

# FINANCIAL STATEMENTS OF THE YEAR

## General company information

### Database data

*Company name:* TECHBAU SPA

*Registered office:* PIAZZA GIOVINE ITALIA, 3 - MILAN (MI) 20123

*Share capital:* 9,698,833

*Share capital fully paid up:* Yes

*Chamber of Commerce Code:* MI

*VAT No:* 06336690968

*Tax ID No:* 06336690968

*Economic & Administrative Index No:* 1922561

*Legal status:* Joint stock corporation

*Primary activity sector (ATECO):* 412000

*Company in liquidation:* no

*Company with sole shareholder:* Yes

*Company subject to management and coordination:* no

*Name of company or entity exercising management  
and coordination:*

*Member of a group:* Yes

*Name of parent company:* TECHBAU HOLDING Srl

*Country of parent company:* ITALY

*Registration number within registry of cooperative  
companies:*

## Balance sheet

	30-06-2020	30-06-2019
<b>Balance sheet</b>		
<b>Assets</b>		
<b>B) Fixed assets</b>		
<b>I - Intangible fixed assets</b>		
3) Industrial patent and intellectual property rights	18,116	5,296
6) Tangible assets in progress and advances	-	28,140
7) other	5,201,348	3,397,970
<b>Total intangible fixed assets</b>	<b>5,219,464</b>	<b>3,431,406</b>
<b>II - Tangible fixed assets</b>		
1) Land and buildings	21,966	-
3) industrial and commercial equipment	599,400	851,180
<b>Total tangible fixed assets</b>	<b>621,366</b>	<b>851,180</b>
<b>III - Financial fixed assets</b>		
1) Equity investments in		
a) subsidiaries	433,115	435,100
b) Associates	524,400	524,400
d-bis) other companies	1	1
<b>Total equity investments</b>	<b>957,516</b>	<b>959,501</b>
2) receivables		
a) Due from subsidiaries		
Due within next year	274,500	1,517,985
<b>Total receivables due from subsidiaries</b>	<b>274,500</b>	<b>1,517,985</b>
b) Associates		
Due within next year	2,110,000	2,110,100
<b>Total receivables due from associates</b>	<b>2,110,000</b>	<b>2,110,100</b>
d-bis) Due from others		
Due within next year	163,621	61,120
<b>Total receivables due from others</b>	<b>163,621</b>	<b>61,120</b>
<b>Total receivables</b>	<b>2,548,121</b>	<b>3,689,205</b>
<b>Total financial fixed assets</b>	<b>3,505,637</b>	<b>4,648,706</b>
<b>Total fixed assets (B)</b>	<b>9,346,467</b>	<b>8,931,292</b>

	30-06-2020	30-06-2019
<b>C) Current assets</b>		
<b>I - Inventories</b>		
<b>3) Work in progress to order</b>	318,985,390	133,469,225
<b>5) advances</b>	4,184,869	8,323,832
<b>Total inventories</b>	323,170,259	141,793,057
<b>II - Receivables</b>		
<b>1) Due from customers</b>		
Due within next year	47,196,739	33,044,528
<b>Total receivables due from customers</b>	47,196,739	33,044,528
<b>2) Due from subsidiaries</b>		
Due within next year	356,321	-
<b>Total receivables due from subsidiaries</b>	356,321	-
<b>3) Due from associates</b>		
Due within next year	10,521	2,389,511
<b>Total receivables due from associates</b>	10,521	2,389,511
<b>5-bis) tax receivables</b>		
Due within next year	1,402,013	853,869
<b>Total tax receivables</b>	1,402,013	853,869
<b>5-ter) prepaid taxes</b>	849,295	114,983
<b>5-quater) due from others</b>		
Due within next year	4,167,601	424,211
<b>Total receivables due from others</b>	4,167,601	424,211
<b>Total receivables</b>	53,982,490	36,827,102
<b>III – Financial assets which are not fixed assets</b>		
<b>6) Other securities</b>	6,169,901	3,607,150
<b>Total financial assets which are not fixed assets</b>	6,169,901	3,607,150
<b>IV – Liquid funds</b>		
<b>1) Bank and postal deposits</b>	60,077,058	45,800,502
<b>3) Cash and cash valuables</b>	5,964	2,868
<b>Total liquid funds</b>	60,083,022	45,803,370
<b>Total current assets (C)</b>	443,405,672	228,030,679

	30-06-2020	30-06-2019
D) Accruals and deferrals	206,904	415,832
<b>Total assets</b>	<b>452,959,043</b>	<b>237,377,803</b>
<b>Liabilities</b>		
<b>A) Shareholders' equity</b>		
<b>I – Share capital</b>	<b>9,698,833</b>	<b>9,698,833</b>
<b>II – Share premium reserve</b>	<b>759,852</b>	<b>759,852</b>
<b>IV – Legal reserve</b>	<b>810,162</b>	<b>616,472</b>
<b>VI – Other reserves, distinctly specified</b>		
<b>Extraordinary reserve</b>	4,312,709	5,634,295
<b>Misc. other reserves</b>	1	1
<b>Total other reserves</b>	4,312,710	5,634,296
<b>VII - Reserve for operations to hedge forecasted cash flows</b>	(156,500)	-
<b>IX – Profit (loss) of the year</b>	8,488,347	3,873,792
<b>Total shareholders' equity</b>	<b>23,913,404</b>	<b>20,583,245</b>
<b>B) Provisions for risks and charges</b>		
<b>3) Financial derivative liabilities</b>	156,500	-
<b>4) Other</b>	1,000,000	-
<b>Total provisions for risks and charges</b>	1,156,500	-
<b>C) Employee termination indemnities</b>	29,919	32,707
<b>D) Payables</b>		
<b>4) Payables due to banks</b>		
<b>Due within next year</b>	17,442,775	8,670,876
<b>Due after next year</b>	4,389,924	14,050,954
<b>Total payables due to banks</b>	21,832,699	22,721,830
<b>5) Payables due to other providers of finance</b>		
<b>Due within next year</b>	-	5,500,000
<b>Total payables due to other providers of finance</b>	-	5,500,000
<b>6) advances</b>		
<b>Due within next year</b>	310,480,975	108,569,682
<b>Total advances</b>	310,480,975	108,569,682
<b>7) Payables due to suppliers</b>		

	30-06-2020	30-06-2019
Due within next year	83,788,498	75,123,616
<b>Total payables due to suppliers</b>	83,788,498	75,123,616
<b>9) Payables due to subsidiaries</b>		
Due within next year	8,297,258	196,895
<b>Total payables due to subsidiaries</b>	8,297,258	196,895
<b>11) Payables to parent companies</b>		
Due within next year	10,980	-
<b>Total payables due to suppliers</b>	10,980	-
<b>12) Tax payables</b>		
Due within next year	1,213,020	1,435,461
<b>Total tax payables</b>	1,213,020	1,435,461
<b>13) Payables due to social security institutions</b>		
Due within next year	562,330	493,527
<b>Total payables due to social security institutions</b>	562,330	493,527
<b>14) Other payables</b>		
Due within next year	1,673,460	2,720,840
<b>Total other payables</b>	1,673,460	2,720,840
<b>Total payables</b>	427,859,220	216,761,851
<b>Total liabilities</b>	452,959,043	237,377,803

## Income statement

	30-06-2020	30-06-2019
<b>Income statement</b>		
<b>A) Total revenues</b>		
1) Revenues from sales and services	122,307,601	65,881,212
3) Change in contract work in progress	185,516,165	85,781,102
4) Own work capitalized	2,139,245	3,448,703
5) Other revenues and proceeds		
<b>Other</b>	1,694,096	115,542
<b>Total other revenues and proceeds</b>	1,694,096	115,542
<b>Total revenues</b>	311,657,107	155,226,559

