ICM GROUP

100 1921-2021

THE CULTURE OF BUILDING

2020 FINANCIAL STATEMENTS

ICM GROUP
THE CULTURE OF BUILDING

The origins of the Group date back to 1921 with the establishment of the Company in Recoaro Terme (Vicenza, Italy). In the Fifties and Sixties after moving to Vicenza, the company acquired contracts in the field of major works, both public and private, and developed a full range of industrial initiatives related to the construction industry (production plants for prefabrication, for the production of concrete, for the processing of iron for reinforced concrete).
In 1976 the scope of the company extended abroad with the establishment of Delma S.p.A. and the acquisition of important work contracts in extra-European countries.
Currently, the Group is active in large civil, industrial and infrastructural engineering projects. In Italy it is among the top ten most important national companies in terms of turnover, number of employees and order backlog, as well as being among the top two hundred and fifty international companies, according to the ENR ranking. In addition to the construction sector, the Group operates in the field of environmental, real estate and financial sectors. The Group companies belong to the most qualified italian and international associations and bodies.

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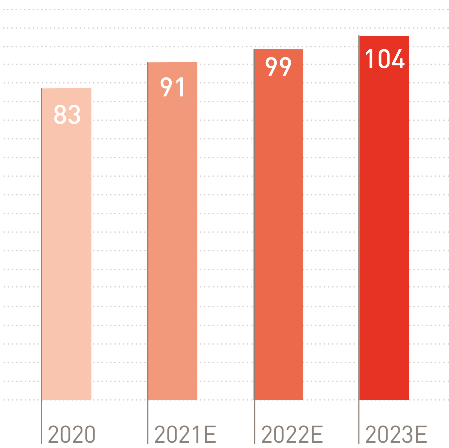
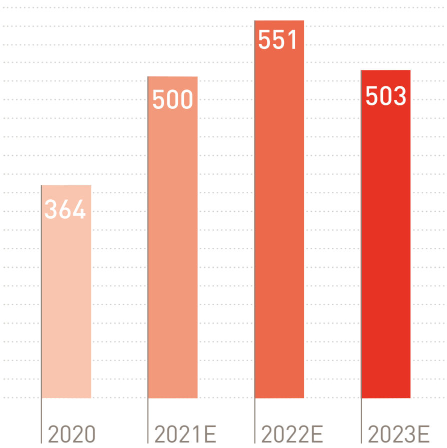
FINANCIAL STATEMENTS 2020 AND 2021-2023 BUSINESS PLAN

SUMMARY DATA
in millions of Euro

NET EQUITY

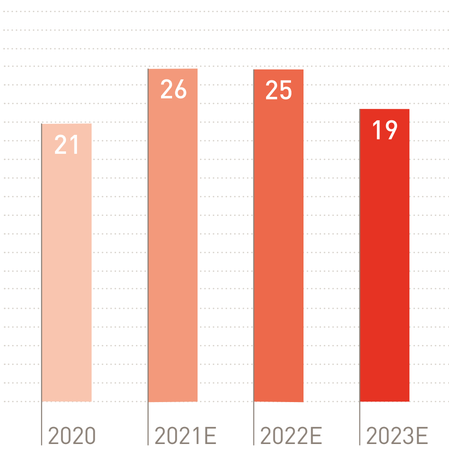


VALUE OF PRODUCTION



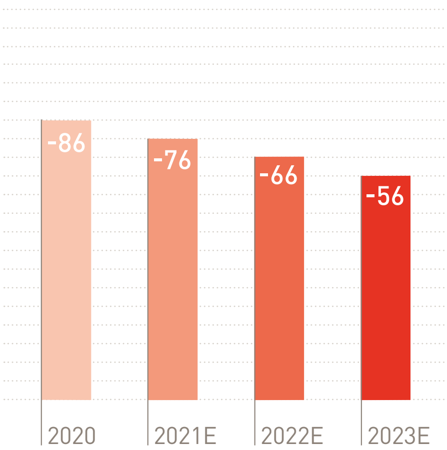
EBIT

Result before taxes and financial charges



NFP

Net financial position

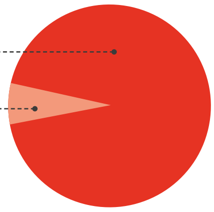


ICM S.p.A.
ORDER BACKLOG

AS OF 12.31.2020 | TOTAL MILLIONS € 1,840

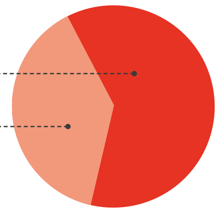
BY ACTIVITY SECTOR

PUBLIC	mil. €	1,730	94.0%
PRIVATE	mil. €	110	6.0%



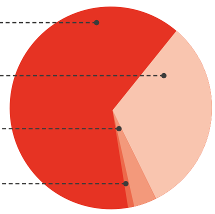
BY AREA

ITALY	mil. €	1,017	55.3%
ABROAD	mil. €	823	44.7%



BY TYPE

INFRASTRUCTURES	mil. €	1,302	70.8%
BUILDING	mil. €	528	28.7%
MAINTENANCE WORKS	mil. €	8	0.4%
PLANTS	mil. €	2	0.1%



CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

— 8 The Group

— 10 Main building sites in progress

— 14 Consolidated financial statements as of December 31, 2020

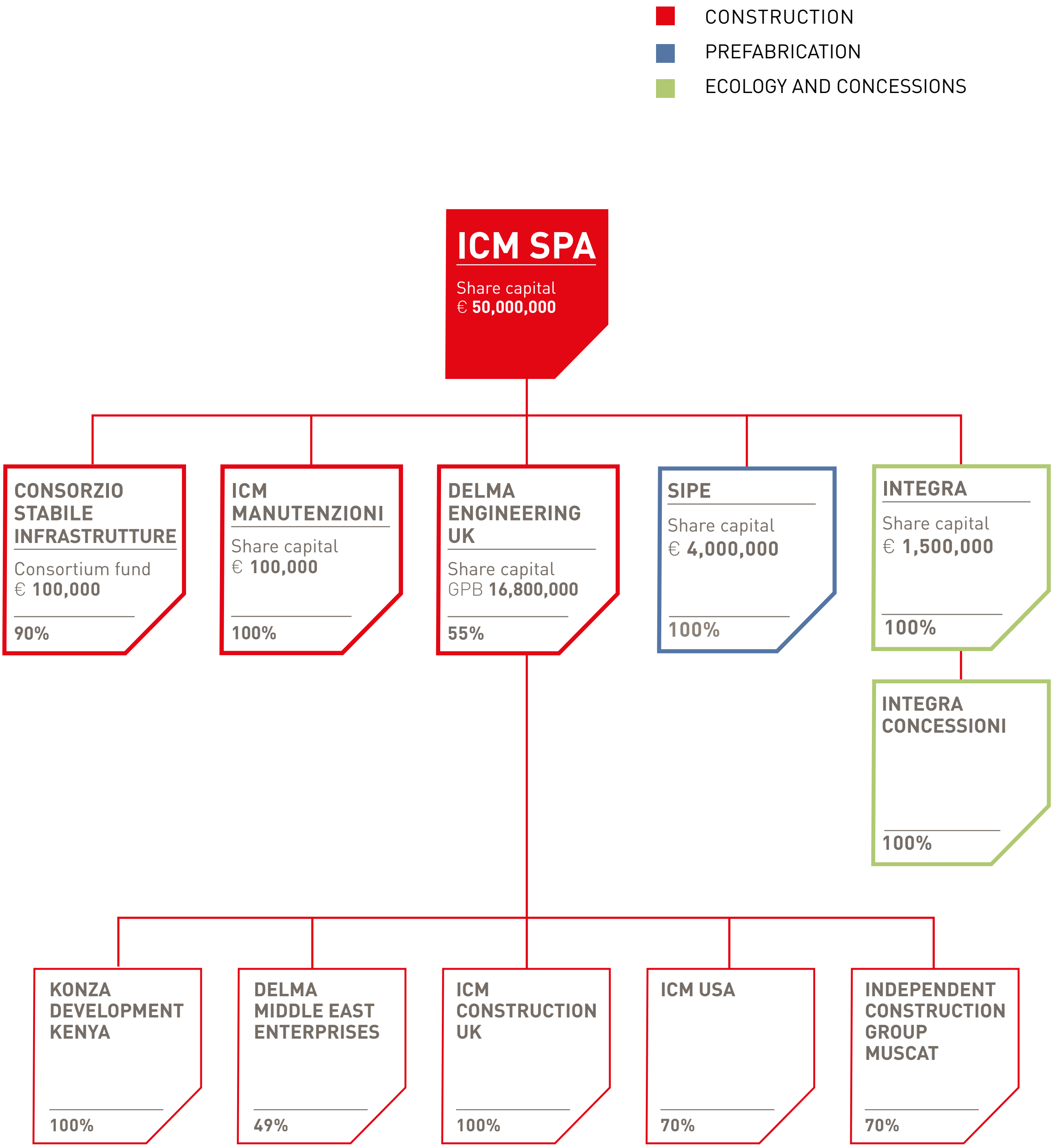
— 116 Auditors' report

— 120 Consolidated Companies

THE GROUP

GOVERNANCE AND SUPERVISORY BODIES

BOARD OF DIRECTORS	*President*	Gianfranco Simonetto
	Vice President	Giovanni Dolcetta Capuzzo
	Vice President	Francesco Simonetto
	Managing Director	Darik Gastaldello
	Director	Claudio Roberto Calabi
	Director	Bettina Campedelli
	Director	Francesco Marena
	Director	Alberto Regazzo
STATUTORY AUDITORS	*President*	Alessandro Terrin
	Auditor	Daniele Federico Monarca
	Auditor	Manfredo Turchetti
AUDITING FIRM	Deloitte & Touche S.p.A.	
SUPERVISORY BODY PURSUANT TO THE ITALIAN LEGISLATIVE DECREE 231/2001	Rodolfo Mecarelli	


CONSTRUCTION
PREFABRICATION
ECOLOGY AND CONCESSIONS
ICM SPA
Share capital
€ 50,000,000
CONSORZIO STABILE INFRASTRUTTURE
Consortium fund
€ 100,000
90%
ICM MANUTENZIONI
Share capital
€ 100,000
100%
DELMA ENGINEERING UK
Share capital
GPB 16,800,000
55%
SIPE
Share capital
€ 4,000,000
100%
INTEGRA
Share capital
€ 1,500,000
100%
INTEGRA CONCESSIONI
100%
KONZA DEVELOPMENT KENYA
100%
DELMA MIDDLE EAST ENTERPRISES
49%
ICM CONSTRUCTION UK
100%
ICM USA
70%
INDEPENDENT CONSTRUCTION GROUP MUSCAT
70%

MAIN SITES IN PROGRESS

IN ITALY

BOLOGNA	Building	**Cineca** - Design and construction of site adaptation works for the Euro HPC supercomputer
BRESCIA	Railways	**RFI** - Construction of the HS/HC railway line between Milano and Verona, second functional lot Brescia-Verona
CATANIA	Military	**US Navy** - Construction of two hangars in Sigonella
FERRARA	Building	**Miscellaneous customers** - Works at the petrochemical industrial site "Enichem"
GENOVA	Tunnels	**Autostrade per l'Italia** - Various tunnel maintenance agreements
NAPOLI	Railways	**Ente Autonomo Volturno** - Modernization and upgrading of the former "Alifana" railway line between Piscinola and Secondigliano
	Railways	**Ente Autonomo Volturno** - Modernization and upgrading of the former "Alifana" railway line between Secondigliano and Di Vittorio
	Subways	**Ansaldo STS** - Napoli Subway, various lots line 1 and line 6
	Military	**US Navy** - Framework Contract "MACC Napoli"
NUORO	Dams	**Consorzio Bonifica Sardegna Centrale** Construction of Maccheronis Dam
PIACENZA	Building	**Generali SpA Real Estate** Logistics hub called TP-5
REGGIO CALABRIA	Roads	**ANAS** - Construction of the variant to the town of Palizzi Marina, second functional lot
SIRACUSA	Maritime Works	**Autorità Portuale Mare Sicilia Orientale** New docks, Port of Augusta

