
Car insurance premiums	19,803	36,770
Insurance guarantee premiums	196,021	579,615
Cost for seconded personnel	93,876	
Bank commissions and fees	41,546	29,569
Bank guarantee commission	404,787	447,815
Other costs	12,584	
Total	148,040,905	135,078,259

#### COSTS FOR THE USE OF THIRD-PARTY ASSETS

These amounted to 3,462,740 euros at 31/12/2021, a change of (326,563 euros) compared to the previous year.

In detail, this item consists of the following purchasing categories

Description	31/12/2021	31/12/2020
Rent payable	459,501	380,444
Lease payments (capital goods)	436,851	402,523
Lease payments (vehicles)	67,427	71,997
Expenses for maintenance on third-party assets	15,685	18,489
Expenses for use of third-party assets	351,036	336,952
Equipment and machinery rental fees	1,557,306	2,081,346
Vehicle rental fees	364,838	306,827
Car rental fees	210,096	190,726
Total	3,462,740	3,789,302

#### PERSONNEL COSTS

These amounted to 14,883,762 euros at 31/12/2021, a change of 762,502 euros compared to the previous year.

In detail, this item consists of the following purchasing categories:

Description	31/12/2021	31/12/2020
Salaries and wages	10,752,664	10,181,605
INPS contributions	2,939,782	2,849,089
INAIL contributions	210,634	221,018
Other mandatory contributions	103,750	106,631
Accrued INPS/INAIL contributions	17,105	(7,755)
Provision for staff severance indemnity	22,219	11,782
Provision of severance pay intended for supplementary pension funds	568,563	553,438
Supplementary pension fund	96,009	101,152
Other costs	173,035	104,302
Total	14,883,762	14,121,260

This item includes all expenses for employees, including merit-based pay rises, promotions, cost-ofliving adjustments, paid holidays accrued but not taken and provisions required by laws and labour contracts.

### AMORTISATION AND DEPRECIATION OF INTANGIBLE AND TANGIBLE FIXED ASSETS

These amounted to 1,178,132 euros at 31/12/2021, a change of 306,886 euros compared to the previous year. In detail, this item consists of the following purchasing categories:

Description	31/12/2021	31/12/2020
Software depreciation	82,933	39,295
Depreciation of other intangible fixed assets	41,422	41,422
Depreciation of land and buildings	458,312	455,334
Depreciation of plant and machinery	306,686	138,565
Depreciation of equipment	87,891	59,025
Depreciation of office furniture and equipment	34,070	30,233
Depreciation of cars	31,261	12,939
Depreciation of vehicles/excavators/loaders	72,256	39,783
Depreciation of electronic equipment and computers	63,203	54,650
Total	1,178,132	871246

#### WRITE-DOWNS OF CURRENT RECEIVABLES AND 'OF CASH AND CASH EQUIVALENTS

This item refers to the provision for losses on receivables recognised on the basis of tax laws and is considered to reasonably represent the actual potential occurrence of such losses. Since the fund was found to be adequate at 31/12/2021, it was not necessary to make any provision during the year 2021.

### CHANGES IN INVENTORIES OF RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS

The change in value of inventories led to a decrease in production costs of 12,247,274 euros, given by the difference between the initial value of inventories (1,334,934 euros) and the end value (13,582,209 euros).

Please refer to the notes on the item "inventories" for a better explanation of the transaction relating to the purchase of the real estate complexes, which contribute to the change in the value shown under item B.11 of the Income Statement.

#### **RISK PROVISION AND OTHER PROVISIONS**

Among the provisions made at 31.12.2021 was the adjustment to the provision for risks related to costs and charges arising after works testing, amounting to 404,867 euros. Instead, Other provisions include the allocation for charges on completed contracts that will be incurred in the following year, in the amount of 410,682 euros.

#### SUNDRY OPERATING EXPENSES

These amounted to 1,934,927 euros at 31/12/2021, a change of (731,883 euros) compared to the previous year.

In detail, this item consists of the following purchasing categories:

Description	31/12/2021	31/12/2020
Non-income-related taxes and charges	21,873	22,030
Substitute taxes	-	40,461
Stamp duty	12,426	4,069
Municipal property tax	273,269	316,820
Registration, mortgage and cadastral taxes	183,576	23,019
Road tax	16,521	13,235
Other taxes and charges	532,728	1,338,581
Membership fees	40,144	35,630
Donations	9,180	74,500
Capital losses on sale of assets	244,458	11,734
Non-recurring expenses	146,254	48,203
Reimbursement of damages to third parties	324,952	54,842
Fines and penalties	48,894	51,948
Severance payments	20,272	3,150
Sundry operating expenses	1,916	609,243
Various non-deductible costs	58,464	19,345
Rounding/allowances		(893)
Total	1,934,927	2,665,916

#### FINANCIAL INCOME AND CHARGES

Balance at 31/12/2021	Balance at 31/12/2020	Changes
(1,804,203)	(836,326)	(967,877)

In detail, these consist of the following items:

Description	31/12/2021	31/12/2020	Changes
From equity investments		19,746	[19,746]
Income other than the above	475,062	226,829	248,233
(Interest and other financial charges)	(2,279,265)	(1,082,901)	(1,196,364)
Total	(1,804,203)	(836,326)	(967,877)

#### BREAKDOWN OF INTEREST AND OTHER FINANCIAL CHARGES BY TYPE OF PAYABLE

These amounted to a total of 2,279,265 euros at 31/12/2021.

The item Other financial charges consists of commissions and fees paid to credit institutions for the disbursement of loans granted.

Description		Interest and other financial charges
Payables due to banks		2,030,413
Others		248,853
Total		2,279,265
Description	Altre	Totale
Bank interest	86,347	86,347
Interest to suppliers	248,853	248,853
Medium-term credit interests	692,939	692,939
Discounts or financial charges	1,251,127	1,251,127
Rounding	(1)	(1)
Total	2,279,265	2,279,265

The following tables provide a detailed breakdown.