	30-06-2020	30-06-2019
<b>B) Cost of production</b>		
6) for raw and ancillary materials, consumables and goods	131,890,620	49,087,012
7) for services	150,438,190	91,710,695
8) for use of third party assets	4,805,309	1,696,607
9) for personnel		
a) salaries and wages	5,418,796	4,456,266
b) social security charges	1,684,937	1,357,533
c) termination indemnities	342,814	259,946
e) other costs	136,204	29,111
<b>Total personnel costs</b>	<b>7,582,751</b>	<b>6,102,856</b>
10) amortization/depreciation and write-downs		
a) Amortization of intangible fixed assets	346,248	54,762
b) Depreciation of tangible fixed assets	287,083	335,240
d) Write-down of receivables included under current assets and liquid funds	1,747,000	169,394
<b>Total amortization/depreciation and write-downs</b>	<b>2,380,331</b>	<b>559,396</b>
13) other allocations	1,000,000	-
14) other operating charges	1,444,938	451,426
<b>Total cost of production</b>	<b>299,542,139</b>	<b>149,607,992</b>
<b>Difference between total revenues and cost of production (A - B)</b>	<b>12,114,968</b>	<b>5,618,567</b>
<b>C) Financial proceeds and charges</b>		
16) ) other financial proceeds		
c) securities booked under current assets which are not equity investments	25,614	-
d) proceeds other than the above		
from associates	21,158	15,088
Other	101,824	45,095
<b>Total proceeds other than the above</b>	<b>122,982</b>	<b>60,183</b>
<b>Total other financial proceeds</b>	<b>148,596</b>	<b>60,183</b>
17) interest and other financial charges		
Due to subsidiaries	10,192	-
Other	608,931	244,035

	30-06-2020	30-06-2019
<b>Total interest and other financial charges</b>	619,123	244,035
17-bis) exchange rate gains and losses	(921)	(335)
<b>Total financial proceeds and charges (15 + 16 - 17 + - 17-bis)</b>	(471,448)	(184,187)
<b>D) Value adjustments of financial assets and liabilities</b>		
18) Revaluations		
c) of securities booked under current assets which are not equity investments	-	10,400
<b>Total revaluations</b>	-	10,400
19) Write-downs		
c) of securities booked under current assets which are not equity investments	5,286	-
<b>Total write-downs</b>	5,286	-
<b>Total value adjustments of financial assets and liabilities (18 - 19)</b>	(5,286)	10,400
<b>Result before taxes (A - B + - C + - D)</b>	11,638,234	5,444,780
<b>20) Income taxes of the year: current, deferred and prepaid</b>		
Current taxes	3,884,198	1,570,988
Deferred and prepaid taxes	(734,311)	-
<b>Total income taxes of the year: current, deferred and prepaid</b>	3,149,887	1,570,988
<b>21) Profit (loss) of the year</b>	8,488,347	3,873,792

## Cashflow statement, indirect method

	30-06-2020	30-06-2019
<b>Cashflow statement, indirect method</b>		
<b>A) Cash flows from operating activities (indirect method)</b>		
Profit (loss) for the year	8,488,347	3,873,792
Income taxes	3,149,887	1,570,988
Payable (receivable) taxes	470,527	183,851
(Capital gains)/Losses from the disposal of assets	(587,806)	(239,212)
<b>1) Profit (loss) of the year before income taxes, interest, dividends and capital gains/losses from disposals</b>	11,520,955	5,389,419
Adjustments to non-monetary items which do not have an offsetting item in net working capital		
<b>Allocations to funds</b>	2,747,652	169,394

	30-06-2020	30-06-2019
Amortization/depreciation of fixed assets	633,331	390,002
Other increase(decrease) adjustment for non-monetary items	(176,898)	(50,748)
<b>Total adjustments for non-monetary items which do not have offsetting items in net working capital</b>	<b>3,204,085</b>	<b>508,648</b>
<b>2) Cash flow before changes in net working capital</b>	<b>14,725,040</b>	<b>5,898,067</b>
<b>Changes in net working capital</b>		
Decrease/(Increase) in inventories	(181,377,202)	(92,875,015)
Decrease/(Increase) in receivables due from customers	(13,876,542)	(21,751,468)
Increase/(decrease) in payables due to suppliers	16,989,566	41,503,151
Decrease/(Increase) in accrued income and deferred charges	177,771	(161,872)
Other decreases/(Other increases) in net working capital	196,418,740	72,641,416
<b>Total changes in net working capital</b>	<b>18,332,333</b>	<b>(643,788)</b>
<b>3) Cash flow after changes in net working capital</b>	<b>33,057,373</b>	<b>5,254,279</b>
<b>Other adjustments</b>		
Interest collected/(paid)	15,422	1
(Income taxes paid)	(3,884,198)	(1,570,988)
(Use of funds)	(3,440)	(900)
Other inflows/(payments)	122,982	60,183
<b>Total other adjustments</b>	<b>(3,749,234)</b>	<b>(1,511,704)</b>
<b>Cash flows from operating activities (A)</b>	<b>29,308,139</b>	<b>3,742,575</b>
<b>B) Cash flows from investment activities</b>		
<b>Tangible fixed assets</b>		
(Investments)	(238,417)	(297,274)
Divestments	165,125	1,244
<b>Intangible fixed assets</b>		
(Investments)	(2,134,306)	(3,484,786)
<b>Financial fixed assets</b>		
(Investments)	(111,617)	(3,149,521)
Divestments	1,249,586	(4,953)
<b>Short-term financial assets</b>		
(Investments)	(3,318,037)	(255,447)



	30-06-2020	30-06-2019
Divestments	750,000	1
<b>Cash flows from investment activities (B)</b>	<b>(3,637,666)</b>	<b>(7,190,736)</b>
<b>C) Cash flows from financing activities</b>		
Third party means		
Increase/(Decrease) in short-term payables to banks	3,070	(250)
Acquisition of financing	21,829,628	22,721,830
(Reimbursement of financing)	(28,221,829)	(3,727,313)
Own means		
(Dividends and advances on paid dividends)	(5,001,689)	(1,501,380)
<b>Cash flows from financing activities (C)</b>	<b>(11,390,820)</b>	<b>17,492,887</b>
<b>Increase (decrease) in liquid funds (A ± B ± C)</b>	<b>14,279,653</b>	<b>14,044,726</b>
<b>Liquid funds at the start of the year</b>		
Band and postal deposits	45,800,502	31,745,002
Checks	0	0
Cash in hand	2,868	13,641
<b>Total liquid funds at the start of the year</b>	<b>45,803,370</b>	<b>31,758,643</b>
<b>Liquid funds at the end of the year</b>		
Band and postal deposits	60,077,058	45,800,502
Cash in hand	5,964	2,868
<b>Total liquid funds at the end of the year</b>	<b>60,083,022</b>	<b>45,803,370</b>

## Explanatory notes, initial part

### EXPLANATORY NOTES

## Drafting principles

### DRAFTING PRINCIPLES

The financial statements for the year ended 30/06/2020 - composed of the Balance Sheet, Income Statement, Cash Flow Statement and Explanatory Notes – are consistent with the results of the regularly kept accounting records and were drawn up in compliance with the provisions set out in Articles 2423 and 2423-bis of the Italian Civil Code as well as with the

accounting principles and accounting recommendations drawn up by the Italian Accounting Body (O.I.C., "Organismo Italiano di Contabilità").