IN ITALY

VICENZA	Building	**Sviluppo Cotorossi SpA** - Office, commercial and residential complex called "Borgo Berga"
	Military	**US Navy** - Construction of the new High School
	Roads	**ANAS** - Completion of the Vicenza Ring Road
	Military	**US Army** - Framework Contract "MATOC Vicenza"
	Roads	**Autostrada BS VR VI PD** - Tollbooth of Montecchio Maggiore

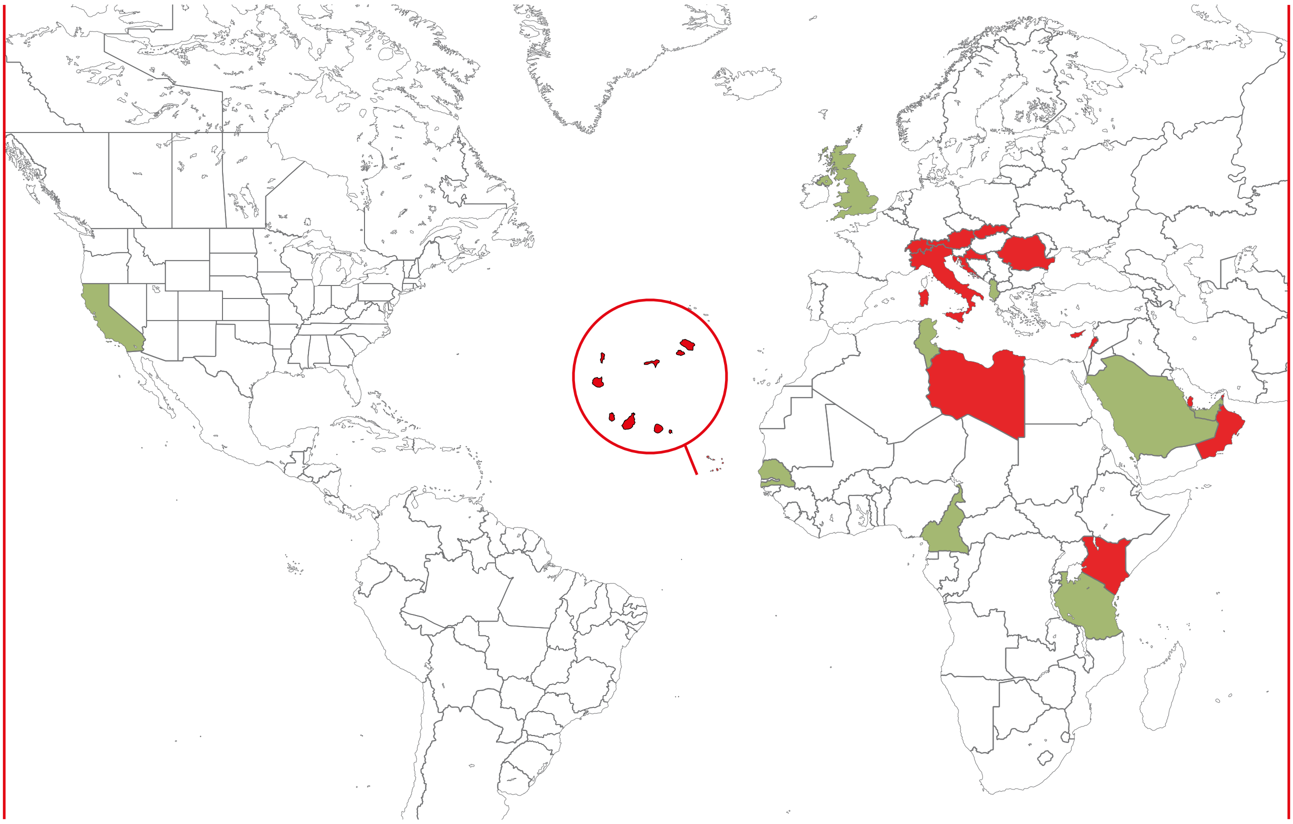
IN THE WORLD

AUSTRIA	Bridges/Tunnels	**ASFINAG** - A26 Motorway, construction of a bridge over the Danube and connecting tunnels in Linz
CYPRUS	Building	**Cypeir Properties LTD** - Construction of the "Limassol Delmar" residential center
DJIBOUTI	Military	**US Navy** - Framework Contracts "MACC Djibouti"and "Mini MACC Djibouti"
KENYA	Smart City	**KoTDA** - Design and construction of the infrastructure for the development of Konza's new Smart City
LIBYA	Building	**LIFECO** - Industrial construction in Marsa Brega
QATAR	Military	**Ministry of Defense** - Infrastructural works and buildings
ROMANIA	Military	**US Navy** - Framework Contract "JOC Romania" in Deveselu
SLOVAKIA	Railways	**Železnice Slovenskej Republiky** - Modernization of the railway segment Devínska Nová Ves – Kúty – Slovakia / Czech Republic border
SWITZERLAND	Building	**Cern** - Construction of the new visitor center

High Speed Line, second functional lot Brescia/Verona – Italy

ICM GROUP

GEOGRAPHICAL PRESENCE



■ OPERATIONAL STRUCTURE

■ COMMERCIAL DEVELOPMENT STRUCTURE

■ COMPANY

■ BRANCH

ITALY	ALBANIA	AUSTRIA	CAPE VERDE	CYPRUS	KENYA	LEBANON	LYBIA	OMAN	QATAR	ROMANIA	SLOVAKIA	SWITZERLAND	TANZANIA	TUNISIA	U.A.E.	U.S.A.	U.K.
■		■		■	■		■	■	■	■					■	■	■
	■	■	■	■	■	■	■	■	■	■	■	■	■	■			

A26 Motorway, construction of the Danube river bridge and connecting tunnels in Linz– Austria

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

REPORT ON OPERATIONS

Dear Shareholders,
We herewith submit to you the consolidated financial statements closed as of December 31, 2020, which together with the separate financial statements, were subject to legal review pursuant to article 14 of the Italian Legislative Decree No. 39 dated Jan. 27, 2010 by the firm Deloitte & Touche S.p.A..

INTRODUCTION

The unpredictable spread of the Covid-19 pandemic led to a radical worsening of the global macroeconomic scenario during 2020 and continues to project its negative effects on the current year. With an extraordinary effort, the scientific community has been able to produce a series of vaccines which, with varying degrees of effectiveness, seem to be the only instruments capable of gradually bringing the situation back to normal. Nevertheless, the authorities of all countries, while waiting for the vaccination program to reach a sufficient spread, have been forced to adopt repeated restrictive measures which, in the strictest form of the lockdown, have resulted in the closure of production sites as well as movement bans and quarantine statuses.
In order to cope with and limit the damage caused by this situation, the government authorities of many countries, including Italy, have drawn up support packages in favor of various productive categories, as well as effective instruments for access to credit which have enabled a vast number of companies to cope with the consequences of the forced reduction in productive activity.
In this context, the Group has first of all put in place a series of measures to ensure the safety and health of its personnel, both at its headquarters and, above all, at its work sites. In this area, in fact, once the most critical phase of lockdown was overcome and the production restarted, various risk situations had to be faced, which required the adoption of detailed protocols.
Right from the start, the Group Manager set up the COVID Company Committee, i.e., the "Committee for the application and verification of the rules of the Regulatory Protocol with the participation of company union representatives and the Workers' Safety Representative (RLS)". The committee was established on 05/12/2020 and permanently consists of: Employer, Human Resources Manager, Head of the Prevention and Protection Service, and the Workers' Safety Representative; optional participation (i.e. on call) is envisaged for the Competent Doctor, the Legal Department and the Emergency Management Team Coordinator.
In detail, a number of additional activities still affect daily operations, such as check-in for work entrances with temperature testing and removal or replacement of masks, maintenance of personal hygiene with frequent hand washing and sanitation, sanitation of shared vehicles and equipment after each use, the management of the FFP2 mask, which is removed by the personnel for about 2/3 minutes every half hour, the prescriptions concerning the mixed transport on vehicles for movements inside and outside the worksite as well as the impact related to the maintenance of the minimum distance in case of simultaneous work in the same area.

With regard to headquarters activities, at the same time a major logistical reorganization was started, favoring the use of smart working whenever possible.
Frequent sanitization of the premises is also carried out and, using specialized health personnel, repeated and widespread antigenic tests offered to the employed personnel on a voluntary basis are carried out.
The entire management of corporate travel has also been reviewed, favoring, where possible, the organization of meetings through the use of digital platforms. This tool is also preferred in the context of meetings among people, even if they are present at the same operational site, in order to minimize any risk related to co-presence. Some of the protocols adopted have proved to be particularly efficient, so much so that it is believed that they can be maintained even after the emergency phase has passed, thus becoming an integral part of the definitive company processes.
As will be seen below, although the pandemic and the lockdown had a significant negative impact on the Group's production compared to budget expectations, thanks to the efforts and measures put in place, turnover for 2020 is practically equal to and in line with that of the previous period.

CHANGES IN THE ECONOMY

The crisis brought about by the health emergency led to a slowdown in global activity during 2020, especially in the developed countries. The start of vaccination campaigns reflects favorably on the outlook for the medium term, but the timing and intensity of the recovery remains uncertain.
In the euro area, the effects of the pandemic on economic activity and prices are expected to be more protracted than previously assumed. Increased infection rates and pandemic containment measures, which impose new restrictions on social interactions and mobility, considerably limit any hope of recovery.
In an environment characterized by weak demand and significant under-utilization of production capacity in the labor and goods and services markets, inflation remains low, except for large increases of a speculative nature affecting the prices of several commodities. Overall, the macroeconomic projections formulated by the Eurosystem experts in December 2020 highlight a more pronounced impact of the pandemic on the economic activity in the short term and a more durable weakness in inflation than previously expected.
The Governing Council of the European Central Bank extended and prolonged the monetary stimulus, to ensure the time needed to provide full support to the economy and inflation.
In Italy, higher-than-expected growth in the third quarter of 2020 showed that the economy is resilient. However, the second pandemic wave, as in other countries in the area, led to a new contraction in activities in the fourth quarter. This decline was more pronounced in services and marginal in the manufacturing sector. Based on the surveys carried out by Banca Italia, the assessments of the businesses have become less favorable, although they remain far from the level of pessimism reached in the first half of the 2020 financial

period; according to the households interviewed, what is holding back consumption is the fear of contagion, rather than the restrictive measures.
The change in consumer prices remained negative, reflecting the trend in the service sectors most affected by the crisis, whose dynamics continue to be affected by weak demand.
A phase has begun in which uncertainty is once again affecting economic performance; in the coming months, much will depend on the intensity of the restrictive measures implemented by the governments to fight the health crisis. Only the rapid, large-scale administration of vaccines will make it possible to emerge permanently from this worrying situation, limiting the economic and social consequences for families and businesses.