Description	31/12/2021	31/12/2020
Interest payable to banks on ordinary credit	86,347	124,055
Interest payable on loans	692,939	435,736
Ancillary financial charges on loans	24,800	72,065
Commissions on bank guarantees on advances	352,926	373,706
Commissions on guarantees on advances	230,280	-
Financial charges for amortised cost	400,000	-
Interest expenses on other debts	491,973	77,339
Total	2,279,265	1,082,901

#### OTHER FINANCIAL INCOME

Other financial income as at 31/12/2021 is broken down as follows:

#### Description

Interest income on bank and postal accounts
Interest income on sundry receivables
Interest income on application of amortised cost
Total

31/12/2021	31/12/2020
223	499
280,522	65,030
157,700	161,300
475,062	226,829

#### VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES

Balance at 31/12/2021	Balance at 31/12/2020	Changes
(550)	(228,891)	228,341

#### WRITE-DOWNS

Description	31/12/2021	31/12/2020	Changes
Of shares	550	186,982	(186,432)
Of derivative financial instruments		41,909	[41,909]
Total	550	228,891	(228,341)

The equity investment write-down refers to the write-down of the Geminus investment fund, carried out on the basis of NAV at 30/06/202

#### AMOUNT AND NATURE OF INDIVIDUAL REVENUE/COST ITEMS OF EXCEPTIONAL SIZE OR INCIDENCE

#### Revenues of exceptional size or incidence

The company was able to take advantage of the benefits through tax credits for Facade Bonus and Ecobonus interventions carried out on its buildings. These tax credits were assigned to the parent company Carron Holding Srl.

Revenue item	Amount
Tax credits from Facade Bonus and Ecobonus interventions	1,571,819
Total	1,571,819

#### Current, deferred and prepaid income taxes for the yeare

Balance at 31/12/2021	Balance at 31/12	2/2020	Changes	
1,940,902	2,518,023		(577,121)	
Taxes		Saldo al 31/12/2021	Saldo al 31/12/2020	Changes
Current taxes:		2,546,099	1,909,629	636,470
IRES (corporate income tax)		2,098,577	1,632,215	466,362
IRAP (regional income tax)		447,522	277,414	170,108
Deferred and prepaid taxes		(605,197)	608,394	(1,213,591)
IRES (corporate income tax)		(605,197)	608,394	(1,213,591)
Total		1,940,902	2,518,023	(577,121)

Taxes referring to the year have been recorded.

The IRES tax payable is recorded under the item Payables to the consolidating company net of advances paid, withholding taxes and, in general, tax credits.

statements and the theoretical tax burden:

#### **RECONCILIATION BETWEEN THE TAX BURDEN F** AND THE THEORETICAL TAX BURDEN (IRES)

Description	Valore	Imposte
Result before taxes	8,824,844	
Theoretical tax burden (%)	24	2,117,963
Temporary taxable differences in following years:		
Margins on interim contracts	(439,205)	
Total	(439,205)	
Temporary deductible differences in following years:		
Provision for risks and charges	815,549	
Total	815,549	
Reversal of temporary differences from previous years:		
Fees paid in the year 2020	(12,000)	
Margins on interim contracts	2,960,862	
Amortisation on goodwill	(70,612)	
Use of provision for liabilities and charges	(1,040,436)	
Total	1,837,814	
Differences that will not be reversed in following years:		
Increases	1,042,646	
Decreases	(2,331,865)	
ACE ('Aid to economic growth' benefit)	(1,005,713)	
Total	(2,294,932)	
Taxable amount	8,744,070	
Current income taxes for the year		2,098,577

Description	Valore	Imposte
Difference between value and costs of production	26,328,908	
Irrelevant costs for IRAP purposes	1,536,816	
Decreases	(2,677,018)	
Deductions	(13,725,215)	
Total	11,463,491	
Theoretical tax burden (%)	3,9	447,076
Temporary deductible difference in following years:		
Taxable amount for IRAP purposes	11,463,491	
Current IRAP for the year		447,552

Please find below a reconciliation statement between the theoretical burden according to the financial

RESULTING	FROM	THE	FINANCIAL	STATEMENTS

taxes

#### EXPLANATORY NOTES - Carron SPA Financial Statements

Pursuant to Article 2427, Paragraph 1, Point 14 of the (Italian) Civil Code, the information on deferred and prepaid taxes is given below:

#### **DEFERRED / PREPAID TAXES**

Deferred taxation is expressed by the provision made in the tax fund for 105,409 euros. Deferred taxes were calculated according to the global allocation criterion, by taking into account the cumulative amount of all temporary differences and on the basis of the average rates expected to be in force at the time when these temporary differences will be reversed {on the basis of the effective tax rate of the last financial year}.

Prepaid tax assets are recorded if there is reasonable certainty that, in the years in which the deductible temporary differences will be reversed, in relation to which the prepaid taxes were recorded in the first place, the taxable income will not be less than the differences that they will cancel.

The main temporary differences that led to the recognition of prepaid and deferred taxes are shown in the table below together with their effects.

#### RECORDING OF DEFERRED AND PREPAID TAXES AND SUBSEQUENT EFFECTS

	Year 31/12/2021	Year 31/12/2021	Year 31/12/2021	Year 31/12/2021	Year 31/12/2020	Year 31/12/2020	Year 31/12/2020	Year 31/12/2020
	Amount of temporary IRES differences	IRES tax effect	Amount of temporary IRAP differences	IRAP tax effect	Amount of temporary IRES differences	IRES tax effect	Amount of temporary IRAP differences	IRAP tax effect
Net deferred (prepaid)		105,409				710,607		

	IRES
A) Temporary differences	
Total taxable temporary differences	439,205
Net temporary differences	439,205
B)Tax effect	
Deferred (prepaid) tax provision at the beginning of the year	710,607
Deferred taxes for the year	(605,198)
Deferred (prepaid) tax provision at the end of the year	105,409

#### DETAILS OF TAXABLE TEMPORARY DIFFERENCES

Description	Amount at the end of the previous year	Variation during the year	Amount at the end of the year	IRES rate	IRES tax effect
	2,960,862	(2,521,657)	439,205	24.00%	105,409

#### **EXPLANATORY NOTES - OTHER INFORMATION**

The additional information required by Article 2427 of the (Italian) Civil Code is provided below:

- repurchase agreement obligations for the buyer.
- assets in the balance sheet.
- companies subject to the control of parent companies.
- the dividends referred to by article 2425, no. 5, of the (Italian) Civil Code
- The financial statements at 31/12/2021 include cost items of exceptional size or incidence.
- The company did not issue any financial instruments.
- Explanatory Notes.
- There are no off-balance-sheet economic agreements in place.

#### EMPLOYMENT FIGURES

Compared with the previous year, the average headcount, broken down by category, underwent the following changes:

Workforce	31/12/2021	31/12/2020	Changes
Executives	5	6	(1)
Middle managers	6	6	
White-collar workers	150	141	9
Blue-collar workers	41	45	[4]
Total	202	198	4

The labour contract that governs relationships with employees is the one for the construction industry and similar industries in force at the reporting date.