Its structure complies with that required by the Italian Civil Code under Articles 2424 and 2425, in accordance with the requirements pursuant to Art.

2423-ter, while the Explanatory Notes, which are an integral part of the financial statements, comply with the content pursuant to Art. 2427, 2427-bis and all the other provisions that refer to it.

The entire document, in the parts of which it is composed, has been drafted so as to provide a true and accurate representation of the Company's financial situation as well as of the economic result for the year, providing, where necessary, additional information that is complementary to this purpose.

In accordance with Art. Art. 2423-ter, the amount for the previous year is specified for each item.

The structure and composition of the financial statements have been modified by Legislative Decree 139/2015 (implementation of Directive 34/2013); the latter also updated certain valuation criteria. The Italian Accounting Body (O.I.C.) has therefore revised the accounting principles in force by issuing, in 2016, the updated versions of the latter

Pursuant to and by effect of Art. 2423 paragraph 4 and Article 2423 bis, no. 6, of the Italian Civil Code, it should be noted that no derogation was applied with respect to the valuation criteria established by the law and applied in previous years.

The valuation of the various items was made in accordance with the principle of prudence and with the perspective of continued operations. In particular, the adopted criteria took into account the perspective of a going concern: with reference to the new O.I.C. no. 11 (Financial statements, purposes and postulates) relative to the "prospective evaluation of the company's ability to continue to be a functioning economic system with the purpose of production of income for a reasonable period of time (12 months)", no significant uncertainties emerged in relation to business continuity.

As a result of the rounding up of amounts in units of euro, it may occur that - in some statements containing detailed data - the sum of the details differs from the amount shown in the total row.

These Explanatory Notes were drafted in compliance with the constraints imposed by the XBRL taxonomy that is currently in force.

## **Exceptional cases pursuant to Art. 2423, fifth paragraph, of the Italian Civil Code**

**EXCEPTIONAL CASES UNDER ART. 2423, FIFTH PARAGRAPH OF THE ITALIAN CIVIL CODE**

It should be noted that, within these financial statements, there have been no exceptional cases involving the use of the derogation referred to in the fifth paragraph of Art. 2423.

## Changes in accounting principles

### CHANGES IN ACCOUNTING PRINCIPLES

In the year in question, no valuation criteria were changed compared to the previous year.

## Correction of significant errors

### CORRECTION OF SIGNIFICANT ERRORS

It should be noted that no significant errors were found during the year covered by these financial statements.

## Problems of comparability and adjustment

### PROBLEMS OF COMPARABILITY AND ADJUSTMENT

In the year under review, no problems of comparability and adjustment were identified.

For a better classification of the balance sheet items, please note the reclassification of the following amounts with respect to the 30/06/2019 financial statement figures:

INCOME STATEMENT	DEBIT AMOUNT	CREDIT AMOUNT	CLASSIFICATION OF REGISTERED ITEMS OF THE FINANCIAL STATEMENTS OF 30/6/2019	RECLASSIFICATION OF ITEMS OF THE FINANCIAL STATEMENTS OF 30/6/2019 COMPARED WITH 30/6/2020
WORK CLOTHING	26,317		B6	B9e
PHARMACEUTICALS	2,201		B6	B14
STATIONERY AND PRINTED MATERIALS	55,484		B6	B14

## Applied valuation criteria

### APPLIED VALUATION CRITERIA

The valuation criteria which were adopted are those specifically provided for by Art. 2426 and by other norms of the Italian Civil Code.

For the evaluation of specific cases not expressly regulated by the aforementioned regulations, the national accounting standards prepared by the Italian Accounting Body (O.I.C.) were used.

## **Other information**

### **OTHER INFORMATION**

In addition to filling in the information required by art. 2427 of the Italian Civil Code, additional or complementary information required by law, is provided below in order to provide a true and fair view of the Company's financial position, results of operations and cash flows.

#### **Criteria for the conversion of values expressed in foreign currency**

Receivables and payables originally expressed in foreign currency have been converted into the reporting currency by using the historical exchange rates in force on the date of the relative transactions. Exchange rate differences realized at the time of collection of receivables and the payment of payables in foreign currency are booked in the income statement.

All receivables and payables in foreign currencies existing as of 30/06/2020 have been valued on the basis of the exchange rates in force on the closing date of the financial year. This adjustment resulted in exchange rate gains and losses which were recorded in the income statement.

#### **Potentially significant effects of changes in exchange rates occurring after the end of the financial year (Article 2427, paragraph 1, No. 6-bis of the Italian Civil Code)**

After the end of the financial year, there were no changes in foreign exchange rates such as to generate significant effects on assets and liabilities held in foreign currency.

## **Explanatory notes, assets**

### **Assets**

In this section of the Explanatory Notes - in compliance with the structure dictated by the XBRL taxonomy and in accordance with the provisions of Article 2427 of the Italian Civil Code - commentary is provided on the items which, in the financial statements for the year ended 30/06/2020, compose the assets of the Balance Sheet.

## **Receivables due from shareholders for payments still due**

### **A) RECEIVABLES DUE FROM SHAREHOLDERS FOR PAYMENTS STILL DUE**

There are no receivables due from shareholders for payments still due.

## **Fixed assets**

## **Intangible fixed assets**

### **B) I - INTANGIBLE FIXED ASSETS**

Intangible fixed assets are booked under assets following approval from the Board of Statutory Auditors, if necessary, and at their purchase cost decreased by the relative amortization which is calculated by taking into account the long-term usefulness of the assets themselves as well as for a period not exceeding five years. Goodwill, although acquired with consideration, requires a special note to clarify its booking in the financial statements. As is known, it was acquired (with consideration) at a price of € 4.2 million and subjected, over various years, to progressive write-downs for a total of € 1,472,000; in addition, this item was amortized over the years in accordance with plans that were deemed suitable at the time by the Directors of the Company and, finally, the net value of the intangible asset in question, as of 30/06/2013, was € 628,304. At the time of preparation of these financial statements, the aforementioned value – which, as a result of subsequent amortization, was cancelled - was valued in relation to forecasted profits of the industrial plan in progress and by taking into account elements ascribable to the goodwill item and valued by the plan itself; it was considered suitable. Other intangible fixed assets consist of "incremental expenses on third party assets" and are amortized on the basis of the duration of the relative lease, given that this principle, expressly provided for by Art. 103, paragraph two of Italian Presidential Decree 917/86, was also deemed consistent with accounting principle O.I.C. No. 24

## Movements in intangible fixed assets

### Movements in intangible fixed assets

Balance as of 30/06/2020	5,219,464
Balance as of 30/06/2019	3,431,406
Change	1,788,058

The table below reports movements in intangible fixed assets during the year.