THE CONSTRUCTION INDUSTRY IN ITALY

For the construction sector, already severely affected by a crisis that has been going on since 2008 (compared to 12 years ago, the gap to be bridged remains wide, amounting to -35% in terms of production levels in 2019 compared to those is 2008), the pandemic has halted the albeit timid signs of recovery. For 2020 ANCE (Italian Association of private construction contractors) reports a significant drop in investments in construction, corresponding to -10.1% in real terms compared to the previous year.
As far as employment is concerned, there was a 10.5% decrease in the number of hours worked against a slight increase in the number of registered workers (+2.1%) compared to the previous year.
The drop in production levels observed in 2020 affected all sectors but with different intensities. Investment in new dwelling units was estimated to fall by 12.5% in real terms compared to 2019. This figure highlights the uncertain and cautious attitude towards new investments, especially by households in view of the recrudescence of the pandemic and the consequent containment measures adopted.
Even investments in the requalification of the housing stock, which in recent years had supported the market and now represent about 37% of the total value of investments in construction, recorded their first negative sign (-9.8%). This result is affected not only by the health emergency, but also by the state of waiting on the part of all operators for the actual start of the interventions related to the 110% Superbonus.
Private investments in non-residential construction are estimated to decline by 13.5% in real terms in 2020. This figure is affected by the difficult economic context that has a significant impact on the production levels in many sectors of the economic activity, characterized by widespread feelings of mistrust and uncertainty.
For public investment in non-residential construction, ANCE detected a 2.5% decline. This contraction takes into account the emergency on the operations of public entities as well as the diversion of resources from investments in favor of current expenses for the management of the epidemiological crisis.
Large infrastructures and large spending entities, such as ANAS and Ferrovie, were also affected during the year by the COVID-19 effect, which led to a slowdown in construction sites underway and those planned, although some major works were unblocked, such as

the Brescia-Verona-Vicenza-Padova high-speed rail network, Lot 3 of the Jonica State Road and the Genoa junction.
Despite the support provided by the measures put in place by the Government, there is a situation of uncertainty on the part of families and less solidity on the part of companies. In this context, a positive rebound is expected in 2021 compared to 2020; however, the extent of this recovery is subject to high uncertainty. In this regard, the IMF estimates a GDP growth of 3% for Italy. With reference to the construction sector, 2021 could represent a moment of positive trend reversal, provided that important opportunities, such as the 110% Superbonus and the huge resources put in place by EU in favor of investments and productive strengthening of the country, are fully exploited. Based on these facts, ANCE forecasts a rebound of 8.6% in construction investments for the current year, mainly driven by the housing recovery sector and a gradual recovery of activity in both the private and public non-residential sectors.
This rebound could be adversely affected by the tensions on commodity prices described above.

MAIN FOREIGN MARKETS OF REFERENCE

Kenya is the largest economy in East Africa and one of the most important markets in the Sub-Saharan Africa. As in the rest of the world, the impact of COVID 19 extended beyond the sphere of health care, significantly affecting the economy. The risk is given by a prolonged slowdown in trade and tourism activities and in the consequent reduction of the Gross Domestic Product, after years of growth. The Kenyan Treasury predicts that economic growth in 2020 could be even lower than +2.5% compared to +5.4% recorded in 2019.
Qatar is one of the leading economies in the entire Middle East. In recent years it has proved capable of meeting potential challenges and risks, thanks to elements such as flexibility and diversification. Even in this difficult time caused by the Covid-19 pandemic, Qatar has managed to maintain high credit standards. During 2020, Moody's set the Emirate's credit rating to "AA3", stating that the profile reflects a condition of economic well-being highlighted by a large availability of hydrocarbon reserves, a very high per capita income and a particularly low public debt.
The Covid-19 pandemic also caused a serious economic crisis in **Austria**, the full consequences of which cannot yet be assessed. Any new containment measures could severely affect sectors already affected by the crisis. According to the latest forecasts of the Austrian National Bank, the decrease in Austrian GDP is expected to be 7.3% in 2020, due to the decrease in economic indicators (production, exports, private consumption, tourism, etc.) and the increase in unemployment. In 2021, GDP is expected to grow by 4.9%, not enough to reach pre-crisis levels.
In **Slovakia**, as for other economies in Europe, a contraction of the economy is recorded due to the pandemic that according to the latest estimates of the Central Bank will result in a decrease by 5.7% of GDP for 2020; already in 2021, however, there should be a recovery by 5.6%, which will be added to another +4.8% growth in 2022. The unemployment

rate, which stood at 4.9% at the end of 2019, rose due to the pandemic to 7.6% in 2020, while it is expected to decline to 7.1% in 2021 and further to 6.3% in 2022. The positive effects of the interventions made available by the government in recent months have allowed the economy to contain losses and to expect a return to pre-crisis levels as early as the second half of 2021.
In **Switzerland**, the pandemic has shaken the economy, but with different effects in different sectors: while the pharmaceutical industry is going through this phase unscathed, the watch industry is suffering from the most serious crisis since the Second World War. According to Economiesuisse, the impact of the pandemic may be lower than initially predicted. In fact, the GDP decline in FY2020 was estimated at -3.5%, compared to a previous June forecast of -5.4%. A rebound by 3.5 is expected for 2021.

ACTIVITIES OF THE GROUP

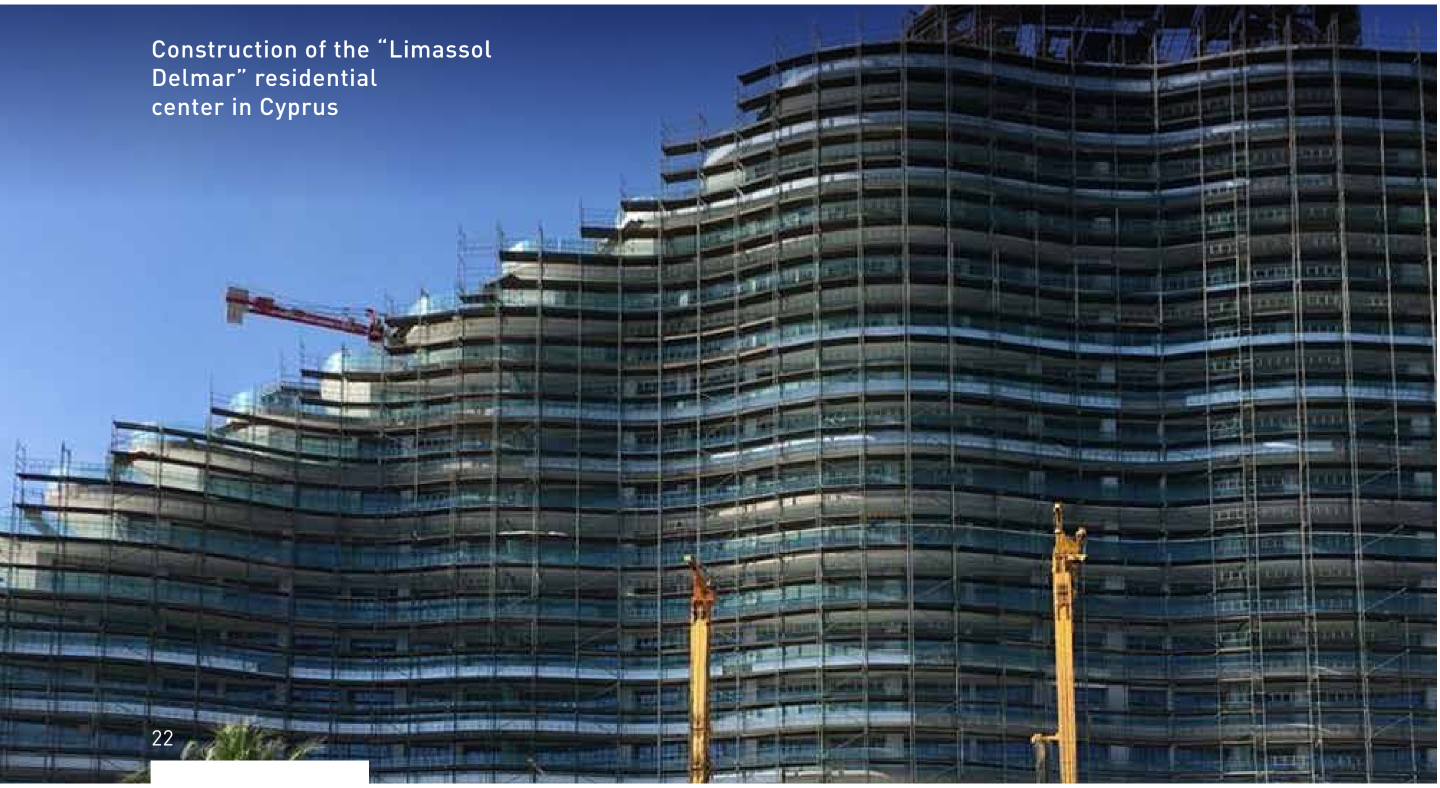
The following are reclassifications of the income statement and statement of financial position taken from the Group's consolidated financial statements prepared in accordance with IAS (International Accounting Standards) and IFRS (International Financial Reporting Standards) standards. It shall be underlined that the economic and equity commented here below are assessed also according to some indicators not defined by the IFRS, among which there are the EBITDAR and the net financial situation. In particular, considering that in the building field plants and equipment necessary for the construction of the works are indifferently either directly purchased or subject to specific leasing or rental contracts, the EBITDAR is indicated as a gross value of all costs borne for making available the technical equipment. For these rentals/leases, the optional exemptions have been used in applying the IFRS 16 standard.
As described in the introductory part of this Report, the impact generated by the pandemic was particularly strong. In spite of this, thanks also to the several interventions and corrective measures implemented, it has been possible to maintain substantial operational continuity at the sites while ensuring full protection of the health of employees and collaborators. In Italy, the first lockout caused a significant loss in production, which, compared with the initial budget, was partly recovered during the financial period; the stoppage of Italian job orders was used to adapt sites and production processes to the new safety measures required by the competent authorities. However, not only the economic impact related to the periods of blockage of activities, but also the higher costs and inefficiencies related to operational constraints affecting production processes and the organization of work in the daily activities of construction sites remain patent and are the subject of specific requests for compensation made to the customers.
During the period, discussions were initiated with customers to continue activities in compliance with the measures imposed by government authorities and, as already mentioned, negotiations were started to agree on certain aspects of contract management related to the recognition of additional costs resulting from the crisis situation, as well as, in some cases, the postponement of the completion of works.

Consolidated revenues attained in 2020 amounted to EUR 363.6 million, in line with the volumes achieved in the previous year, despite the aforementioned impact of the measures to contain the spread of the pandemic.
As for the achieved margins, the EBITDAR was EUR 60.1 million, a significant increase with reference to EUR 37.6 million in the previous period. This change is partly due to the greater use, mainly for activities abroad, of "direct" processing, which has led to a considerable increase in the use of the rental of vehicles and equipment and, partly, to the higher margins achieved.
EBIT amounted to EUR 20.5 million, or 5.6% of revenues (EUR 17.5 million in the previous period), and net income finally stood at EUR 1.2 million. Following a careful evaluation of the accounting items referring to additional requests to customers and/or the management of disputes acting as defendant, it was deemed appropriate to make new allocations to asset adjustment provisions and risk provisions as for EUR 9.3 million (EUR 6.3 million net of uses).