	Executives	Middle managers	White-collar workers	Blue-collar workers	Total employe- es
Average number	5	6	150	41	202

• At 31/12/2021, the company had no receivables or payables related to transactions involving

• At 31/12/2021, the company had not attributed any financial charges to any value recorded under

• At 31.12.2021, there were no commitments regarding pension liabilities and similar obligations, nor any commitments undertaken vis-à-vis subsidiaries, associated companies, parent companies or

• The financial statements at 31/12/2021 do not include income from equity investments, other than

• Transactions carried out with related parties are disclosed in the relevant section of these

#### REMUNERATION, ADVANCES AND CONTRIBUTIONS GRANTED TO DIRECTORS AND STATUTORY AUDITORS AND COMMITMENTS MADE ON THEIR BEHALF

	Directors	Statutory auditors
Remuneration	976,311	52,000

#### **REMUNERATION TO THE STATUTORY AUDITOR OR AUDIT FIRM**

In accordance with the law, fees are shown for services provided during the year by the statutory auditor/independent audit firm and entities belonging to its network:

	Value
External audit of annual accounts	45,079
Total fees due to independent statutory auditor or audit firm	45,079

#### COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES NOT DISCLOSED IN THE BALANCE SHEET

Pursuant to article 2427, paragraph 1, point 9, of the (Italian) Civil Code, the following information on commitments, guarantees and contingent liabilities not shown in the balance sheet, specifying the nature of secured guarantees provided.

	Amount
Guarantees	108,975,000

In accordance with accounting standard no. 12 issued by the OIC (Italian Accounting Board), the sureties issued to third parties in the interest of the company are reported below:

<b>Description</b> (Euro thousand)	31/12/2021	31/12/2020	Change
Insurance guarantees for contractual advances	24,939	24,042	897
Insurance guarantees on work being carried out properly	18,820	16,961	1,859
Other insurance guarantees	16,471	17,379	(908)
Bank guarantees on work being carried out properly	26,001	31,249	(5,248)
Bank guarantees for contractual advances	0	785	(785)
Bid bonds issued by banks	500	6,463	(5,963)
Other bank guarantees	8,800	10,222	[1,422]
Total guarantees issued within the context of the core business	95,531	107,101	(11,570)
Surety guarantees in the interest of related parties	12,825	24,578	(11,753)
Surety guarantees in the interest of subsidiaries by the parent company	0	5	(5)
Surety guarantees in the interest of investee compa- nies and consortium companies	0	3	(3)
Pledge of quotas of investee companies	619	619	-
Total other guarantees	13,444	25,205	(11,761)
TOTAL COMMITMENTS AND GUARANTEES	108,975	132,306	(23,331)

Explanation of the content of the items:

- the item "bank guarantees on work being carried out properly" includes the 18 million guarantee issued in our favour by another member of the temporary consortium, ARCO LAVORI soc. Coop.
- guarantee.

With regard to the following payables recorded in the financial statements under the item "Advances", it is hereby specified that the following bank guarantees have also been issued:

- for a "property yet to be built" in Castelfranco Veneto: — B.P.M. 1,098,000 euros
- a "property yet to be built" (nursing home) in Varese: 7,439,040 euros Deutsche Bank
- a "property yet to be built" (nursing home) in Rapagnano (FM): — Elba Assicurazioni 4.087.371 euros
- sale of a 'yet-to-be-built property' (nursing home) in Via Lancia & Via Issiglio, Turin: 14,855,262 euros Deutsche Bank
  - Elba Assicurazioni 5.134.029 euros
  - Zurich Assicurazioni 5.026.217 euros
- 'yet-to-be-built property' (nursing home) in in Cecina (LI) - Sparkasse Bolzano 5,554,890 euros
  - Banca M.P.S. 1.851.630 euros
- agreement for the sale of a 'yet-to-be-built property' (nursing home) in Limbiate (MB) Sparkasse Bolzano 10,404,765 euros
- 'yet-to-be-built property' (commercial complex) in Via Lancia & Via Issiglio, Turin — Intesa San Paolo 400,000 euros
- for the sale of a 'yet-to-be-built property' (Diagnostic Clinic) in Limbiate (MB) Atradius 700.000 euros

issued to the concessionaire Ospedal Grando Srl for the performance of work at the Cittadella Sanitaria ("Healthcare District") in Treviso; the value, included in the overall total of Euro 26 million shown in the table, is reported net of the bank guarantee of Euro 4 million, as this has the same content and was

• with regard to "surety guarantees in the interest of related parties", the amount of Euro 12.825 million refers to guarantees given to companies that were subject to a demerger on 02.10.2017 and are in addition to the first priority mortgage guarantees issued by the investee companies on assets belonging to them in favour of the lenders; these guarantees therefore represent a second, ancillary

• a guarantee for the deposit paid by REAM S.G.R. S.p.A. regarding the preliminary sale contract for

• a guarantee for the deposit paid by REAM S.G.R. S.p.A. regarding the preliminary sale contract for

• For the deposit paid by REAM S.G.R. S.p.A. in connection with the preliminary agreement for the

• For the deposit paid by Lifento S.A. in connection with the preliminary agreement for the sale of a

• For the deposit paid by Primonial Luxembourgh RE S.A. in connection with the preliminary

• For the deposit paid by Ellemme Srl in connection with the preliminary agreement for the sale of a

• the deposit paid by Clinica Polispecialistica San Carlo Srl in connection with the preliminary agreement

#### INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

(Ref. Art. 2427, paragraph 1, no. 22-bis, of the Italian Civil Code)

Transactions carried out by the company between "related parties", as identified by Accounting Standard no. 12 issued by the OIC (Italian Accounting Board), referred to by article 2427, no. 22-bis of the (Italian) Civil Code, were completed under normal market conditions.

#### INFORMATION ON AGREEMENTS NOT DISCLOSED IN THE BALANCE SHEET

(Ref. Art. 2427, paragraph 1, no. 22-ter, of the Italian Civil Code)

The company has no off-balance-sheet agreements in place affecting its balance sheet amounts or financial position, other than those already disclosed in the Directors' Report.

#### SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Please refer to the "Business Outlook" paragraph in the Directors' Report for information on the events that occurred after the closing of the financial year.

#### COMPANIES THAT PREPARE THE FINANCIAL STATEMENTS OF THE LARGEST/SMALLEST GROUP OF COMPANIES OF WHICH THEY ARE SUBSIDIARIES

Pursuant to the law, the information referred to in Article 2427, first paragraph, no. 22 quinquies and sexies) of the (Italian) Civil Code is highlighted.