	Start-up and expansion costs	Development costs	Industrial patent and intellectual property rights	Auth., licenses, trademarks and similar rights	Goodwill	Fixed assets in progress and advances	Other fixed assets	Total fixed assets
<b>Value at year start</b>								
<b>Cost</b>	-	-	223,388	-	2,728,000	28,140	3,448,703	6,428,231
<b>Revaluations</b>	-	-	-	-	-	-	-	0
<b>Amortization (Provisions for amortization)</b>	-	-	218,092	-	2,728,000	-	50,733	2,996,825
<b>Write-downs</b>	-	-	-	-	-	-	-	0
<b>Book value</b>	-	-	5,296	-	-	28,140	3,397,970	3,431,406
<b>Changes in the year</b>								
<b>Increases for acquisitions</b>	0	0	23,200	0	0	0	2,111,105	2,134,305
<b>Reclassifications (of book value)</b>	-	-	-	-	-	(28,140)	28,140	0

	Start-up and expansion costs	Development costs	Industrial patent and intellectual property rights	Auth., licenses, trademarks and similar rights	Goodwill	Fixed assets Fixed assets in progress and advances	Other fixed assets Fixed assets	Total fixed assets Fixed assets
Decreases for disposals and divestments (of book value)	0	0	0	0	0	0	0	0
Revaluations during the year	-	-	-	-	-	-	-	0
Amort. of the year	0	0	10,380	0	0	0	335,868	346,248
Write-downs during the year	-	-	-	-	-	-	-	0
Other changes	0	0	0	0	0	0	0	0
<b>Total changes</b>	0	0	12,820	0	0	(28,140)	1,803,378	1,788,058
<b>Year-end value</b>								
Cost	-	-	246,588	-	2,728,000	-	5,587,949	8,562,536
Revaluations	-	-	-	-	-	-	-	0
Amortization (Provisions for amortization)	-	-	228,472	-	2,728,000	-	386,601	3,343,073
Write-downs	-	-	-	-	-	-	-	0
<b>Book value</b>	-	-	18,116	-	-	-	5,201,348	5,219,464

## Tangible fixed assets

### B) II - TANGIBLE FIXED ASSETS

Tangible fixed assets are booked at their purchase cost, adjusted by appropriate depreciation and any write-downs that took account of the technical and economic wear and tear over time.

Maintenance costs have been fully booked to the income statement in the financial year in which they were sustained.

## Movements of tangible fixed assets

### Movements of tangible fixed assets

Balance as of 30/06/2020	621,366
Balance as of 30/06/2019	851,180
Change	-229,814

The following table reports movements in tangible fixed assets during the year.

	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible assets in progress and advances	Total tangible fixed assets
<b>Value at year start</b>						
<b>Cost</b>	-	-	2,015,243	-	-	2,015,243
<b>Revaluations</b>	-	-	-	-	-	0
<b>Amortization (Provisions for amortization)</b>	-	-	1,164,063	-	-	1,164,063
<b>Write-downs</b>	-	-	-	-	-	0
<b>Book value</b>	-	-	851,180	-	-	851,180
<b>Changes in the year</b>						
<b>Increases for acquisitions</b>	21,966	0	216,451	0	0	238,417
<b>Reclassifications (of book value)</b>	-	-	-	-	-	0
<b>Decreases for disposals and divestments (of book value)</b>	0	0	464,888	0	0	464,888



	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible assets in progress and advances	Total tangible fixed assets
Revaluations during the year	-	-	-	-	-	0
Amort. of the year	0	0	287,083	0	0	287,083
Write-downs during the year	-	-	-	-	-	0
Other changes	0	0	283,740	0	0	283,740
Total changes	21,966	0	(251,780)	0	0	(229,814)
Year-end value						
Cost	21,966	-	1,766,806	-	-	1,788,772
Revaluations	-	-	-	-	-	0
Amortization (Provisions for amortization)	-	-	1,167,406	-	-	1,167,406
Write-downs	-	-	-	-	-	0
Book value	21,966	-	599,400	-	-	621,366

## Finance lease operations

### FINANCE LEASE OPERATIONS

The following table reports the information required by no. 22, paragraph 1 of Art. 2427 of the Italian Civil Code.

	Amount
Total amount of leased assets at the end of the year	375,645
Amortization that would have accrued within the year	46,956
Adjustments and value reinstatements that would have accrued within the year	0
Present value of the instalments not expired at the end of the year	302,965
Financial charges accrued for the year on the basis of the effective interest rate	3,137

# Financial fixed assets

## B) III - FINANCIAL FIXED ASSETS

### 1 – Equity investments

#### Equity investments in subsidiaries

Equity investments in the companies LOGI-TECH SRL, MILANO SVILUPPO SRL, VIGEVANO RETAIL SRL, IVREA RETAIL SRL, GALLARATE SVILUPPO SRL, TB04 SRL, TB05 SRL, TB06 SRL, TB07 SRL, TB08 SRL and TB09 SRL are valued according to their purchase or underwriting cost (increased by capital contribution payments and by waivers of loans to cover losses).

#### Equity investments in associates

Equity investments in the companies ARP SRL and MTM HOTELS SRL are valued according to their purchase or underwriting cost (increased by capital contribution payments).

#### Equity investments in other companies

The equity investment in SP TECHBAU LLC is valued according to its purchase or underwriting cost and is functional to the execution of real estate transactions in the reference markets of your company.

### 2 - Receivables

Non-current receivables (represented by security deposits and by financing to subsidiaries and associates) are valued on an analytical basis and booked according to their estimated realizable value, equal to the nominal value.

#### Movements in financial fixed assets

Balance as of 30/06/2020	3,505,637
Balance as of 30/06/2019	4,648,706
Change	-1,143,069

## Movements in equity investments, other securities and financial derivative non-current assets

The following table reports movements in financial fixed assets (equity investments, other securities and financial derivative assets) during the course of the year.

	Equity investments in subsidiaries	Equity investments in associates	Equity investments in parent companies	Equity investments in companies subject to control by parent companies	Equity investments in other companies	Total Equity investments	Other securities	Financial derivative assets
<b>Value at year start</b>								
<b>Cost</b>	434,100	524,400	-	-	1	959,501	-	-
<b>Book value</b>	435,100	524,400	-	-	1	959,501	-	-
<b>Changes in the year</b>								
<b>Decreases for disposals (of the book value)</b>	11,102	-	-	-	-	11,102	-	-
<b>Other changes</b>	9,117	-	-	-	-	9,117	-	-
<b>Total changes</b>	(1,985)	0	0	0	0	(1,985)	0	0
<b>Year-end value</b>								
<b>Cost</b>	433,115	524,400	-	-	1	957,516	-	-
<b>Book value</b>	433,115	524,400	-	-	1	957,516	-	-

The changes reflect the sale of 30% of the equity investment in the company LOGI-TECH SRL as well as the increase in the value of the equity investment in VIGEVANO RETAIL SRL, IVREA RETAIL SRL and TB04 SRL following the waiver of part of the credit for a non-interest bearing loan.

## Change and expiration of non-current receivables

The following table of XBRL taxonomy distinctly specifies- for each item – the totals of non-current receivables.

	Value at year start	Changes in the year	Year-end value	Quota expiring within the year
Non-current receivables due from subsidiaries	1,517,985	(1,243,485)	274,500	274,500
Non-current receivables due from associates	2,110,100	(100)	2,110,000	2,110,000
Non-current receivables due from parent companies	-	0	-	-
Non-current receivables due from companies subject to control by parent companies	-	0	-	-
Non-current receivables due from others	61,120	102,501	163,621	163,621
<b>Total non-current receivables</b>	<b>3,689,205</b>	<b>(1,141,084)</b>	<b>2,548,121</b>	<b>2,548,121</b>

## Details on non-current equity investments in subsidiaries

### EQUITY INVESTMENTS IN SUBSIDIARIES

In accordance with the provisions of Article 2427, paragraph 1, No. 5 of the Italian Civil Code, the details relative to the equity investments held directly or indirectly in subsidiaries are provided below on the basis of the situation in force on the date of the most recently approved financial statements.