Construction of the Al Khoudh Military Hospital in the Sultanate of Oman on behalf of the Ministry of Defense

RE-CLASSIFIED INCOME STATEMENT (IN EUR/000)	12/31/20		12/31/19	
REVENUES	**363,586**	**100.0%**	**363,747**	**100.0%**
Raw materials and consumables	-73,843	-20.3%	-78,073	-21.5%
Subcontracts	-138,977	-38.2%	-171,892	-47.3%
Other operating expens	-52,035	-14.3%	-40,374	-11.1%
Personnel costs	-38,640	-10.6%	-35,826	-9.8%
EBITDAR	**60,091**	**16.5%**	**37,582**	**10.3%**
Amortizations, rentals and set-asides	-39,621	-10.9%	-20,055	-5.5%
EBIT	**20,470**	**5.6%**	**17,527**	**4.8%**
Suretyship charges/bank expenses	-6,237	-1.7%	-5,045	-1.4%
Net financial income and expenses	-8,773	-2.4%	-9,897	-2.7%
Total Financial income and expenses	**-15,010**	**-4.1%**	**-14,942**	**-4.1%**
Gain (loss) on exchange rates	-4,475	-1.2%	1,588	0.4%
Adjustments to the value of financial assets	314	0.1%	-1,513	-0.4%
Profit (Loss) before taxes	**1,299**	**0.4%**	**2,660**	**0.7%**
Taxes	-68	0.0%	-1,217	-0.3%
Net Profit (Loss) for the period	**1,231**	0.3%	**1,443**	0.4%
(Profit) Loss attributable to minority interests	-516	**-0.1%**	-121	**0.0%**
Net income (loss) of the Group	**715**	**0.2%**	**1,322**	**0.4%**

Below there is a brief analysis of the main income statement items and the most significant changes occurred.
As regards the geographical breakdown of consolidated revenues, EUR 196.6 million (54.1%) were generated in Italy and EUR 167 million (45.9%) abroad.
With regard to operating costs, the incidence of subcontracting as a percentage of revenue fell from 47.3% in 2019 to 38.2%; this contraction was largely driven by the fact that, particularly abroad, many works that are usually subcontracted were performed directly.
For the same reason, also personnel costs, which amounted to EUR 38.6 million, are worth 10.6% of the revenues generated compared to 9.8% in 2019.
The EBITDAR, which stood at EUR 60.1 million, represents 16.5% of the value of production, an impact being more than 6 points higher than the one highlighted in 2019 following the aforementioned greater production carried out directly, with subsequent increased use of rented vehicles and equipment and an opposite reduction in the use of subcontracting.
The EBIT amounted to EUR 20.5 million or 5.6% of the total revenue. It registered an increase in both absolute and percentage value compared to the previous period (EUR 17.5 million, or 4.8% in 2019). This item was accrued after the release of provisions for risks and charges as for EUR 9.3 million.
Financial income and expenses, which also include charges for sureties and bank charges, amounted to a total of EUR 15 million, corresponding to 4.1% of the revenues. The item was essentially the same as the amount recorded in the previous period (EUR 14.9 million as of December 31, 2019). There was a reduction in the financial charges and an increase in surety costs.
The net result amounted to EUR 1.2 million.
With reference to the equity situation, the following shall be underlined:


Construction of the "Limassol Delmar" residential center in Cyprus

RECLASSIFIED STATEMENT OF FINANCIAL POSITION (IN EUR/000)	12/31/20	12/31/19
Tangible long-term assets	50,205	49,906
Intangible long-term assets	5,175	5,743
Contract costs	31,528	29,379
Investments	6,944	7,139
Other net long-term assets	7,801	2,903
Total Long-term assets (A)	**101,653**	**95,070**
Inventories	51,299	47,168
Contractual assets	121,712	120,528
Trade receivables	119,198	132,945
Intergroup trade receivables	13,529	6,566
Other assets	62,756	57,926
Subtotal	**368,494**	**365,133**
Trade payables	-184,104	-201,551
Intergroup liabilities	-9,289	-7,573
Other liabilities	-91,237	-73,565
Subtotal	**-284,630**	**-282,689**
Operating working capital (B)	**83.864**	**82,444**
Deferred tax liabilities	-7,557	-6,584
Employee benefits	-2,817	-3,335
Provisions for risks and charges	-6,621	-5,847
Total funds (C)	**-16,995**	**-15,766**
Net invested capital (D) = (A)+(B)+(C)	**168,522**	**161,748**
Cash and cash equivalents	95,977	71,150
Current financial receivables	28,765	18,238
Current financial liabilities	-81,085	-88,310
Non-current financial liabilities	-93,059	34,968
Bonds	-36,379	-43,163
Net financial position (E)	**-85,781**	**-77,053**
Net equity of the Group	-70,502	-69,987
Net equity of minority interests	-12,239	-14,708
Net Equity (F) = (D) + (E)	**82,741**	**84,695**

- The item Tangible long-term assets, which also includes "Assets for rights of use" resulting from the application of IFRS 16, amounted to EUR 50.2 million. This amount is substantially in line with the amount recorded at the end of the previous period (EUR 49.9 million). During the period new investments were made as for EUR 6.5 million; amortizations amounted to EUR 3.8 million.
- The working capital, amounting to EUR 83.9 million, was slightly higher than the figure recorded in the last period (EUR 82.4 million).
- The Group net equity, equal to EUR 70.5 million, increased compared with the figure at the end of last period (EUR 69.9 million). Total equity amounted to EUR 82.7 million, a decrease compared to the previous period (EUR 84.7 million) due to the reduction in the share of minority interests, mainly related to the disposal of assets held jointly with minority shareholders.
- The net financial position, which amounted to EUR 85.8 million, increased by EUR 8.8 million compared to the previous period, and included EUR 10.4 million of funds dedicated to the Cepav Due order already collected by the agent and being transferred to the Parent Company ICM S.p.A., as well as EUR 18.4 million of financial receivables from companies in the investment chain.
- Building initiatives, booked at cost under the inventories, as for EUR 41.8 million, are detailed in the table here below.

DESCRIPTION OF REAL ESTATE INITIATIVES	NET BOOKING VALUE
Building, Land - Via dell'Edilizia - Vicenza	11,951
Municipality of Monastier (TV)	1,528
Trieste Former Stock Area	3,247
VI Est Initiative	5,570
VI Ovest Initiative	5,522
Fossalta Initiative	3,886
Zianigo	864
Apartments in Rome	933
Land in Pavia	2,465
Isola Vicentina	341
Other lands and initiatives	5,518
Total	**41,825**

Based on available estimates, the market value of these initiatives appears to be not lower than the booked amount.

ECONOMIC PERFORMANCE TREND OF THE GROUP

As already mentioned, revenues generated in Italy will account for 54.1% of the total in 2020. 28% of total production related to infrastructures (15% to railways/undergrounds, 7% to roads and 6% to airports), 14% to public/private construction and 12% to activities related to other Group companies. The activity developed mainly in the following sites:

- Save S.p.A. - Venice - upgrading of the runway at "Marco Polo" airport;
- Coima SGR S.p.a. - Milan - urban regeneration of the Porta Nuova Bonnet Area;
- Naval Facilities Engineering Command - Sigonella (SR-CT) - design and construction of an airbase hangar;
- Rete Ferroviaria Italiana S.p.A. - Cepav (BS VR) - construction of the high-speed Milan-Verona line.
- Metropolitana di Napoli S.p.A. - Line 1 Works - Court Station Lot and Line 6 Ventilation Chambers.

In the same period, activity abroad accounted for 45.9% of the total. 39% of total consolidated production related to infrastructure and 7% to non-infrastructure construction work. The following sites are particularly noteworthy:

- Konza Technopolis Development Autority (KoTDA) - Kenya - urbanization works for the development of the new Smart City of Konza;
- Asfinag (Società Autostrade Austria) - Linz - construction of the motorway section involving the construction of a four-lane cable-stayed bridge and associated connecting tunnels.

During the period, the main projects acquired and formalized by a contract were the following ones:

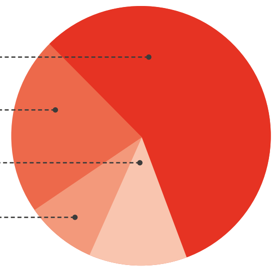
- Železnice Slovenskej Republiky, Bratislava (ZSR) (Slovak State Railways) Modernisation of railway line No. 110 between Devìnska Novà Ves - Kùty and the Czech border. The intervention consists in the modernization of the railway section and the implementation of the ERTMS European signaling system. The amount of the contracted works was EUR 275 million and the share of ICM S.p.a., acting as agent of the group, is equal to 70%;
- U.S. Army Corps of Engineers The project is located in Qatar and relates to the construction of military airport facilities and infrastructures. Works include overhead paving, operational buildings, technical rooms, headquarters, warehouses, workshops and other supporting facilities. The amount of the contracted work amounts to USD 524.4 million with ICM S.p.a. having a 50% share.

- CERN European Organization for Nuclear Research - Geneva. Realization of a project by Renzo Piano that consists of 5 buildings in a context surrounded by a forest with more than 400 trees, also to be realized. A 900-seat auditorium (Hall 1), laboratories, reception offices and a cafeteria (Halls 2 and 3) will be built, as well as two "tube" buildings that recall the shape of the accelerator structure and will host exhibitions and displays. The amount of the contracted works amounts to EUR 54 million and the share of ICM S.p.a., acting as agent of the joint venture, is equal to 60%.

The Parent Company works backlog amounted to EUR 1.86 billion, of which 1.64 billion belonging to the Group, and is located as for 55% in Italy, with a slight prevalence in the North of the country (29%). On the other hand, 45% of the total is located abroad, with a particular concentration in Europe (23%), Middle East (12%), and East Africa (10%).
As for 71% it referred to infrastructural works (42% railways and subways, 16% roads and 13% other infrastructures) and as for the remaining 29% to the building sector.

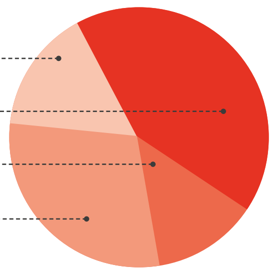
BACKLOG SUMMARY BY GEOGRAPHICAL AREA

ITALY	55%
EUROPE	23%
MIDDLE EAST	12%
EAST AFRICA	10%



BACKLOG SUMMARY BY INDUSTRY SECTOR

ROAD WORKS	16%
RAILWAYS WORKS	42%
OTHER INFRASTRUCTURES	13%
BUILDING SEGMENTS	29%



The Parent Company is currently studying the participation in new tenders worth a total of about EUR 6.8 billion, with an own share of EUR 4.6 billion, of which 51% concentrated in Italy and 49% abroad.
With regards to the SOA qualification certifications, the Parent Company can avail itself of registrations in 34 different categories, 12 of which for unlimited amounts, besides being qualified in the first category with reference to the regulation concerning general contractors, being authorized to carry out works up to a maximum amount of EUR 350 million.
Besides operating in the building sector, the Group was active also in other traditional contexts such as those of prefabrication and ecology. During the period, however, the Group left the mining sector, which is no longer considered strategic in future development plans.
The subsidiary **S.I.P.E. - Società Industriale Prefabbricati Edili – S.p.A.** produces turnkey industrial and civil prefabricates using a concrete prefabricate structure.
Despite the difficulties linked to the pandemic and a substantially stagnant market, the company achieved a substantial turnover during the period, amounting to EUR 17.6 million, containing the reduction compared with the previous period (EUR 19.4 million). At the same time, it attained a final EBITDA of EUR 1.1 million or 6.5% of revenues, an improvement compared to the preceding period (EUR 0.8 million or 4.1% as of December 31, 2019). The net result, amounting to EUR 358,000, also improved compared to the previous period (EUR 52,000).
The current portfolio of work makes it possible to foresee the preservation of current production volumes.
Integra S.r.l. operates in the field of environmental reclamation works, management of purification plants; moreover, through the subsidiary, **Integra Concessioni S.r.l.**, it operates in the sector of concession activities/project financing. The aggregate production of the two companies amounted to EUR 18.4 million, marking a significant increase over the previous period (EUR 12.9 million). The aggregate EBITDA amounted to EUR 2.4 million, or 13.3% of revenues (EUR 1.1 million in 2019) and the net result stood at EUR 722,000 compared to the substantial break-even attained in 2019.