	Stronger together
Company name	Carron Holding Srl
City (if in Italy) or foreign country	San Zenone degli Ezzelini (TV)
(TV) Tax code (for Italian companies)	04930970266
Place where the consolidated financial statements are filed	San Zenone degli Ezzelini (TV)

# INFORMATION ON DERIVATIVE FINANCIAL INSTRUMENTS PURSUANT TO ART. 2427-BIS OF THE (ITALIAN) CIVIL CODE

During the year 2020, the company took out a cash flow hedge, in place at the reporting date, the details of which are given below:

Type of contract	IRS (Interest Rate Swap) O.T.C.
Purpose	Copertura rischio oscillazione tasso di interesse su finanziamento
Issuing counterparty	BNL BNP Paribas
Transaction date	30/06/2020
Start date	30/06/2020
Expiry date	30/06/2025
Notional amount	Euro 5.000.000
Refund method	Rate trimestrali
Mark-to-market value (*)	(5.291)

(\*) values at 31/12/2021

In the year 2021, in order to adjust the value of the Fund for Financial Instruments Liabilities to the mark-to-market value shown in the table above, income of 36,617 euros was recognised under the item Other financial income.

# SUMMARY OF THE FINANCIAL STATEMENTS OF THE COMPANY CARRYING OUT MANAGEMENT AND COORDINATION ACTIVITIES

The following table provides the essential data from the latest approved financial statements of the aforementioned company exercising management and coordination (Article 2497-bis, paragraph 4 of the (Italian) Civil Code). We also point out that the parent company Carron Holding Srl prepares consolidated financial statements.

	Last year	Previous financial year
Date of the most recently approved financial statements	31/12/2020	31/12/2019
B) Fixed assets	4,855,064	5,325,064
C) Current assets	576,117	204,302
Total assets	5,431,181	5,529,366
A) Shareholders' equity		
Share capital	1,000,000	1,000,000
Reserves	3,852,374	3,290,596
Profit (loss) for the year	571,165	832,049
Total shareholders' equity	5,423,539	5,122,645
D) Payables	7,642	406,721
Total liabilities	5,431,181	5,529,366

# SUMMARY INCOME STATEMENT OF THE COMPANY EXERCISING MANAGEMENT AND COORDINATION ACTIVITIES

	Last year	Previous financial year
Date of the most recently approved financial statements	31/12/2020	31/12/2019
B) Production costs	58,334	42,971
C) Financial income and charges	630,015	875,020
Income taxes for the year	516	-
Profit (loss) for the year	571,165	832,049

# INFORMATION PURSUANT TO ART. 1, PARAGRAPH 125 OF (ITALIAN) LAW NO. 124 DATED 4TH AUGUST 2017

In compliance with the transparency obligation pursuant to Article 1, paragraph 125-bis of (Italian) Law no. 124 of 4 August 2017, it is pointed out that the following contributions were received from public administrations:

Legislation	Granting authority	Project title	Nominal amount of aid
(ITALIAN) DECREE-LAW no. 23 of 8 April 2020 Urgent measures on access to credit and tax compliance for companies, (OG - General Series no. 94 of 08/04/2020)	SACE S.P.A.	COVID-19: Sace Garanzia Italia	10,000,000,00 €
(Italian) Decree Law no. 34/2020 - Ur- gent measures related to the COVID-19 emergency (GU 128 of 19/5/2020) con- verted with amendments into (Italian) Law no. 77 of 17/7/2020 (OG 180 of 18/7/2020)	Italian Revenue Agency	Provisions on the payment of IRAP	45,833,00€
(ITALIAN) DECREE-LAW no. 23 of 8 April 2020 Urgent measures on access to credit and tax compliance for companies, (OG - General Series no. 94 of 08/04/2020)	SACE SPA	COVID-19: Sace Garanzia Italia	15,000,000,00 €
Provisions for preparing the annual and multiannual state budget (2001 Budget Law)	FONDIMPRESA	TRAINING FOR RECOVERY	905,54€
(ITALIAN) DECREE-LAW no. 23 of 8 April 2020 Urgent measures on access to credit and tax compliance for companies, (OG - General Series no. 94 of 08/04/2020)	SACE S.P.A.	COVID-19: Sace Garanzia Italia	8,000,000,00 €

The nominal amounts with the granting authority SACE SpA refer to the amount of the bank facilities on which this authority issued a guarantee.

### PROPOSAL FOR THE ALLOCATION OF PROFITS OR COVERAGE OF LOSSES

It is proposed that the Shareholders' Meeting resolve to allocate the profit for the year, in the amount of 6,883,942 euros, in full to the extraordinary reserve.

These explanatory notes have been drawn up in accordance with the provisions of the (Italian) civil code and accounting standards.

These financial statements, which consist of the **Balance Sheet**, **Income Statement**, **Explanatory Notes** and **Cash Flow Statement**, provide a true and correct representation of the balance sheet and financial position as well as the result for the year and correspond to the results of accounting entries.

San Zenone degli Ezzelini, 2 May 2022

#### The Chairman of the Board of Directors Arch. Diego Carron



Carron Financial Statements 2021

## EXTERNAL OF STATUTORY AUDITORS' REPORT TO CARRON SPA'S FINANCIAL STATEMENTS

# CARRON CAV, ANGELO SPA with sole shareholder

Registered Office: VIA BOSCO N. 14/1 - SAN ZENONE DEGLI EZZELINI (TV) Enrolled in the companies register of: TREVISO Tax code and enrolment number: 01835800267

Registered in the TREVISO REA (Economic and Administrative Index) under no. 171597

Subscribed share capital: 10,000,000.00 euros, fully paid up

VAT Number 01835800267

Subject to management and coordination by Carron Holding Srl.

# Report of the supervisory body

### Annual financial statements at 31/12/2021

To the Shareholders' meeting of CARRON CAV, ANGELO S.p.A.

#### Introduction

Report of the supervisory body

Dear Shareholders, given that, in accordance with the current Bylaws, your company assigned to the Supervisory Body only administrative supervision tasks, while the statutory auditing function was assigned to the auditing company Deloitte & Touche SpA, this report shows the work performed in terms of statutory auditing.

#### Report on the supervisory activity pursuant to art. 2429, par. 2, of the (Italian) Civil Code

Over the course of the year closed on 31 December 2021 we based our work on legal provisions and the rules of conduct for the Board of Statutory Auditors issued by the Italian Board of Professional Accountants and Auditors, on the basis of which we carried out a self-assessment, with a positive result, for each member of the board

#### Supervisory activities pursuant to Article 2403 et seq. of the (Italian) Civil Code

We made sure that the company complied with laws and the articles of association and that it respected correct management principles.

We attended the Shareholders' meetings and Board of Directors meetings, in relation to which, based on the information available, there were no violations of the law or of the articles of association to report, nor were there any transactions that were manifestly imprudent, risky, involving a potential conflict of interest or such as to jeopardise the integrity of the company's assets.