Name	City, if in Italy, or foreign country	Tax ID (for Italian companies)	Share capital in Euro	Profit (loss) of the last year in Euro	Shareholders' equity in euro	Quota in euro	Quota in %	Book value or corresponding receivable
LOGI-TECH SRL	Milan	01922050032	20,000	9,814,468	9,868,769	12,000	60.00%	22,198
MILANO SVILUPPO SRL	Milan	05634280969	90,000	2,635,645	3,565,488	72,000	80.00%	301,000
VIGEVANO RETAIL SRL	Milan	10144390969	10,000	3,617	5,467	10,000	100.00%	13,617

Name	City, if in Italy, or foreign country	Tax ID (for Italian companies)	Share capital in Euro	Profit (loss) of the last year in Euro	Shareholders' equity in euro	Quota in euro	Quota in %	Book value or corresponding receivable
IVREA RETAIL SRL	Milan	10144400966	10,000	880	9,759	10,000	100.00%	13,000
GALLARATE SVILUPPO SRL	Milan	10144410965	40,000	1,481	32,789	20,800	52.00%	20,800
TB04 SRL	Milan	10396080961	10,000	2,157	12,375	10,000	100.00%	12,500
TB05 SRL	Milan	10705410966	10,000	(4,329)	4,817	10,000	100.00%	10,000
TB06 SRL	Milan	10705760964	10,000	(4,266)	4,880	10,000	100.00%	10,000
TB07 SRL	Milan	10803250967	10,000	(2,144)	7,856	10,000	100.00%	10,000
TB08 SRL	Milan	10803660967	10,000	(1,355)	8,645	10,000	100.00%	10,000
TB09 SRL	Milan	10803940963	10,000	(1,997)	8,003	10,000	100.00%	10,000
<b>Total</b>								433,115

All shareholdings in subsidiaries are directly owned.

## Details on non-current equity investments in associates

### EQUITY INVESTMENTS IN ASSOCIATES

In accordance with the provisions of Article 2427, paragraph 1, No. 5 of the Italian Civil Code, the details relative to the equity investments held directly or indirectly in associates are provided below on the basis of the situation in force on the date of the most recently approved financial statements.

Name	City, if in Italy, or foreign country	Tax ID (for Italian companies)	Share capital in Euro	Profit (loss) of the last year in Euro	Shareholders' equity in euro	Quota in euro	Quota in %	Book value or corresponding receivable
ARP SRL	Milan	09877310962	20,000	(5,888)	33,194	4,400	22.00%	4,400
MTM HOTELS SRL	Torri del Benaco (VR)	04239940234	20,000	250,416	1,633,700	6,000	30.00%	520,000
<b>Total</b>								524,400

All equity investments in associates are directly owned.

## Subdivision of non-current receivables by geographical area

### Subdivision of non-current receivables by geographical area

There are no non-current receivables due from foreign entities.

## Non-current receivables relative to repurchase transactions

### Non-current receivables relative to repurchase transactions

No receivables of this type exist.

## Value of financial fixed assets

### Value of financial fixed assets

In compliance with the provisions of art. 2427-*bis*, paragraph 1, no. 2 of the Italian Civil Code, it should be noted that there were no financial fixed assets booked at a value higher than fair value.

## Current assets

### C) CURRENT ASSETS

In accordance with the format dictated by the XBRL taxonomy, the valuation criteria and the movements relative to each of the items that comprise current assets are reported below.

## Inventories

### C) I - INVENTORIES

Work orders in progress are made up of both orders that expire in one year and those that expire in more than one year. Work orders with multi-year expiration dates, as in the past, are valued at cost (expenses incurred), as expressly provided for by tax law (Art. 2, paragraph 6 of Italian Presidential Decree 917/1986). This is considered more prudent for the purposes of the book value. Work orders with multi-year expiration dates are valued on the basis of the percentage of completion criterion.

#### Change in inventories

Inventories are recorded in the financial statements for a total amount of 323,170,259 Euro.

The following table shows the details of the changes which occurred during the year.

	Value at year start	Change	Year-end value
<b>Raw &amp; ancillary materials and consumables</b>	-	0	-
<b>Products in progress and semi-finished products</b>	-	0	-
<b>Contract work in progress</b>	133,469,225	185,516,165	318,985,390
<b>Finished products and goods</b>	-	0	-
<b>Advances</b>	8,323,832	(4,138,963)	4,184,869
<b>Total inventories</b>	141,793,057	181,377,202	323,170,259

The increase in inventories reflects the growth of operations reported during the year as well as the important tender contracts in progress.

To better clarify the information presented in the financial statements and in these Explanatory Notes, it should be noted that inventories for contract work in progress - totaling € 319.0 million - includes the value already subject to liquidation (SAL) recorded among payables under the item "payables for advances" and totaling € 296.3 million. Consequently, the net value of the aforementioned contract work in progress was equal to € 22.7 million. Finally, it should be noted that accounting exposure in the financial statements reflects OIC accounting principle no. 23.

## Receivables booked under current assets

### C) II - RECEIVABLES

Receivables booked under current assets are recorded in the financial statements at nominal value after deducting provisions for write-downs which were established during the year and in previous years on an analytical and lump sum basis; this was deemed adequate to express their estimated realizable value.

## Changes and due dates of receivables booked under current assets

### Change in receivables

Receivables booked under current assets are recorded in the financial statements for a total amount of € 53,982,490.

The table below provides details of the changes which occurred during the year.

	Value at year start	Change	Year-end value	Quota expiring within the year
Receivables booked under current assets due from customers	33,044,528	14,152,211	47,196,739	47,196,739
Receivables booked under current assets due from subsidiaries	-	356,321	356,321	356,321
Receivables booked under current assets due from associated companies	2,389,511	(2,378,990)	10,521	10,521
Receivables booked under current assets due from parent companies	-	0	-	-
Receivables booked under current assets due from companies subject to control by parent companies	-	0	-	-
Tax receivables booked under current assets	853,869	548,144	1,402,013	1,402,013
Prepaid tax assets booked under current assets	114,983	734,312	849,295	
Receivables booked under current assets due from others	424,211	3,743,390	4,167,601	4,167,601
<b>Total receivables booked under current assets</b>	<b>36,827,102</b>	<b>17,155,388</b>	<b>53,982,490</b>	<b>53,133,195</b>



The increase in receivables is mainly ascribable to the increase in trade receivables resulting from the increase in production and revenues.

The increase in receivables from others, on the other hand, reflects the payment of a deposit for the purchase of land.

It should be noted that the provisions for receivable risks as of 30/06/2020 amounted to € 1,979,097.

The details of Receivables due from others are as follows:

Receivables due from CM Nautica Srl	€	3,000
Receivables due from the parent company for taxes	€	60,727
Receivables for deposits relative to land purchases	€	4,087,074
Receivables for personnel management	€	16,800

## Subdivision of receivables booked under current assets by geographical area

### Subdivision of receivables booked under current assets by geographical area

Details of receivables booked under current assets are reported below by geographical area.

Geographical area	ITALY	ABROAD	Total
Receivables booked under current assets due from customers	42,656,504	4,540,235	47,196,739
Receivables booked under current assets due from subsidiaries	356,321	-	356,321
Receivables booked under current assets due from associates	10,521	-	10,521
Tax receivables booked under current assets	1,013,430	388,583	1,402,013
Prepaid tax assets booked under current assets	849,295	-	849,295
Receivables booked under current assets due from others	4,167,601	-	4,167,601
Total receivables booked under current assets	49,053,672	4,928,818	53,982,490

## Receivables booked under current assets relative to repurchase transactions

### Receivables booked under current assets relative to repurchase transactions

No receivables of this type exist.