INVESTMENTS

The decision to outsource work to specialist subcontractors rather than to carry out contracted work directly depends to a large extent on the country of operation. In less developed markets and in more remote sites, the use of subcontracting for parts of the works may be difficult to apply, with the result that entire construction phases are carried out directly with direct or indirect personnel and with own or rented means. The investment plan may therefore be highly variable over time as it is closely depending on these variables. During the period, the Group invested EUR 6.5 million in new plant and equipment.

PERSONNEL, RECRUITING AND TRAINING ACTIVITIES

In the context of the pandemic, the Group has defined a series of measures aimed at ensuring the health and safety of its personnel. The orders in which the Group operates immediately adopted the precautionary measures ordered by the authorities in the concerned countries. Where possible, the "smart working" method was adopted, which involved almost all personnel resources in Italy transversally. Anti-contagion safety protocols were drawn up and the management of common areas has been carried out in order to reduce the number of people gathering. Restrictions on mobility imposed by many countries have made work organization more complex and the Group has tried to manage the various situations that have arisen with targeted actions.

During the year, the policies concerning HR management were in any case inspired to the by now consolidated guidelines aiming at:

- assuring the workforce necessary for business management;
- promoting the growth of skills and expertise;
- assuring a careful management of costs;
- assuring a prudential management of the corporate human assets.

The management of human resources according to suppleness and flexibility principles is considered strategic for the attainment of the corporate objectives.
In any case, for all companies, considering the context characterized by the global crisis and difficulties on the markets, focus is on the research of the optimal dimension of the resources. Recruiting activities privileged the hiring of people newly graduated in various disciplines, since internal education and personnel loyalty have been set for long time as primary ways to manage the most promising resources.
Training programs have been launched, including video conferences, aimed at extending knowledge of company software for budgeting, scheduling and final accounting, which have mainly involved technical personnel at the headquarters and at the sites.
Industrial relations continued within the framework of the consolidated and collaborative institutional relations with the most representative trade unions.
At the end of the financial period, a total of 1,797 people were employed, divided into 22 managers, 369 clerks and 289 workers, plus 1,117 people employed directly on foreign sites.

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of workers has always been a priority and one of the fundamental pillars on which the Group's activities are based. ICM Spa, in addition to being compliant with the sector legislation (Italian Legislative Decree 81/08), adopts a management system of Health and Safety at Work that has been for years subject to certification by certification bodies. In 2020, the certification was upgraded to ISO 45001. Confirmation of the correct adoption and effective implementation of the requirements of the Organization and Safety Management Model pursuant to art. 30 of the Italian Legislative Decree 81/08 was confirmed, through the Audit activity carried out by Ente Scuola Costruzioni Vicenza. The Prevention and Protection Service is governed by a Department Manager who coordinates the activities of employees located at each company order site. The members of the Prevention and Protection Service have adequate professional skills and expertise for carrying out the tasks assigned to them. The Prevention and Protection Service takes care for:

- Identifying risk factors, assessing risks and identifying the measures to assure the safety and healthiness of the work environments in compliance with the regulations in force according to the specific knowledge of the corporate organization.
- Drawing up the preventive and protective measures and the systems for monitoring these measures.
- Developing the safety procedures for the various corporate activities.
- Suggesting programs for informing and training the employees.
- Taking part to consultations concerning the protection of health and safety in the place of work, as well as attending the annual periodic meeting.
- Provide workers with the required information.

The Prevention and Protection Service carries out constant monitoring of the management of health and safety issues by means of punctual and periodic visits at the work sites. During 2020, audit and verification activity at these sites slowed down due to anti-Covid-19 restrictions; activity gradually resumed, until it normalized, starting from June 2020.

Group companies are constantly committed to:

- develop every effort in the field of prevention;
- provide a safe working environment, in strict compliance with the provisions of the law, using appropriate technical solutions, developing suitable operating procedures, taking care of the education and training of personnel;
- keep its own employees and third parties accessing its own or managed facilities informed of the prevention measures adopted and of the individual and collective protection systems in place;
- verify that the provisions and procedures issued are correctly known and applied.

With regard to the execution of the works and the organization of the activities on the sites, the general principles and measures of protection shall be followed; in particular, the following shall be taken care of:

- the maintenance of sites in an orderly and satisfactorily healthy condition;
- the choice of location of workplaces, taking into account the conditions of access to such workplaces, by defining routes or areas for movement or circulation;
- the handling conditions of the various materials;

- maintenance, inspection before entry into service and periodic inspection of plants and equipment in order to eliminate defects that may affect the safety and health of workers;
- the delimitation and arrangement of storage and warehousing areas for the various materials, particularly where dangerous substances and materials are concerned;
- cooperation between employers and self-employed people;
- the interactions with the outside world of the activities taking place on or near the worksite.

The above is developed in the Risk Assessment Documents (DVR) and in the Operational Safety Plans (OSP). While the former are prepared for each individual company site (registered office and other fixed operating units), the latter are prepared with reference to individual construction sites. Internal Emergency Management Plans (PEI) and Interference Risk Assessment Documents (DUVRI) are also prepared.
The Operational Safety Plans (OSP) detail the procedural, technical and logistical choices related to the assessment of specific risks and the related prevention and protection measures. The OSP is the document that describes the logistic configuration of the worksite by identifying accesses, internal roads, hygienic-assistance services, equipment and housing.
The system of company proxies and appointments allows for the identification, and correct appointment, of the company subjects involved in the implementation of the prevention and protection measures described in the documents mentioned above. For each individual site, therefore, the Safety Managers, the Employer's Delegates, and the Supervisors are identified.
These people, together with the workers, are the recipients of annual information and training activities. The corporate training plan is established internally, for each individual operating unit, with reference to the outcome of the risk assessment and in relation to the provisions of applicable legislation. Information on health and safety risks is also regularly provided to the personnel of external companies who are called upon to work on the sites. A first entry meeting is scheduled for anyone entering the site, during which each worker receives adequate information:

- on occupational health and safety risks related to the corporate activities in general;
- on procedures concerning first aid, fire fighting, evacuation of workplaces;
- on the names of the workers in charge of applying the emergency measures;
- on the names of the person in charge and of the persons entrusted with the prevention and protection service, as well as of the competent doctor;
- on the specific risks in relation to the activity carried out, the safety regulations and the company provisions on the subject;

Napoli Subway, Line 6,
Chiaia Station – Italy

- on the dangers of using dangerous substances and preparations;
- the protection and prevention measures and activities adopted.

During 2020, the situation related to the Covid-19 emergency, and related restrictions, did not allow for normal implementation of the training plan at first. However, during the course of the year, thanks to careful planning, demanding organization and also through the use of distance learning methods, the necessary training activities were carried out.

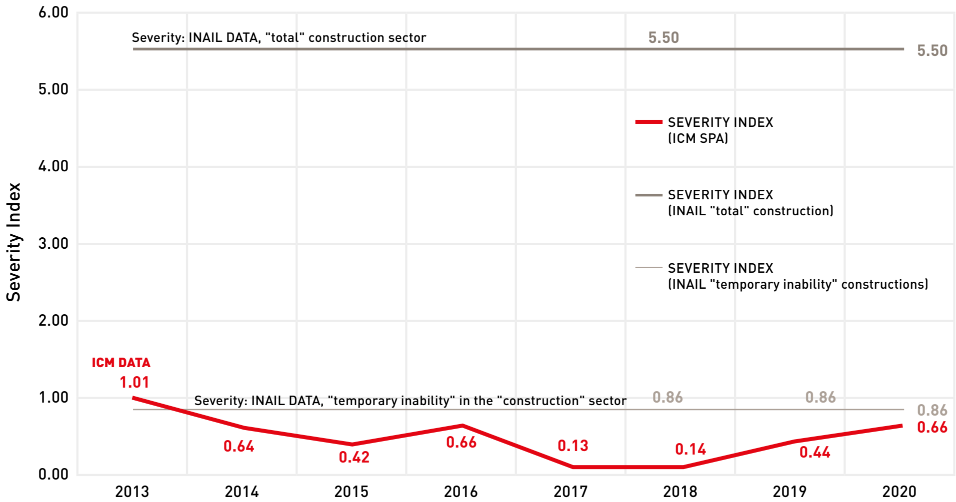
Courses were conducted during 2020 with the following participation:

DESCRIPTION	TOTALS		Workers	Clerks, Managers, Executives
Number of employees who participated in "Courses" (Italy) during 2020	713	divided into	655	58
Total hours of participation in "Courses" (Italy) during 2020	2,390	divided into	1,630	760

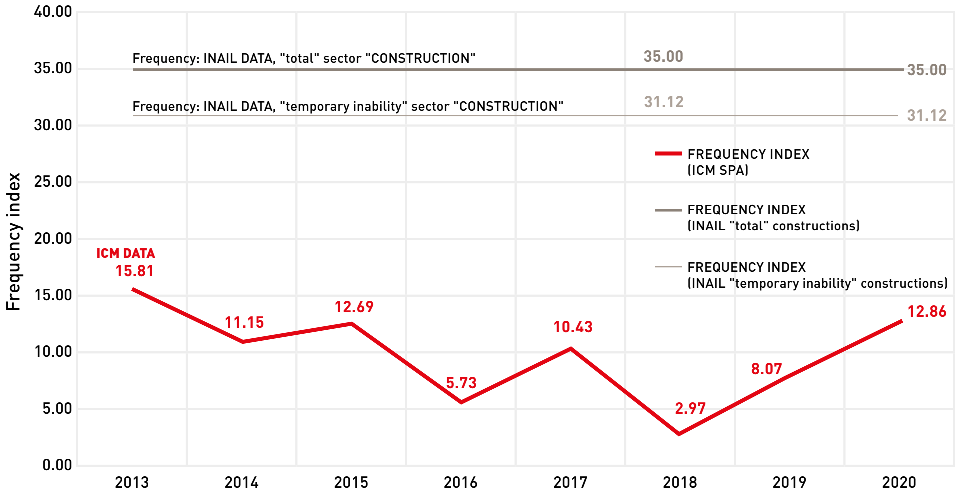
Annually, the Company analyzes the internal accident trends. Workplace accidents are monitored by the corporate Prevention and Protection Service on an annual basis. There is an internal procedure for the detection of the individual accident that allows for a comprehensive detail of the accident and the various related aspects. Company accident statistics are compiled based on the collected data. Statistical analysis of the phenomenon of accidents is a useful tool in the strategy to fight accidents at work. The aim is to provide a global view of the accident phenomenon, highlighting at the same time the main specific critical points and trying to identify the corrective actions to be taken. The table below provides statistical data about the accident indices, which, despite an increase in 2020, are still significantly lower than the INAIL industry averages.