During the meetings held, the Supervisory Body provided us with information on the general running of the company and the foreseeable business outlook, as well as on the most significant transactions carried out by the company, in terms of their size or their characteristics. Based on the information we have obtained, we do not have any particular observations to report.

We acquired information from the supervisory body and read the annual report issued by the same and no critical issues emerged with respect to the correct implementation of the 'M.O.G. - Organisational Model' that must be highlighted in this report, albeit in the context of the COVID-19 pandemic situation.

New helend

We acquired information on and oversaw, to the extent of our authority, the adequacy and functioning of the company's organisational structure, also through the collection of information from the department heads and in this regard we have no particular findings to report.

We acquired information on and oversaw, to the extent of our authority, the adequacy and functioning of the administrative and accounting system, including its reliability in correctly representing management operations, by obtaining information from department heads and by examining company documents, and in this regard we have no particular findings to report.

No complaints were received from shareholders pursuant to art. 2408 of the (Italian) Civil Code.

Over the course of the year, the Board of Statutory Auditors did not issue any legally-required professional opinions.

During the supervisory activities described above, no other significant facts emerged that are such as to require mention in this report.

#### Observations in relation to the annual financial statements

As far as we know, when preparing the financial statements, the directors did not make any exceptions to laws pursuant to article 2423, paragraph 5, of the (Italian) Civil Code. As to the revaluations of assets made in past years, we certify that they do not exceed the value actually attributable to the same assets as determined pursuant to Article 11, paragraph 2 of (Italian) Law No. 342 of 21 November 2000.

The results of the statutory audit of the financial statements are contained in the independent audit firm's report, pursuant to Article 14 of (Italian) Legislative Decree 39/2010, issued by Deloitte & Touche SpA on 27 May 2022.

#### Observations and proposals regarding approval of the financial statements

Considering the results of the activities that we have carried out, we hereby propose that the Shareholders' Meeting approve the financial statements at 31 December 2021, as prepared by the Directors.

The Board also agrees with the Directors' proposal in the explanatory notes on the allocation of the result for the year.

Treviso, 27 May 2022

The Board of Statutory Auditors

DR. MARCO CONTESSOTTO

DR. ALBERTO DA DALTO /

DR. PRIMO CEPPELLINI

Aun hu huch





Carron Financial Statements 2021

# **EXTERNAL** AUDITOR'S REPORT TO CARRON SPA'S FINANCIAL STATEMENTS

# Deloitte.

EXTERNAL AUDITOR'S REPORT PURSUANT TO ART. 14 OF (ITALIAN) LEGISLATIVE DECREE NO. 39 DATED 27TH JANUARY 2010

To the Sole Shareholder of Carron Cav. Angelo SpA

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Professional opinion

We have audited the financial statements of Carron Cav. Angelo S.p.A (the "Company"), made up of the balance sheet at 31 December 2021, the income statement and cash flow statement for the year ending on the same date and the explanatory notes.

In our opinion, the financial statements provide a true and correct representation of the Company's balance sheet and financial position at 31 December 2021, and of the net result and cash flows for the financial year closed on the same date, in compliance with the Italian regulations disciplining their preparation criteria.

#### **Basis of opinion**

We conducted our audit in accordance with international auditing standards (ISA Italy). Our responsibilities pursuant to said standards are described further in the section Responsibility of the audit company for the audit of the financial statements of this report. We are independent from the Company, in compliance with the ethical and independence regulations and standards which, under Italian law, are applicable to the external audit of the financial statements. We believe that we have collected sufficient and appropriate evidence on which to base our professional opinion.

#### Responsibility of the directors and of the board of statutory auditors for the financial statements

The directors are responsible for drawing up the financial statements, ensuring that they provide a true and correct representation in accordance with Italian regulations disciplining their preparation criteria. In accordance with the terms provided for by law, they are also responsible for the internal audit activities that they believe to be necessary in order to prepare financial statements that are free from any significant errors caused by fraud or unintentional conduct or events.

The directors are responsible for assessing the Company's ability to continue operating as a going concern and, when drawing up the financial statements, for the appropriate use of the assumption of business continuity, as well as for providing adequate information in this regard. When preparing the financial statements, the directors use the assumption of business continuity, unless they have judged that the conditions are in place to liquidate the company or stop operations or if they do not have any realistic alternatives to these options.

O Deloitte & Touche S.p.A.

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Codice Fiscale/Registro delle Imprese di Miano Monza Brianza Lodi n. 03049560156 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166 Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderendi al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servici ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo

# Deloitte.

### The Board of Statutory Auditors is responsible for supervising the process of preparing the company's financial statements, under the terms provided for by law.

#### Responsibility of the audit company for the audit of the consolidated financial statements

Our aim is to obtain reasonable assurance that the financial statements, as a whole, do not contain any significant errors due to fraud or unintentional conduct or events, and to issue an audit report which includes our opinion. By reasonable assurance we mean a high level of certainty which, however, does not provide a guarantee that an audit carried out in compliance with international auditing standards (ISA Italy) shall always identify a significant error, if there any. Errors may be caused by fraud or unintentional conduct or events and are considered significant if there is the reasonable expectation that they, individually or together, may influence the economic decisions made by readers based on the financial statements.

With reference to the audit carried out, in compliance with international standards on auditing (ISA Italy), we expressed our professional opinion and maintained our professional scepticism throughout our audit. Furthermore:

- we identified and assessed the risks of significant errors in the financial statements, due to
  fraud or unintentional conduct or events; we defined and carried out audit procedures in
  response to these risks; we collected sufficient and appropriate audit evidence on which to
  base our professional opinion. The risk of not identifying a significant error caused by fraud is
  greater compared with the risk of not identifying a significant error caused by unintentional
  conduct or events. This is because fraud implies collusion, falsifications, intentional omissions,
  misleading representations or forcing internal control.
- we acquired an understanding of the internal control procedures in place that are relevant to the audit, in order to define appropriate audit procedures for the circumstances and not to express an opinion on the effectiveness of the Company; s internal control procedures.
- we assessed whether the accounting standards used were appropriate and whether the
  accounting estimates made by the directors were reasonable, including the relative information;
- we reached a conclusion on whether it was appropriate for directors to assume that normal
  company operations would continue and, based on the evidence collected, on the presence of
  any significant uncertainty regarding events or circumstances that may cast significant doubts
  on the Company's ability to continue operating as a going concern. If there is significant
  uncertainty, we are obliged to draw attention in the audit report to the relative information in the
  financial statements or, if this information is inadequate, to reflect this circumstance in the
  formulation of our opinion. Our conclusions are based on the evidence collected up until the
  date of this report. However, future events or circumstances may mean that the company
  ceases to operate as a going concern;
- We have assessed the presentation, structure and content of the financial statements, as a whole, including the explanatory notes, and whether the financial statements represent the underlying transactions and events in order to provide a correct representation.