## Financial assets which are not fixed assets

### Change in financial assets which are not fixed assets

#### C) III – FINANCIAL ASSETS WHICH ARE NOT FIXED ASSETS

These are recorded at the lower of purchase cost - determined with the application of the LIFO method and using annual increments - and the realizable value deducible from market trends.

#### Changes in financial assets which are not fixed assets

They are recorded in the financial statements for a total amount of Euro 6,169,901.

The table below provides details of the changes which occurred during the year.

	Value at year start	Changes in the year	Year-end value
Current equity investments in subsidiaries	-	0	-
Current equity investments in associates	-	0	-
Current equity investments in parent companies	-	0	-
Current equity investments in companies subject to the control of parent companies	-	0	-
Other current equity investments	-	0	-
Current financial derivative assets	-	0	-
Other current securities	3,607,150	2,562,751	6,169,901
Financial assets for centralized treasury management	-	0	-
<b>Total financial assets which are not fixed assets</b>	<b>3,607,150</b>	<b>2,562,751</b>	<b>6,169,901</b>

The change is due to purchases and sales made during the year as well as due to the slight adjustment of values to market valuations made on the closing date of the year.

It should be noted that the item in question is a liquidity reserve.

## Liquid funds

### C) IV - LIQUID FUNDS

These are booked at their nominal or cash value.

#### Change in liquid funds

Liquid funds are booked in the financial statements for a total of € 60,083,022.

The following table reports the details of the changes that occurred during the year.

	Value at year start	Change	Year-end value
Bank and postal deposits	45,800,502	14,276,556	60,077,058
Checks	-	0	-
Cash and other cash equivalents	2,868	3,096	5,964
<b>Total liquid funds</b>	<b>45,803,370</b>	<b>14,279,652</b>	<b>60,083,022</b>

The increase in cash and cash equivalents reflects the increase in production.

## Accrued income and deferred charges

### D) ACCRUED INCOME AND DEFERRED CHARGES

These are determined according to the accruals criterion pursuant to Art. 2424 bis, paragraph 5 of the Italian Civil Code.

#### Changes in accrued income and deferred charges

Accrued income and deferred charges are recorded in the financial statements for a total of € 206,904.

The following table reports the details of the changes that occurred during the year.

	Value at year start	Change	Year-end value
Accrued income	0	0	0
Deferred charges	415,832	(208,928)	206,904

	Value at year start	Change	Year-end value
<b>Total accrued income and deferred charges</b>	415,832	(208,928)	206,904

### **Composition of accrued income and deferred charges (art. 2427 paragraph 1 n. 7 of the Italian Civil Code)**

The composition of deferred charges is as follows:

Surety charges	€	112,290
Insurance	€	4,499
Rental fees	€	43,687
Assistance and maintenance fees	€	10,871
Subscriptions	€	3,801
Payable rents	€	600
Leasing fees	€	31,156

## **Capitalized financial charges**

### **CAPITALIZED FINANCIAL CHARGES**

During the course of the year, no financial charges were booked in relation to assets of the balance sheet.

## **Explanatory notes, liabilities and shareholders' equity**

### **SHAREHOLDERS' EQUITY AND LIABILITIES**

In this section of the Explanatory Notes, in accordance with the structure dictated by the XBRL taxonomy and in compliance with the provisions of Article 2427 of the Italian Civil Code, commentary is provided on the items that comprise the Shareholders' Equity and the liabilities of the Balance Sheet.

## Shareholders' equity

### Changes in the items of shareholders' equity

#### A) SHAREHOLDERS' EQUITY

Shareholders' equity amounts to € 23,913,404 and reported an increase of € di 3,330,159.

Changes in the amounts of shareholders' equity items, as required by Art. 2427 paragraph 4 of the Italian Civil Code, as well as the composition of the item "Miscellaneous Other reserves" are reported below.

	Value at year start	Allocation of result of previous year	Other changes	Result of the year	Year-end value
		Other allocations	Decrease		
Share capital	9,698,833	-	-		9,698,833
Share premium reserve	759,852	-	-		759,852
Legal reserve	616,472	193,690	-		810,162
Other reserves					
Extraordinary reserve	5,634,295	3,680,102	5,001,688		4,312,709
Misc. other reserves	1	-	-		1
Total other reserves	5,634,296	3,680,102	5,001,688		4,312,710
Reserve for operations to hedge forecasted cash flows	-	-	-		(156,500)
Profit (loss) for the year	3,873,792	(3,873,792)	-	8,488,347	8,488,347
Total shareholders' equity	20,583,245	-	5,001,688	8,488,347	23,913,404

The changes in the Legal Reserve and the Extraordinary Reserve are due to the allocation of the profit for the previous year, net of dividend distributions as per the resolutions of 20 January 2020 and 3 February 2020.

It should be noted that there are no limitations, pursuant to Art. 2426 paragraph 1 point 5 of the Italian Civil Code, to the distribution of dividends.

### Availability and use of shareholders' equity

## ANALYSIS OF SHAREHOLDERS' EQUITY ITEMS

In accordance with Art. 2427, point 7-bis of the Italian Civil Code, the following table shows the origin, the possibility of use and distribution, as well as the use of the individual Shareholders' Equity items.

	Amount	Origin/nature	Possibility of use	Available quota
Share capital	9,698,833			-
Share premium reserve	759,852	Capital reserve	A B C	759,852
Legal reserve	810,162	Net income reserve	B	810,162
Other reserves				
Extraordinary reserve	4,312,709	Net income reserve	A B C	4,312,709
Misc. other reserves	1			1
Total other reserves	4,312,710			4,312,710
Reserve for operations to hedge forecasted cash flows	(156,500)			-
Total	15,425,057			5,882,724
Residual distributable portion				5,882,724

Legend: A: for capital increase B: to cover losses C: for distribution to shareholders D: for other statutory obligations E: other

## Changes in the reserve for operations to hedge forecasted cash flows

### RESERVE FOR OPERATIONS TO HEDGE FORECASTED CASH FLOWS

There were no transactions involving derivatives with the aim of hedging cash flows; as a result, no reserve for operations to hedge forecasted cash flows is present in the company's assets.

## B) Provisions for risks and charges

### B) PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges have been allocated to cover losses or payables of certain or probable existence which are not directly related to specific asset items and whose nature and amount could be determined at the end of the year but not their date of occurrence. The allocations reflect the best possible estimate on the basis of available information.

The table below provides details of the changes that occurred during the year.

	Provision for pensions and similar obligations	Provision for taxes, even deferred	Financial derivative liabilities	Other provisions	Total provisions for risks and charges
<b>Changes in the year</b>					
<b>Total changes</b>	0	0	156,500	1,000,000	1,156,500
<b>Year-end value</b>	-	-	156,500	1,000,000	1,156,500

For an analysis of the changes that have taken occurred, please refer to what has already been illustrated in the Report on Operations.

### Composition of the item Other provisions

In compliance with the provisions of Art. 2427, paragraph 1, No. 7 of the Italian Civil Code, details of the item "Other provisions" are provided below:

- Provisions for Legal Dispute Risks	€	1,000,000
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## Employee termination indemnities

### C) EMPLOYEE TERMINATION INDEMNITIES

This item reflects the actual debt existing on the closing date of the financial statements with respect to all employees; it is determined in compliance with the provisions of Art. 2120 of the Italian Civil Code as well as the provisions of legislation and contractual agreements in force on labor issues, net of any advances paid.

The table below provides details of the changes that occurred during the year.

	Employee termination indemnities
Value at year start	32,707
Changes in the year	
Allocation during the year	342,814
Use during the year	345,602
Total changes	(2,788)
Year-end value	29,919

The uses include the amounts of the liability for employee termination indemnities transferred to the INPS treasury fund, to supplementary pension funds and to employees following advances and/or resignations.