ACCIDENT INDICES		2020	2019
SEVERITY INDEX (S.I.) Severity rate	Index of severity	0.66	0.44
LTIf - FREQUENCY INDEX Lost Time Incident Frequency	Frequency index	12.86	8.07
TRIR Total Recordable Incident Rate	Frequency of recordable occupational accidents/ events, standardized per 100 workers per year	2.57	1.61
LTC Lost Time Case Rate	Frequency of accidents with absence from work, normalized per 100 workers per year	2.57	1.61
LWD Lost Work Day Rate	Severity of injuries with absence from work, normalized per 100 workers per year	93.62	88.25

The "**Severity Index (S.I.)**" is defined as the ratio, over a specified period of time, of days lost due to injury to the total hours worked.



“**Frequency Index (F.I.)**” means the ratio, over a specified time interval, of the number of injuries to a measure of risk exposure, expressed in worked hours.



As anticipated, both indices remained consistently below the national benchmark indices.

The graphical-statistical findings provide an overview of the accident situation in recent years and led to the following conclusions:

- the corporate frequency and severity indices remained stable below the national INAIL statistical reference values;
- considering the period 2007-2020:
  - the human being variable is, in most cases, the main cause of accidents (74% of cases);
  - the main causes of injury are due to:
    Slips, trips/falls on level ground;
    Positioning and moving by hand;
- Distraction when performing even apparently simple tasks and activities is often the cause of accidents.

RELATIONS WITH THE COMPANIES OF THE GROUP

The belonging to the Group and essential homogeneity of the sector in which the different allied enterprises operate motivate intercompany relationships that are both commercial and financial.
The terms on which both commercial transactions and financial relationships are ruled are in line with the usual market ones.
Some companies of the Group adhere to the "National Tax Consolidation" agreement. The company "MP Finanziaria S.p.A." acts as the controlling party of the consolidation group.
Here below, there is a summary of the relations with other companies of the Group during the period.

COMPANY AMOUNTS IN EUR/1000	RECEIVABLES	PAYABLES	REVENUES	COSTS
MP Finanziaria Spa intercompany account	5,317			
MP Finanziaria Spa for VAT/Taxes	4,662			
MP Finanziaria Spa trade	249			1,968
INTEGRA TAX	8			
INTEGRA VAT		472		
INTEGRA CONCESSIONI VAT	85			
CI TAX + TRADE	568	615		
SIPE TAX	246			
SIPE VAT		372		
BASALT TAX/VAT	131	702		
Acquasanta Scarl in liquidation		49		2
Construkta Objekti	23			
Comaso	14			
Edimal Gran Sasso Scarl in liquidation	15			
Elmas Scarl in liquidation	30			
FCE Scarl in liquidation		231		
Floridia Scarl in liquidation	61			
ICM USA LLC	236			
ICGM Romania	440			
ICM LTD CAMEROON	441			
Immobiliare Colli Srl in liquidation		367		

COMPANY AMOUNTS IN EUR/1000	RECEIVABLES	PAYABLES	REVENUES	COSTS
Inc Engeobra	51			
Maltauro Maroc	10			
Maltauro Spencon Stirling	443			
Mediterraneo Scarl - CI	163			1
Olivo Scarl in liquidation	50			
Opera Sette Srl	6		6	
Palazzo Iacobucci Scarl in liq.		39		
Porto di Casciolino Scarl in liquidation	11			
Porto di Casciolino Scarl in liquidation CI	118			22
San Cristoforo Scarl in liq.		126		3
Sesto Scarl in liq.		29		
Suburbana Scarl in liq.		59		4
Ar.Ve. Scarl	15			
Assi Stradali Scarl in liquidation	34			
CAIM	10			
Codel.Ma Srl	171			
Codel.Ma Srl	13,067			
NTV Scarl in liq. CSI	655		104	1,003
Consorzio MRG	26			
Consorzio San Massimo Scarl in liq.	20			
Consorzio Fugist	4,800			
Diamante Paola scarl		79		
Jonica Scarl in liq.		48		20
Malco Scarl		3,196	300	2,592
Porto Roccella Scarl in liquidation	54			
GTB Scarl CI	329			
NTV Scarl in liq. ICM	22		35	
Riviera Scarl ICM	149			
Riviera Scarl CI	278		10	
Robur Scarl CI	104			
Tavi scarl ICM	118		116	
Tavi scarl CSI	967	695	412	2,917
Smacemex Scarl		533		28
Vicenza Futura Srl	2,007			
Other companies	1,658	1,658	88	3
Totals	**37,862**	**9,270**	**1,071**	**8,563**

RISK MANAGEMENT

As it is well known, since January 2020, the national and international scenario has been characterized by the spread of the Coronavirus and the consequent restrictive measures for its containment, put in place by the public authorities of the countries concerned, including Italy. These circumstances, which are extraordinary in their nature and extent, have had and are having significant consequences on global economic activity, creating a context of general uncertainty, whose effects are difficult to quantify and predict. As a matter of fact, uncertainties about how the epidemic will develop in the coming months remain, despite the fact that, at a global level, there has been a downward trend in the number of infections, thanks also to the vaccination plan undertaken by the various countries. The effects of this macroeconomic context inevitably have repercussions also on the management of the risks highlighted below. The actions taken to address the situation and to ensure high safety standards for all personnel were outlined in the introduction to the report.
Risk management is an issue having strategic relevance for the Group in order to allow the same to attain its own targets.
With reference to this, the following risks have to be taken into consideration:

Business-context related risks
This category includes the external risks resulting from the macroeconomic and socio-political dynamics of a Country, from the sector trends and from the competitive scenario, which could jeopardize the attainment of the Group's objectives, i.e. all those events whose occurrence cannot be influenced by corporate decisions.
Due to the nature of these risks, the Group relies on its forecasting and management capabilities in the event of an occurrence of the same, integrating the risk vision into the strategic and commercial planning processes.
The control over these risks is also ensured by the activity monitoring the progress of the strategic objectives also in terms of backlog composition and diversification and its progressive evolution in terms of risk profile.
In particular, the previous paragraph entitled "The construction industry in Italy" outlined the situation of the sector in the country, and the difficulties it has been experiencing for some years now. In order to face the consequent risks, the Group has continued to pursue a significant policy of geographical diversification of its backlog through the acquisition of important orders abroad. In addition, with reference to the orders acquired in Italy, a careful evaluation of expected margins is carried out with the aim of identifying the tenders to participate in, selecting those with a margin and financial profile considered consistent with the medium-term objectives set by the Group Management.
Furthermore, the Group faces the risk associated with the business environment by implementing a policy of balanced diversification of its portfolio between different sectors (mainly: road works, railway works, other infrastructures and the construction sector), as highlighted in the previous paragraph entitled "Economic performance trend of the Group".

Operational risks

In this case, these are those risks that could jeopardize the creation of value and that are due to an inefficient and/or ineffective management of the regular business operation, in particular with reference to the management of bids and the actual execution of the orders. To this end, the Group intends to hedge these risks already from the stage of analysis of the business initiative to be undertaken in the light of the project's risk-performance assessment in case of awarding and of its impact on the backlog configuration in terms of both concentration and overall risk profile.
Therefore, the risk detection activity is then re-performed upon awarding, and monitored and updated during the execution of the project in order to detect the risk exposure evolution in a timely manner and to take the appropriate mitigation actions promptly.

Country-related risk

The Group pursues its objectives by operating also abroad, seizing business opportunities in several countries and thus exposing itself to the risks resulting from the features and conditions characterizing these countries, such as the political, economic and social context, the local regulation, taxation, and operational complexity, as well as, last but not least, the security conditions.
Knowing and constantly monitoring the Country risk through specific indicators enables the Group to target business strategies, as well as to better understand the operational environment and, therefore, to take precautions and/or implement actions aimed at removing constraints and mitigating potential threats.
In addition, in order to face this risk, the Group pursues a policy of geographical diversification of its backlog, with the objective of distributing the volume of the works in a balanced manner between Italy and abroad and, in the latter sector, in a distributed manner between various geographical areas, as highlighted in the previous paragraph entitled "Economic performance trend of the Group".

Counterparty risk

The counterparty dimension identifies the potential critical aspects associated with the relationships with the Group's Customers, Shareholders, Sub-Contractors and Suppliers, so as to provide a framework as comprehensive as possible of the characteristics of the partners with whom to start or continue a collaboration. For each of these types of counterparties, the risk factors associated with the financial and operational reliability are more or less relevant, in addition to the strategic role possibly acquired by a collaboration related to a specific business initiative, and to all other matters related to the legal aspects protecting the regularity of the relationship.

The analysis of the counterparties is carried out upon each new initiative taken into consideration by the Group with the support of all relevant Business Units. It allows a better prediction of the critical aspects that may arise during the performance of the operational activities, as well as a more precise planning of the mitigation actions to be implemented.

Renovation Garibaldi Tower A,
Milano - Italy

Liquidity risk

The liquidity risk may arise as a result of potential delays in the collection of payments from the Buyers, in part being public entities, besides of greater costs incurred in the execution of works, for reasons not caused by the Group and the long time required to obtain the settlement of the same by the buyers.

The Group has adopted a series of policies and processes aiming at assuring an effective and efficient management of financial resources thus reducing the liquidity risk by taking the following steps:

- centralized management of collection and payment flows (cash management systems), where it is convenient, in compliance with several civil, currency and tax regulations in force in the countries where the Group operates and with the order management needs;
- keeping a suitable level of liquidity with reference to the ongoing orders;
- attainment of suitable credit lines;
- monitoring of the perspective liquidity conditions with reference to the corporate planning process. In particular, the Group regularly updates its forecasts for the financial requirements during the period, in order to identify in a timely manner the sources of funding most appropriate to the characteristics of the financial markets in question.

ORGANIZATION AND MANAGEMENT MODEL PURSUANT TO THE ITALIAN LEGISLATIVE DECREE 231/2001 AND THE CODE OF ETHICS

In relation to the provisions of the Italian Legislative Decree 231/2001, the Parent Company ICM S.p.A. has adopted since 2003 its own Organization and Management Model in compliance with the regulation provisions, the application and observance of which is entrusted to the activity of a Supervisory Body, which also complies with the reference regulatory provisions, appointed by the Board of Directors. This Model is based on the obligation to comply with the ethical principles relevant to the prevention of crimes, an assumption that constitutes an essential aspect of the preventive system that the Company has intended to implement effectively. These principles have been included in the Corporate Code of Ethics, an official document approved by the Board of Directors by delegation of the Shareholders' Meeting, which contains the set of rights, duties and ethical principles adopted by the Company towards all stakeholders. The implementation of the same is compulsory by all those who work for the Company and is ensured by an integrated business activity management system, which is structured in such a way as to comply with its inspiring principles and to assure their application. The Model, together with the Code of Ethics, the protocols and the Procedures that make up the corporate integrated management model, are constantly updated and brought to the attention of all employees, collaborators, customers and suppliers, requiring them to comply with it and sanctioning any non-compliance through the disciplinary system or contractual sanctions.

RESEARCH AND DEVELOPMENT ACTIVITIES

The companies of the Group did not bear any research and development costs over the year.

TREASURY STOCK

None of the companies of the Group holds treasury stock or shares of parent companies.

OPERATIONS WITH FINANCIAL INSTRUMENTS

The companies of the Group carried out non-speculative operations in instruments for covering the risks related to the fluctuations of exchange and interest rates on existing medium- and long-term loans (cash flow hedge).
Changes to the fair value of derivatives named cash flow hedges were booked, only for the "effective" share, to a specific reserve of the net equity that is subsequently transferred to the income statement upon economic occurrence of the underlying coverage item. The change to the fair value referable to the "non-effective" part is immediately booked to the income statement of the period.