# Deloitte.

We notified those in charge of governance activities, identified at an appropriate level as required by ISA Italy, of the scope and time frames planned for the audit, among other aspects, and the significant results that emerged, including any significant shortcomings found during the audit with regard to internal control.

### REPORT ON OTHER LEGAL PROVISIONS AND REGULATIONS

### Opinion pursuant to Article 14, Paragraph 2, Letter e) of (Italian) Legislative Decree no. 39/10

The directors of Carron Cav. Angelo S.p.A. are responsible for preparing the management report of the Company at 31/12/2021, including its consistency with the related financial statements and its compliance with legal provisions.

We performed the procedures stated in auditing standard SA Italia 720B in order to express an opinion on the consistency of the directors' report with the Carron Cav. Angelo S.p.A. financial statements at 31/12/2021 and on its compliance with legal provisions, as well as to issue a declaration regarding any significant errors.

In our opinion, the directors' report is consistent with the financial statements at 31/12/2021 and has been prepared in compliance with legal provisions.

With reference to the declaration referred to by art. 14, paragraph 2, letter e), of (Italian) Legislative Decree no. 39/10, issued on the basis of our knowledge and understanding of the company and its context of reference which we developed over the course of our audit, we do not have anything to report.

DELOITTE & TOUCHE S.p.A.

Stren that

Cristiano Nacchi shareholder loans

Padua, 27 May 2022



### **CARRON HOLDING S.R.L.'S FINANCIAL STATEMENTS**

#### BALANCE SHEET

ASSETS		31/12/2021	31/12/2020
В	FIXED ASSETS		
)	Financial fixed assets	4,855,064	4,855,064
	TOTAL FIXED ASSETS (B)	4,855,064	4,855,064
С	CURRENT ASSETS		
II)	Receivables		
	due within the next year	3,898,236	17,152
	Total receivables	3,898,236	17,152
IV)	Cash and cash equivalents	137,677	558,965
	TOTAL CURRENT ASSETS (C)	4,035,913	576,117
	TOTAL ASSETS	8,890,977	5,431,181
LIABILIT		8,890,977 31/12/2021	5,431,181 31/12/2020
LIABILIT			
	TIES		
A	TIES SHAREHOLDERS' EQUITY	31/12/2021	31/12/2020
A I)	TIES SHAREHOLDERS' EQUITY Share capital	31/12/2021	<b>31/12/2020</b> 1,000,000
A  ]  V]	TIES SHAREHOLDERS' EQUITY Share capital Legal reserve	<b>31/12/2021</b> 1,000,000 200,000	<b>31/12/2020</b> 1,000,000 200,000
A I) IV) VI)	TIES SHAREHOLDERS' EQUITY Share capital Legal reserve Other reserves	<b>31/12/2021</b> 1,000,000 200,000 4,223,540	<b>31/12/2020</b> 1,000,000 200,000 3,652,374
A I) IV) VI)	TIES SHAREHOLDERS' EQUITY Share capital Legal reserve Other reserves Profit (loss) for the year	31/12/2021 1,000,000 200,000 4,223,540 1,743	<b>31/12/2020</b> 1,000,000 200,000 3,652,374 571,165
A     V  V    X	TIES SHAREHOLDERS' EQUITY Share capital Legal reserve Other reserves Profit (loss) for the year TOTAL SHAREHOLDERS' EQUITY	31/12/2021 1,000,000 200,000 4,223,540 1,743	<b>31/12/2020</b> 1,000,000 200,000 3,652,374 571,165
A I) IV) VI) IX)	TIES SHAREHOLDERS' EQUITY Share capital Legal reserve Other reserves Profit (loss) for the year TOTAL SHAREHOLDERS' EQUITY PAYABLES	31/12/2021 1,000,000 200,000 4,223,540 1,743 5,425,283	31/12/2020 1,000,000 200,000 3,652,374 571,165 5,423,539

#### BILANCIO CARRON HOLDING S.R.L.

### INCOME STATEMENT

		31/12/2021	31/12/2020
Α	VALUE OF PRODUCTION		
1]	sales and services revenues	0	0
	TOTAL VALUE OF PRODUCTION (A)	0	0
В	PRODUCTION COSTS		
7]	for services	23,629	52,657
14]	sundry operating expenses	939	5,677
	TOTAL PRODUCTION COSTS (B)	24,568	58,334
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A – B)	(24,568)	(58,334)
С	FINANCIAL INCOME AND CHARGES		
15)	income from equity investments		
	from subsidiaries	_	630,000
	Total income from equity investments	_	630,000
16)	other financial income		
	a) from non-current receivables		
	others	26,311	-
	d) other income		
	others	26,311	17
	Total other income	26,311	17
	Total other financial income	26,311	17
17]	interest and other financial charges		
	others	0	2
	Total interest and other financial charges	0	2
	TOTAL FINANCIAL INCOME AND CHARGES	26,311	630,015
	(15 + 16 – 17 + – 17 BIS)	20,511	030,013
	RESULT BEFORE TAXES (A – B + -C + -D)	1,743	571,681
20)	current, deferred and prepaid income tax for the year		
	taxes related to previous years	-	516
	Total current, deferred and prepaid income taxes for the year	-	516
21)	Profit (loss) for the year	- 1,743	571,165
21)		1,745	0/1,100