## Payables

### D) PAYABLES

Payables are booked at their nominal value and on the basis of the securities from which they are derived.

## Changes in and maturity of payables

The total amount of payables is Euro 427,859,220.

The table below provides details of the changes which occurred during the year.

	Value at year start	Change	Year-end value	Quota expiring within the year	Amount due after one year
Bonds	-	0	-	-	-
Convertible bonds	-	0	-	-	-
Payables to shareholders for loans	-	0	-	-	-
Payables to banks	22,721,830	(889,131)	21,832,699	17,442,775	4,389,924
Payables to other financial institutions	5,500,000	(5,500,000)	-	-	-
Advances	108,569,682	201,911,293	310,480,975	310,480,975	-
Payables to suppliers	75,123,616	8,664,882	83,788,498	83,788,498	-



	Value at year start	Change	Year-end value	Quota expiring within the year	Amount due after one year
<b>Payables represented by credit instruments</b>	-	0	-	-	-
<b>Payables to subsidiaries</b>	196,895	8,100,363	8,297,258	8,297,258	-
<b>Payables to associated companies</b>	-	0	-	-	-
<b>Payables to parent companies</b>	-	10,980	10,980	10,980	-
<b>Payables to companies subject to the control of the parent companies</b>	-	0	-	-	-
<b>Tax payables</b>	1,435,461	(222,441)	1,213,020	1,213,020	-
<b>Payables to pension and social security institutions</b>	493,527	68,803	562,330	562,330	-
<b>Other payables</b>	2,720,840	(1,047,380)	1,673,460	1,673,460	-
<b>Total payables</b>	216,761,851	211,097,369	427,859,220	423,469,296	4,389,924

The change primarily reflects the increase in advances received from customers for the progress of work (SAL) of work orders and, in part, the increase in trade payables as a consequence of the increase in production and the growth of orders in progress.

The decrease in payables to banks reflects the positive trend of the company's cash-flow.

For the sake of completeness, it should be noted that the entire debt structure of your Company is consistent with financial planning.

The detail of other payables is as follows:

Other payables	€	110,040
Payables due to credit cards	€	24,983
Credit notes to issue	€	580,224
Receivables for personnel management	€	958,213

## Breakdown of payables by geographical area

### Breakdown of payables by geographical area

The breakdown of payables by geographical area is shown below.

Geographical area	ITALY	ABROAD	Total
Payables to banks	21,832,699	-	21,832,699
Advances	310,480,975	-	310,480,975
Payables to suppliers	83,026,494	762,004	83,788,498
Payables to subsidiaries	8,297,258	-	8,297,258
Payables to parent companies	10,980	-	10,980
Tax payables	1,213,020	-	1,213,020
Payables to pension and social security institutions	562,330	-	562,330
Other payables	1,673,460	-	1,673,460
Payables	427,097,216	762,004	427,859,220

## Payables secured by real estate collateral on company assets

### PAYABLES SECURED BY REAL ESTATE COLLATERAL ON COMPANY ASSETS

With regard to the provisions of Article 2427, paragraph 1, point 6, of the Italian Civil Code, it is hereby reported that there were no payables secured by real estate collateral on company assets.

## Explanatory notes, income statement

### INCOME STATEMENT

In this section of the Explanatory Notes - in accordance with the structure dictated by the XBRL taxonomy and in compliance with the provisions of Article 2427 of the Italian Civil Code - we make comments on certain items which, in the financial statements for the year ended on 30/06/2020, make up the income statement.

## **Total revenues**

### **RECOGNITION OF REVENUES**

Revenues, consisting of services, are credited to the Income Statement at the time of execution of the service.

Revenues from construction contracts are recognized, along with costs, in relation to the state of progress of the activities on the closing date of the year. Changes to the contract, price revisions and incentives are included if reasonably certain.

## **Breakdown of revenues from sales and services by business category**

### **BREAKDOWN OF REVENUES FROM SALES AND SERVICES BY CATEGORY OF ACTIVITY**

Under Article 2427, paragraph 1, no. 10 of the Italian Civil Code, we do not consider it significant to break down revenues by category of activity given that the company essentially carries out only one activity.

## **Breakdown of revenues from sales and services by geographical area**

### **BREAKDOWN OF REVENUES FROM SALES AND SERVICES BY GEOGRAPHICAL AREA**

Under art. 2427 paragraph 1 point 10 of the Italian Civil Code, the breakdown of revenues by geographical area is not deemed significant given that the revenues essentially refer to entities with a residence in Italy.

## **Financial proceeds and charges**

## **Breakdown of proceeds from equity investments**

### **AMOUNT OF INCOME FROM EQUITY INVESTMENTS OTHER THAN DIVIDENDS**

In accordance with Art. 2427, paragraph 1, point 11 of the Italian Civil Code, it should be noted that no income from equity investments other than dividends was received during the year.

## **Breakdown of interest and other financial charges by type of payable**

### **BREAKDOWN OF INTEREST AND OTHER FINANCIAL CHARGES**

In compliance with the provisions of Article 2427, paragraph 1, point 12 of the Italian Civil Code, we provide the breakdown of the financial interests and charges recorded under item C.17 of the income statement on the basis of their origin.

	<b>Interest and other financial charges</b>
<b>Payables to banks</b>	457,225
<b>Other</b>	151,706
<b>Total</b>	608,931

## **Amount and nature of the individual items of revenues/costs of exceptional magnitude or incidence**

### **THE AMOUNT AND NATURE OF THE INDIVIDUAL REVENUE ITEMS OF EXCEPTIONAL SCOPE OR INCIDENCE**

During the year, the company did not recognise any revenues of an exceptional amount or incidence in the income statement.

### **THE AMOUNT AND NATURE OF THE INDIVIDUAL COST ELEMENTS OF EXCEPTIONAL SCOPE OR INCIDENCE**

During the year, the company did not recognise any costs of an exceptional amount or incidence in the income statement.

## **Current, deferred and prepaid income taxes for the year**

### **INCOME TAXES FOR THE YEAR**

They are recorded on the basis of taxable income, in accordance with the tax provisions in force.

It should be noted that - pursuant to Article 24 of the Law Decree 34/2020, and for the year ended 30/06/2020 - the payment of the IRAP balance is not due.

In relation to the deductibility of negative items of income in financial years subsequent to the year of booking to the Income Statement, the relative prepaid taxes are recorded as a decrease of current taxes, with an offsetting entry under item C.II.05.ter of the Balance Sheet.

## Recognition of deferred and prepaid taxes and consequent effects

	IRES
<b>A) Timing differences</b>	
<b>Total deductible timing differences</b>	3,059,631
<b>B) Fiscal effects</b>	
<b>Reserve for deferred tax (prepaid) at the beginning of the year</b>	114,983
<b>Deferred tax (prepaid) taxes at the beginning of the year</b>	734,311
<b>Reserve for deferred tax (prepaid) at the end of the year</b>	849,295

## Details of deductible timing differences

Description	Amount at the end of the previous financial year	Change in the year	Amount at the end of the financial year	IRES rate	IRES tax effect
Taxed allowance for doubtful accounts	479,097	1,500,000	1,979,097	24.00%	474,983
Provisions for Legal Dispute Risks	-	1,000,000	1,000,000	24.00%	240,000
Credit notes to issue	-	559,631	559,631	24.00%	134,311

## Explanatory notes, cash flow statement

### CASH FLOWS STATEMENT

The cash flow statement provides information useful for assessing the company's financial position, including liquidity and solvency, in the year under review in addition to information on subsequent years.