BRANCH OFFICES

It shall be underlined that the Parent Company, ICM S.p.A., operated during the period with secondary business units. The most relevant ones are listed here below.

COUNTRY	ADDRESS
Austria	Rueppgasse 11/4/6 – 1020 Wien
Lebanon	Victoria Center 9th Floor, Dbayeh Highway, Beirut
Kenya	Off Ring Road – Centenary House 00623 Nairobi
Oman	Cas. Pos. 158 cod. pos. 136 / Governorate of Muscat/ Bawshar Oman
Qatar	Al Markhiya Street 380 – Area 32 Dahel Al Haman - Doha
Romania	Strada Maria Rossetti n. 8A - Etaj 3 - Sector 2 - ZIP code 020485 - Bucharest (Romania)
Slovakia	Michalskà 7 - Bratislava
Switzerland	Place des Eaux – Vives 6 – c/o Etoile Office SA – 1207 Geneve

EVOLUTION OF THE MANAGEMENT

Expectations for a rapid exit from the emergency period generated by the pandemic have unfortunately been repeatedly disappointed, given the objective difficulty that governments, institutions and pharmaceutical companies are encountering in organizing an effective vaccination campaign. Nevertheless, the specific prospects concerning the future of the Group can be assessed positively.

First of all, the Group has a well-dimensioned and diversified backlog of works, both geographically and in terms of work type. Forecasts for the current year and for 2022, based on contracts already signed, show a significant growth in the value of production, which, in both years, is expected to exceed EUR 500 million, marking a considerable percentage increase over last year.

This production is expected to be supported by a technical and administrative structure that, in terms of size, will not differ significantly from the current one. As a result, the greater contribution provided by the growth in the production volumes is expected to translate into a general improvement in overall economic results.

A further aspect that leads to a positive assessment of future prospects is represented by the direction in which the national construction market is heading. On the one hand, in fact, the unprecedented crisis that has hit the sector in recent years has led inexorably to the closure of many companies and, in other cases, has suggested or imposed aggregation solutions. This has resulted in a clear reduction in the number of competitors participating in the various tendering procedures launched by contracting authorities.

Secondly, the extraordinary interventions that will be made available to the country through the structure of the Recovery Plan and of the NRRP will be substantially destined to support those infrastructural investments and extraordinary maintenance works that, in the past decade, have been the object of continuous announcements almost never materialized. In fact, during this period, almost all the available financial resources were allocated to current expenditure to the detriment of public investments.


Works related to the new tollbooth of Montecchio Maggiore, Vicenza – Italy

ANCE sources value the new projects to be financed under the NRRP at EUR 62 billion, with an impact in terms of increased employment in the construction sector of 637,019 units in the period 2021-2026. Investments in infrastructure for sustainable mobility alone (high-speed rail, regional rail lines, motorways, dynamic monitoring for remote control of infrastructure, ports) amount to EUR 28.5 billion over the six years.
Considering the above, it is also clear that the Group's international vocation, which has allowed it to continue its activities with satisfaction even when the crisis in the domestic market was more aggressive, will continue to be cultivated with the greatest energy. The fact remains, however, that on the basis of the considerations outlined above, even the domestic market, in the near future, may offer those job opportunities that, in terms of quality and size, were not available in the last decade and it will be the Group's commitment to seize them.

Vicenza, May 20, 2021

For the Board of Directors

The President
Mr. Gianfranco Simonetto

STATEMENT OF FINANCIAL POSITION

ASSETS

(AMOUNTS IN EUR/000)	NOTES	12/31/20	12/31/19
Assets			
Non-current assets			
Tangible long-term assets	1	41,308	43,518
Assets from rights of use	2	8,897	6,388
Intangible long-term assets	3	5,175	5,743
Contract costs	4	31,528	29,379
Investments	5	6,944	7,139
Other non-current assets	6	7,801	2,903
Total non-current assets		**101,653**	**95,070**
Assets available for sale	7	11,050	11,718
Current assets			
Inventories	8	51,299	47,168
Contractual assets	9	121,712	120,528
Trade receivables	10	119,198	132,945
Receivables from affiliates and parent companies	11	37,862	26,983
Other current assets	12	56,138	44,029
Cash and cash equivalents	13	95,977	71,150
Total current assets		**482,186**	**442,803**
Total assets		**594,889**	**549,591**

LIABILITIES

(AMOUNTS IN EUR/000)	NOTES	12/31/20	12/31/19
Net Equity			
Authorized share capital		50,000	50,000
Add. paid in capital fund Shares		500	500
Legal reserve		2,187	2,138
Other reserves		25,412	24,859
Retained earnings (losses)		-8,312	-8,832
Period income/loss		715	1,322
Total Equity of the Group		**70,502**	**69,987**
Minority interests		12,239	14,708
Total net equity	**14**	**82,741**	**84,695**
Non-current liabilities			
Bonds	**15**	24,458	33,103
Bank loans	**16**	84,977	24,012
Payables due to other lenders	**17**	7,573	10,208
Payables for financial leases	**18**	509	748
Liabilities from rights of use	**19**	5,233	5,331
Deferred tax liabilities	**20**	7,557	6,584
Provisions for risks and charges	**21**	6,621	5,847
Employee benefits	**22**	2,817	3,335
Total non-current liabilities		**139,745**	**89,168**
Current liabilities			
Bonds	**23**	11,921	10,060
Bank financings	**24**	79,295	87,831
Payables due to other lenders	**25**	1,672	0
Payables for financial leases	**26**	118	479
Liabilities from rights of use	**27**	3,650	1,057
Trade payables to suppliers	**28**	184,104	201,551
Payables to affiliates and parent companies	**29**	9,289	7,573
Contractual liabilities and other current liabilities	**30**	82,354	67,177
Total current liabilities		**372,403**	**375,728**
Total equity and liabilities		**594,889**	**549,591**

INCOME STATEMENT

(AMOUNTS IN EUR/000)	NOTES	12/31/20	12/31/19
Revenues			
Revenues		363,586	363,747
Total revenues	**31**	**363,586**	**363,747**
Costs			
Raw materials and consumables		73,843	78,073
Subcontracts		138,977	171,892
Other operating expenses		52,035	40,374
Personnel costs		38,640	35,826
Amortizations, rentals and set-asides		39,621	20,055
Total costs	**32**	**343,116**	**346,220**
Operating income		**20,470**	**17,527**
Financial income and expenses			
Suretyship charges and bank expenses	**33**	-6,237	-5,045
Interest expense to credit institutions	**34**	-4,875	-5,549
Interest expense to third parties	**35**	-3,898	-4,348
Total financial income and expenses		**-15,010**	**-14,942**
Gains (losses) on exchange	**36**	**-4,475**	**1,588**
Adjustments to the value of financial assets	**37**	**314**	**-1,513**
Income before taxes		**1,299**	**2,660**
Current taxes	**38**	-3,181	-667
Deferred taxes	**38**	3,113	-550
Net income (loss) for the Group and minority interests		**1,231**	**1,443**
Minority interests (income) loss		-516	-121
Net income (loss) of the Group		**715**	**1,322**

(AMOUNTS IN EUR/000)	NOTES	12/31/20	12/31/19
Net income (loss) for the Group and minority interests		**1,231**	**1,443**
Transposition differences	**14**	-2,829	1,072
Plants fair value	**14**	3,727	0
Cash flow hedge	**14**	-1,062	-238
Actuarial Benefit	**14**	-11	-44
Change in assets available for sale	**14**	-668	-242
Total Other income (expenses)		**-843**	**548**
Net comprehensive period income (loss)		**388**	**1,991**
referred to: Minority Interests		189	-328
referred to: Group		577	1,663

CASH FLOW STATEMENT

(AMOUNTS IN EUR/000)	2020	2019
Period income (loss)	**1,231**	**1,443**
Amortizations	12,233	10,898
Set-aside (use) provisions for future charges	5,456	169
Set-aside (use) Employee Severance Fund	(529)	(319)
Set-aside (use) reserve for deferred taxes	973	593
Capital gains on disposals	(1,897)	0
Financial charges	8,773	8,894
Taxes	3,181	667
Change in assets and liabilities		
Trade receivables	13,747	(13,815)
Contractual assets	(11,155)	(16,306)
Trade payables	(17,447)	25,272
Other operational assets/liabilities	(7,276)	(15,812)
Payment of financial charges	(8,773)	(8,894)
Total cash flow from operating activities	**(1,483)**	**(7,210)**
(Investments)/disinvestments of tangible long-term assets	(4,545)	(2,978)
(Investments)/disinvestments of long-term assets Fix.as./goodwill/contract.	(7,592)	(438)
Change in non-current assets	(4,898)	0
(Investments)/disinvestments of shareholdings	3,995	(164)
Total cash flow from investment activities	**(13,040)**	**(3,580)**
Bonds	(6,784)	13,383
Repayment of loans and funding	(42,192)	(19,397)
Opening of loans and funding	94,621	14,098
Change in other financial assets/liabilities	(3,492)	(1,364)
Dividends	0	(1,000)
Changes in minority interests	(216)	220
Total cash flow from financing activities	**41,937**	**5,940**
Change in the scope of consolidation	(62)	(175)
Differences on transposition of currency	(2.525)	865
Annual cash flow	**24,827**	**(4,160)**
Beginning cash and cash equivalents	**71,150**	**75,310**
Ending cash and cash equivalents	**95,977**	**71,150**

STATEMENT OF CHANGES IN EQUITY (AMOUNTS IN EUR/000)

	AUTHORIZED SHARE CAPITAL	ADD. PAID IN CAPITAL FUND	LEGAL RESERVE	OTHER RESERVES	TRANSPOSITION RESERVE	FAIR VALUE RESERVE	CFH RESERVE	RESERVE ACT. BEN.	AVAILABLE ASS. SALE	RETAINED (EARNINGS) LOSSES	PERIOD INCOME (LOSS)	GROUP NET EQUITY	MINORITY INTERESTS	CONSO. NET EQUITY
As of 12/31/18	**50,000**	**500**	**1,790**	**27,941**	**315**									
Allocation of profits			348	6,616	-315					426	-7,075			
Distribution of dividends				-1,000								-1,000		-1,000
Effects of IFRS 15 adoption														
Investments under common control														
Other changes										-175		-175	13	-162
Revaluation reserve decrease														
Overall income (loss) for the period					865		-238	-44	-242		1,322	1,663	328	1,991
As of 12/31/19	**50,000**	**500**	**2,138**	**33,557**	**865**		**188**	**-491**	**-9,260**	**-8,832**	**1,322**	**69,987**	**14,708**	**84,695**
Allocation of profits			49	931	25					317	-1,322			
Distribution of dividends														
Investments under common control														
Reduction of third party share													-2,306	-2,306
Other changes										-62		-62	26	-36
Revaluation reserve														
Overall income (loss) for the period					-2,389	3,727	-1,062	-11	-668	265	715	577	-189	388
As of 12/31/20	**50,000**	**500**	**2,187**	**34,488**	**-1,499**	**3,727**	**-874**	**-502**	**-9,928**	**-8,312**	**715**	**70,502**	**12,239**	**82,741**

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ACTIVITIES OF THE GROUP

ICM S.p.A. is the operating holding of the ICM Group. The main activity of the Group is the construction of civil road, hydraulic, and infrastructural works, as well as civil engineering works in general, both public and private. The Group is also involved in real estate initiatives, besides operating in the prefabrication and ecology field.