### CARRON BAU S.R.L. – G.M.B.H.'S FINANCIAL STATEMENTS

#### BALANCE SHEET

I)       3)       7)       1)       3)       1)       3)       4)       11)       3)       1)	FIXED ASSETS Intangible fixed assets industrial patents and intellectual property rights Others Total Tangible fixed assets land and buildings industrial and commercial equipment Other assets Total Financial fixed assets equity investments in: subsidiaries associated companies other companies	1,343 114,457 <b>115,800</b> 1,290,610 17,436 133,709 <b>1,441,755</b> 3,574,398	1,53 144,74 146,28 1,307,11 14,86 136,70 1,458,68
3) i 7) · 11) · 1] · 3) i 4] · 11) · 11) · 1] · 1] · 1] ·	industrial patents and intellectual property rights Others Total Tangible fixed assets Land and buildings industrial and commercial equipment Other assets Total Financial fixed assets equity investments in: subsidiaries associated companies	114,457 <b>115,800</b> 1,290,610 17,436 133,709 <b>1,441,755</b> 3,574,398	144,74 146,28 1,307,11 14,86 136,70 1,458,68
7] 11) 1] 3] 4] 1] 1] 1] 1] a] b] a	Others Total Tangible fixed assets land and buildings industrial and commercial equipment Other assets Total Financial fixed assets equity investments in: subsidiaries associated companies	114,457 <b>115,800</b> 1,290,610 17,436 133,709 <b>1,441,755</b> 3,574,398	144,74 146,28 1,307,11 14,86 136,70 1,458,68
II)       1]       3]       4]       III)       1]       a]       b)	Total Tangible fixed assets land and buildings industrial and commercial equipment Other assets Total Financial fixed assets equity investments in: subsidiaries associated companies	115,800 1,290,610 17,436 133,709 1,441,755 3,574,398	146,28 1,307,11 14,86 136,70 1,458,68
II)       1)       3)       4)       III)       1)       a)       b)	Tangible fixed assets         land and buildings         industrial and commercial equipment         Other assets         Total         Financial fixed assets         equity investments in:         subsidiaries         associated companies	1,290,610 17,436 133,709 1,441,755 3,574,398	1,307,11 14,86 136,70 <b>1,458,68</b>
1) 3) 4) 11) a) b)	land and buildings industrial and commercial equipment Other assets Total Financial fixed assets equity investments in: subsidiaries associated companies	17,436 133,709 <b>1,441,755</b> 3,574,398	14,86 136,70 <b>1,458,68</b>
3) (1) (4) (1) (1) (1) (2) (2) (2) (2) (2) (2) (2) (2) (2) (2)	industrial and commercial equipment Other assets Total Financial fixed assets equity investments in: subsidiaries associated companies	17,436 133,709 <b>1,441,755</b> 3,574,398	14,86 136,70 <b>1,458,68</b>
4) III) 1) a) b)	Other assets Total Financial fixed assets equity investments in: subsidiaries associated companies	133,709 1,441,755 3,574,398	136,70 <b>1,458,68</b>
III)       1)       a)       b)	Total Financial fixed assets equity investments in: subsidiaries associated companies	1,441,755 3,574,398	1,458,68
III)       1)       a)       b)	Financial fixed assets equity investments in: subsidiaries associated companies	3,574,398	
1) a) b)	equity investments in: subsidiaries associated companies		
a) : b) ;	subsidiaries associated companies		0.001.01
b) a	associated companies		0.00.00
	I I	000.000	3,224,39
d)bis	other companies	900,000	900,00
		1,000	
2]	Receivables from subsidiaries: b) due within the next year	4,670,000	2,750,00
3]	Other securities	1,050,000	1,050,00
	Total	10,195,398	7,924,39
	TOTAL FIXED ASSETS (B)	11,752,953	9,529,36
2	CURRENT ASSETS		
	Inventories		
1)	raw, ancillary and consumable materials	271,394	409,92
	contract work in progress	9,205,641	8,478,38
	Total	9,477,035	8,888,31
11)	Receivables		
1) +	trade receivables: a) due within the next year	3,093,019	10,306,95
	from subsidiaries: a) due within the next year	0	16,800,47
	from associated companies: a) due within the next year	4,878,187	
	from parent companies: a) due within the next year	2,289,478	
	to companies subject to the control of parent companies: a) due within the next year	12,474	
	tax credits: a) due within the next year	17,358	2,867,31
	prepaid taxes	104,557	89,79
	due from others		
	a) due within the next year	327,902	633,21
	b)due after one year	374,401	311,89
	Total	11,097,376	31,009,64
	Financial fixed assets that do not constitute assets		
· · · · · · · · · · · · · · · · · · ·	equity investments in subsidiaries	0	8,21
	equity investments in associated companies	4,056	-,
	Total	4,056	8,21
	Cash and cash equivalents	4,000	0,21
	bank and post office deposits	13,894,642	5,425,97
	cash and equivalents on hand	29,450	25,86
	Total	13,924,092	5,451,84
	TOTAL CURRENT ASSETS (C)	34,502,559	45,358,01
	ACCRUALS AND PREPAYMENTS TOTAL ASSETS	209,573	80,78

#### BILANCIO CARRON BAU S.R.L. - G.M.B.H.

### BALANCE SHEET

LIABILITI	ES	31/12/2021	31/12/2020
Α	SHAREHOLDERS' EQUITY		
	Share capital	3,000,000	2,250,000
IV	Legal reserve	624,061	469,475
VI	Other reserves		
	- Extraordinary reserve	7,781,190	5,594,054
	- Euro rounding difference	2	2
VIII	Profits (losses) carried forward	0	0
IX	Profit (loss) for the year	3,084,139	3,091,722
	TOTAL SHAREHOLDERS' EQUITY (A)	14,489,392	11,405,253
В	PROVISIONS FOR LIABILITIES AND CHARGES		
2]	Provision for taxes, also deferred	0	0
4]	other provisions	340,000	301,800
	TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (B)	340,000	301,800
С	STAFF SEVERANCE INDEMNITY	225,570	169,442
D	PAYABLES		
4]	payables due to banks		
	a) due within the next year	1,079,917	178,966
	b)due after one year	4,241,143	5,321,061
6]	advances		
	a) due within the next year	10,302,701	16,092,900
	b)due after one year	5,496,595	7,078,484
7]	trade payables		
	a) due within the next year	7,462,492	12,887,492
9]	payables due to subsidiaries		
	a) due within the next year	23,209	198,662
10)	payables due to associated companies		
	a) due within the next year	1,323,229	89,189
11-bis)	Payables from companies subject to the control of parent companies		
	a) due within the next year	201,703	202,982
12]	tax payables		
	a) due within the next year	404,973	310,381
13)	Payables due to pension and social security institutions		
	a) due within the next year	264,796	221,487
14]	other payables		
	a) due within the next year	567,898	480,631
	b)due after one year	20,000	10,000
	TOTALPAYABLES (D)	31,388,656	43,072,235
E	ACCRUALS AND DEFERRALS	21,467	19,434
	TOTAL LIABILITIES	46,465,085	54,968,164
		40,403,003	04,700,104