## **Explanatory notes, other information**

### **OTHER INFORMATION**

In addition to filling in the information required by art. 2427 of the Italian Civil Code, additional or complementary information required by law, is provided below in order to provide a true and fair view of the Company's financial position, results of operations and cash flows.

The Company has availed itself of the option provided for by Art. 27 of Legislative Decree 127 of 9 April 1991 to not prepare the consolidated financial statements given that it is a subsidiary of "Techbau Holding Srl" which is required to prepare the group consolidated financial statements.

## **Employment data**

### **Average number of employees by category (Art. 2427, par. 1, point 15 of the Italian Civil Code)**

The average number of employees, broken down by category, is shown in the following table:

	<b>Average number</b>
<b>Executives</b>	2
<b>Mid-level managers</b>	14
<b>Employees</b>	78
<b>Workers</b>	5
<b>Total Employees</b>	99

## **Fees, advances and loans granted to directors and statutory auditors and commitments undertaken on their behalf**

## **Total amount of fees, advances and loans granted to directors and statutory auditors and commitments undertaken on their behalf (Article 2427, paragraph 1, point 16 of the Italian Civil Code)**

The fees due, advances and loans granted to Directors and Statutory Auditors during the year in question, as well as the commitments undertaken on their behalf as a result of provided sureties of any kind, are shown in the table below:

	<b>Directors</b>	<b>Auditors</b>
<b>Fees</b>	126,000	24,960

## **Fees to the Regulatory Auditor or Auditing Firm**

### **Amount of fees due to the Auditor**

The fees paid to the Auditor for the services provided under Article 2427 point 16-bis of the Italian Civil Code are shown in the following table:

	<b>Value</b>
<b>Regulatory audit</b>	20,000

## **Categories of shares issued by the company**

### **Number and nominal value of each category of shares in the Company**

In compliance with the provisions of Article 2427, paragraph 1, point 17 of the Italian Civil Code, the following table provides details of each category of shares in the company.

No change in share capital occurred during the year.

## **Securities issued by the company**

### **Dividend shares, bonds convertible into shares, securities or similar securities issued by the Company**

The company has not issued dividend shares, convertible bonds, securities or other similar securities.

## **Commitments, guarantees and contingent liabilities not shown in the balance sheet**

## **Commitments, guarantees and contingent liabilities not shown in the balance sheet (Article 2427, paragraph 1, point 9 of the Italian Civil Code)**

The following table reports the guarantees provided by third parties for obligations which could result in potential liabilities for the Company and which are not reported in the balance sheet. These include guarantees provided from banks to the client upon delivery of construction sites and for limited periods in order to cover potential contingencies. It should be noted that experience leads us to consider the risk of negative events to be low.

	<b>Amount</b>
<b>Potential liabilities</b>	55,308,298

## **Information on related party transactions**

### **Transactions with related parties (Article 2427, paragraph 1, point 22-bis of the Italian Civil Code)**

It should be noted that there are no transactions with related parties that are not carried out at normal market conditions.

## **Information on agreements not shown in the balance sheet**

### **Agreements not reported in the Balance Sheet (Article 2427, paragraph 1, point 22-ter)**

In accordance with Art. 2427, number 22-ter, it should be noted that the Company currently has the following leasing contracts in progress:

- contract no. 1136446/1, stipulated on 15/05/2019 with "Alba Leasing Spa", expiring on 14/05/2022 and concerning the HYUNDAI TUCSON FL 2.0 automobile. The amount of the residual installments as of 30/06/2020 amounted to € 13,614
- contract no. A1B84255, signed on 25/02/2020 with "Bnp Paribas Lease Group SA", expiring on 24/01/2025, concerning the Manitou MRT 2550 rotating telescopic handler. The amount of the residual installments as of 30/06/2020 amounted to € 151,494
- contract no. A1B99258, signed on 27/05/2020 with "Bnp Paribas Lease Group SA", expiring on 26/04/2025, concerning the Manitou MRT 2150 rotating telescopic handler. The amount of the residual installments as of 30/06/2020 amounted to € 154,459



## Information on significant events occurring after the end of the financial year

**Significant events occurring after the end of the financial year (Article 2427, paragraph 1, point 22-quater of the Italian Civil Code)**

After the end of the financial year, there were no significant events such as to be illustrated in these Explanatory notes.

### Information in relation to the spread of the "COVID-19" coronavirus

Pursuant to Art. 2427 no. 22 quater) of the Italian Civil Code, it should be noted that - since the end of February 2020 - the pandemic spread of "Covid-19" has worsened in Italy. The emergency has consequences not only in terms of healthcare but also from an economic perspective. Many companies - also as a result of the decrees approved by the Government, in an attempt to manage the emergency and its related difficulties - have been forced to suspend their operations.

In addition to this factor, it should be noted that many tax deadlines have been changed, as well as the terms of payment of certain taxes. As of today's date, the financial and economic effects that this emergency may have caused are not yet known.

However - in light of what is stated in the Report on Operations, and after careful evaluation - I confirm that, at present, it was concluded that there are no significant uncertainties that could lead to problems related to business continuity.

## Companies that draft financial statements of the largest / smallest set of companies to which it belongs as a subsidiary

The Company has availed itself of the option provided for by Art. 27 of Legislative Decree 127 of 9 April 1991 to not prepare the consolidated financial statements given that it is a subsidiary of "Techbau Holding Srl" which is required to prepare the group consolidated financial statements.

	Largest set of companies
Name of company	TECHBAU HOLDING SRL
City, if in Italy, or foreign country	Milan
Tax ID (for Italian companies)	02096000035
Registration location of consolidated financial statements	Milan

## Information on derivative financial instruments under Article 2427-bis of the Italian Civil Code

## **Information on derivative financial instruments under Article 2427-bis of the Italian Civil Code**

The company has established an interest rate risk hedging operation through which the contractual rate of the ten-year loan of € 4.6 million is replaced by the rate of the derivative set at 3%. On the basis of market data, the *fair-value* (MTM) was equal to € -156,500.17; it was recognized in the liabilities of the balance sheet in compliance with the related accounting standard (O.I.C. 32).

## **Summary statement of the financial statements of the company exercising management and coordination activities**

### **Management and coordination activities**

The company is not subject to management and coordination by third-party companies or entities.

## **Information pursuant to Art. 1, paragraph 125, of law no. 124**

### **Information pursuant to Art. 1, paragraph 125, of law no. 124 regarding contributions, subsidies, and received economic benefits**

In order to avoid the accumulation of irrelevant information, the publication obligation referred to in paragraph 125 of Law 124/2017 does not apply given that the amount of grants, contributions, paid assignments and, in any case, economic benefits of any kind received was - in the period under review - less than € 10,000.

## **Proposed allocation of profits or coverage of losses**

### **Proposed allocation of profits or coverage of losses**

With regard to the earned profit amounting to € 8,488,347.47, we propose to allocate it as follows:

- Euro 424,417.00, amounting to 5% of the Legal Reserve
- the residual amount of € 8,063,930.47 to the Extraordinary Reserve.

## **Explanatory notes, final part**

Milano, 04 September 2020

The SOLE DIRECTOR Andrea Marchiori

## **Declaration of compliance with financial statements**

The undersigned ANDREA MARCHIORI, in his capacity as administrator, aware of the criminal liability stipulated in the event of false declarations, certifies, under Art. 47 of Decree of the President of the Republic 445/2000, the correspondence of this document with the one kept in the company's records.

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