#### BILANCIO CARRON BAU S.R.L. - G.M.B.H.

STATUTORY INCOME STATEMENT

### STATUTORY INCOME STATEMENT

		31/12/2021	31/12/2020
A	VALUE OF PRODUCTION		
1]	sales and services revenues	44,242,926	41,540,802
3]	Changes in contract work in progress	727,259	(926,497
4]	increases in fixed assets for in-house production	0	(
5)	other revenues and income		
	- grants for current expenses	50,038	29,83
	- miscellaneous	67,279	662,808
	TOTAL VALUE OF PRODUCTION (A)	45,087,502	41,306,948
В	PRODUCTION COSTS		
6]	For raw and ancillary materials, consumables and goods	6,879,957	7,328,242
7]	For services	26,319,602	23,497,12
8]	For use of third-party assets	1,758,487	1,400,69
9]	For personnel:		
	a) salaries and wages	3,931,439	3,554,10
	b) social security contributions	1,258,779	1,167,50
	c) staff severance indemnity	203,506	182,738
	d) other costs	25,097	87,938
	Total	5,418,821	4,992,282
10)	amortisation, depreciation and write-downs		
	a) amortisation of intangible fixed assets	31,719	33,764
	b) depreciation of tangible fixed assets	94,051	87,650
	<ul> <li>c) Write-downs of current receivables and of cash and cash equivalents</li> </ul>	16,683	20,559
	Total	142,453	141,973
11)	changes in inventories of raw and ancillary materials, consumables and goods	138,535	(211,843
12)	Risk provisions	87,377	(
13)	Other provisions	0	75,71
14]	sundry operating expenses	136,594	115,21
	TOTAL PRODUCTION COSTS (B)	40,881,844	37,339,39
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A – B)	4,205,658	3,967,553

		31/12/2021	31/12/2020
С	FINANCIAL INCOME AND CHARGES		
16]	Other financial income		
	a) receivables recorded under fixed assets due from others	0	0
	d) income other than interest receivable	7,516	15,403
	Total	7,516	15,403
17]	interest and other financial charges		
	- from others	(56,151)	(26,782)
	Total	(56,151)	(26,782)
	TOTAL FINANCIAL INCOME AND CHARGES (15 + 16 – 17 – 17 BIS)	(48,635)	(11,379)
	TOTAL PROFIT (LOSS) BEFORE TAXES (A - B +/-C +/-D)	4,157,023	3,956,174
20]	Income taxes for the year		
	a) current	1,064,439	588,265
	b) differed	0	0
	c) pre-paid	(14,764)	122,525
	<ul> <li>d) income (charges) from adhering to the tax consolidation / tax transparency scheme</li> </ul>	(23,209)	[153,662]
	Total	1,072,884	864,452
21	Profit (Loss) for the year	3,084,139	3,091,722

#### BILANCIO CARRON BAU S.R.L. - G.M.B.H.

CASH FLOW STATEMENT

#### CASH FLOW STATEMENT

	IPTION	31/12/2021	31/12/202
4	CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)		
	Profit (loss) for the year	3,084,139	3,091,72
	+ Income taxes	1,072,884	864,45
	+/- Interest payable/(Interest receivable)	48,635	11,37
	+/- (Gains)/Losses from the disposal of assets	(5)	8,29
1	Profit (loss) for the year before taxes and interests	4,205,653	3,975,84
	Adjustments for non-monetary items without an offsetting counterpart in net working capital		
	+ provision for staff severance indemnity	76,908	72,75
	+ Amortisation and depreciation of fixed assets	125,770	121,41
	+ Allocations to provisions	87,377	75,71
	+ Other adjustments for non-monetary items	[23,209]	(153,66
	Total adjustments for non-monetary items	266,846	116,22
2	Cash flow before changes to net working capital	4,472,499	4,092,06
	Changes to net working capital		
	(Increase)/decrease in inventories of raw and ancillary materials	138,535	(211,84
	(Increase)/decrease in inventories of work in progress to order	(727,259)	926,49
	(Increase)/decrease in trade receivables	7,213,936	(7,378,12
	Increase/(Decrease) in trade payables	(5,425,000)	1,658,66
	(Increase)/decrease in in tax credits	2,835,194	(1,392,62
	Increase/(decrease) in payables to subsidiaries	(175,453)	198,66
	(Increase)/decrease in payables due to associated companies	1,234,040	(15,89
	(Increase)/decrease in payables due to companies subject to the control of parent companies	(1,279)	8,20
	(Increase)/Decrease in accrued liabilities and deferred income	2,033	19,43
	Increase/(Decrease) in accrued income and prepaid expenses	[128,791]	119,55
	Increase/(Decrease) in receivables from subsidiaries	16,800,476	(16,800,47
	Increase/(Decrease) in receivables from associated companies	[4,878,187]	
	Increase/(Decrease) in receivables from parent companies	[2,289,478]	
	(Increase)/decrease in receivables from companies subject to the control of parent companies	[12,474]	12
	Increase/(Decrease) in receivables from others	242,804	(367,93
	Increase/(Decrease) in advances from customers	(7,372,088)	14,457,08
	Increase/(Decrease) in tax payables	(885,784)	832,00
	Increase/(Decrease) in payables due to pension and social security institutions	43,309	(11,79
	Increase/(Decrease) in other payables	97,267	(27,59
	Total changes to the net working capital	6,711,801	(7,986,04
3	Financial flow after changes to the net working capital	11,184,300	(3,893,97
	Other adjustments		
	Collected/(paid) interest	(48,635)	(11,37
	(Income taxes duly paid)	[69,299]	(2,500,53
	(Use of the warranty provision)	[49,177]	(51,11
	(Use of the provision for staff severance indemnity)	[18,727]	(29,06
	Total other adjustments	(187,891)	(2,592,09
	FINANCIAL FLOW FROM OPERATING ACTIVITIES (A)	10,996,409	(6,486,07

DESC	DESCRIPTION		31/12/2020
В	CASH FLOW FROM INVESTMENT ACTIVITY		
	Tangible fixed assets		
	(Investments)	(77,118)	(69,725
	Divestments realizable price	5	14,246
	Intangible fixed assets		
	(Investments)	(1,024)	(1,024
	Divestments realizable price	0	(
	Financial fixed assets		
	(Investments)	(2,271,000)	(2,960,000
	Divestments realizable price	0	(
	Current financial assets		
	(Investments)	0	(8,218
	Divestments realizable price	4,162	(
	Cash flow from investment activity (B)	(2,345,191)	(3,024,721
С	CASH FLOS FROM FINANCING ACTIVITY		
	Third-party financing		
	Increase/(Decrease) in short-term payables to banks	0	27
	Raising finance	0	5,500,000
	Repayment of loans	(178,967)	(
	Equity		
	Shareholders' payment (repayment) for future capital increases	0	(
	Release of receivables from shareholders for subscribed capital	0	(
	(Dividends and advances on paid dividends)	0	(899,998
	CASH FLOW FROM FINANCING ACTIVITY (C)	(178,967)	4,600,022
	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+/-B+/-C)	8,472,251	(4,910,764
	01.01.2021 INITIAL CASH AND CASH EQUIVALENTS	5,451,841	10,362,60
	31.12.21 FINAL CASH AND CASH EQUIVALENTS	13,924,092	5,451,841



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