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group as of December 31, 2020 were prepared in compliance with the IAS IFRS international accounting standards adopted by the European Union and the related interpretations, as provided by Italian Legislative Decree 38/2005. Herein, the term IAS/IFRS includes also the interpretations of the International Financial Reporting Interpretation Committee (IFRIC), previously called Standing Interpretation Committee (SIC). These Consolidated Financial Statements provide a correct representation of the economic, equity, and financial position of the Group both formally and substantially.

Therefore, the consolidated financial statements consist of statement of financial position, income statement, statement of comprehensive income, overview of net equity, cash flow statement and related explanatory and integrative notes to the financial statements.

The consolidated statement of financial position shows current and non-current assets and current and non-current liabilities separately. Current assets and liabilities include items originally intended to be realized in the normal operating cycle, or held/acquired to be traded, or consisting of cash or financial liabilities to be settled within twelve months from the financial statements date. Other assets and liabilities are classified as non-current.

The consolidated income statement presents a classification of costs by type and shows profit/loss before financial charges and taxes.

The Comprehensive Income Statement for the period is submitted pursuant to the provisions of the reviewed version of IAS 1.

Furthermore, it shows the net profit/loss of third parties and of the Group.

The cash flow statement was prepared using the indirect method, by which period income is adjusted for the effects of non-monetary transactions, for any deferment or set aside of previous or future collections or operational payments and for revenues or charges associated with cash flows from investment or financial activities. The cash and cash equivalent included in the cash flow statement include the equity balances for that heading as of the reference date. Revenues and costs related to interest, dividends received and income taxes are included in cash flows generated by operations.

The table showing the changes in the equity highlights, for a two-year time span, the changes occurred in the corporate assets/liabilities due to the period profit/loss, to transactions occurred with the Shareholders (any increase in the share capital, distribution of dividends, etc.) as well as due to the profits and losses directly booked to the net equity (exchange differences resulting from the transposition of a foreign entity, revaluation pursuant to the fair value, etc.).

The consolidated financial statements have been prepared on a going-concern basis. In making their positive assessments of future prospects, the Directors considered: i) the

Cern Science Gateway, new visitor center - Switzerland

size of the order backlog existing as of the date of preparation of the financial statements, amounting to EUR 1.86 billion, of which EUR 1,64 billion attributable to the Group, as shown in the Report on Operations, and ii) the most updated forecasts of expected cash flows for the current year which, also in the light of the constant and careful management and monitoring of the financial lines available and those attainable on the market, are deemed suitable for the performance of the Group's operating activities in the foreseeable future.
In addition, in making their assessments regarding future prospects, the Directors have relied on their expectation of the occurrence of future events and situations and the related actions that the Company believes it may take. Therefore, these same figures reflect the assumptions and elements assumed by the Directors at the basis of their formulation, and represent the best estimate of the cash flows that the Directors anticipate will be realized. In this regard, it should be noted that the valuation of future prospects is by its very nature based on the assumption of articulated and complex hypotheses about future events, in some cases beyond the corporate control, generally characterized by inherent elements of subjectivity and uncertainty. Consequently, even though the most updated projections of expected cash flows have been prepared accurately and on the basis of the best available estimates by the Directors, some of the projected events from which they derive may not occur or may occur to an extent different from the projected one; on the other hand, events that could not be foreseen at the time they were prepared could occur, thus causing significant variances between actual and projected data, in a context that is still characterized by uncertainties related to the pandemic scenario, even though the global epidemic is declining, thanks in part to the vaccination programs launched by the various countries. Therefore, the Directors will continue to monitor the evolution of the factors taken into consideration, so as to be able to take the most appropriate corrective action, if necessary, should these assumptions do take place.
The consolidated financial statements include the financial statements of ICM S.p.A. and of the subsidiaries of any type, including cooperative companies and commercial cooperative-like companies, if operational. The control occurs when the Group has the power of determining, either directly or indirectly, the operating, management and administrative decisions and of obtaining the related benefits; this may happen also by holding, either directly or indirectly, of more than half of the vote rights. The consolidated financial statements do not include subsidiaries that are inactive or that generate an insignificant sales turnover, because they do not have a material impact on the values in the consolidated financial statements of the Group.
Jointly controlled entities are consolidated using the proportional method.
The subsidiaries in liquidation were booked applying the lower value between the cost and the presumed realizable value.
It shall be underlined that during the period the company Palazzo Jacobucci S.c. a r.l. was excluded from the consolidation scope, as it was no more relevant.
The companies ICM Construction GMBH and BCA S.c. a r.l., which started their operations during the year significantly, entered into the consolidation scope.

Financial statements subject to consolidation were prepared as of December 31, the reference date of the consolidated financial statements, and were generally specifically made available and approved by the Boards of Directors of the individual companies, suitably adjusted where necessary to conform to the accounting policies of the Parent Company.
The term "Affiliates" refers to those enterprises in which the Parent Company exercises significant influence by participating in decisions about financial and operational policies. In general, this happens when the Parent Company directly or indirectly controls at least one-fifth of the votes in the Ordinary Shareholders Meeting. In the consolidated financial statements, these companies are valued using the equity method.
Investments in companies that are not affiliates or subsidiaries are measured at their fair value or, when this cannot be reliably determined, at cost adjusted for impaired losses.

Companies consolidated with the line-by-line method:

COMPANY	TYPE	HEAD OFFICE	AUTH. SHARE CAPITAL	% OF DIRECT OR INDIRECT INVESTMENT
BASALTI VERONA	S.R.L.	MONT. DI CROSARA (VR)	90,000	100.00
CONSORZIO INFRASTRUTTURE	S.C.A R.L.	VICENZA	50,000	100.00
CONS. STABILE INFRASTRUTTURE		BOLZANO	100,000	100.00
INTEGRA	S.R.L.	VICENZA	1,500,000	100.00
INTEGRA CONCESSIONI	S.R.L.	VICENZA	50,000	100.00
S.I.P.E. Società Industriale Prefabbricati Edili	S.P.A.	LONIGO (VI)	4,000,000	100.00
ICM CONSTRUCTION	G.M.B.H.	AUSTRIA	100,000	75.00
BCA	S.C.A R.L.	VICENZA	10,000	70.00
INDEPENDENT COSTRUCTION GROUP MUSCAT	L.L.C.	OMAN	530,000	70.00
DELMA LIBYA COMPANY	L.T.D.	LIBIA	609,000	65.00
TESSERA	S.C. A R.L.	TORTONA (AL)	10,000	60.76
MONTECCHIO	S.C. A R.L.	VICENZA	10,000	60.00
DELMA ENGINEERING UK	L.T.D.	UNITED KINGDOM	18,687,000	55.36
CO.ME.CA.	S.C. A R.L.	VICENZA	10,000	54.00
DELMA MIDDLE EAST ENTERPRISES	W.L.L.	QATAR	6,269,000	49.00

Entities consolidated with the proportional method:

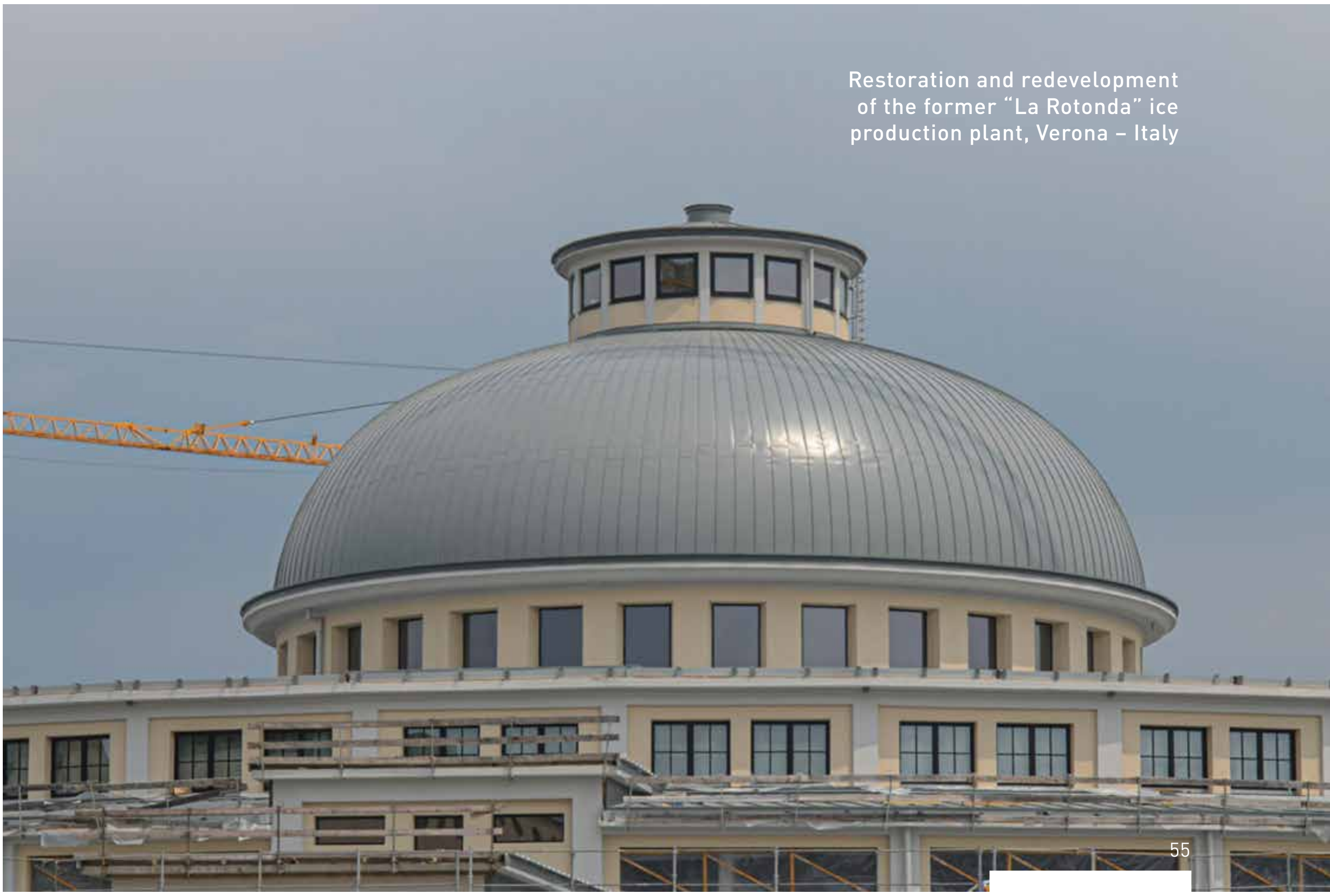
COMPANY	TYPE	HEAD OFFICE	AUTH. SHARE CAPITAL	% OF DIRECT OR INDIRECT INVESTMENT
ARGE A26 DONAU BRUCKE	J.V.	AUSTRIA		46.50
AMIC HIGHRISE CONTRACTORS	J.V.	CIPRO		32.00

Companies consolidated with the equity method:

Operational companies and consortia:

COMPANY	TYPE	HEAD OFFICE	AUTH. SHARE CAPITAL	% OF DIRECT OR INDIRECT INVESTMENT
DELMA CONSTRUCTION	L.T.D.	KENYA	10,000	100.00
ICM CONSTRUCTION	L.T.D.	UNITED KINGDOM	115,000	100.00
ICGM International Constr. G.M.	S.R.L.	ROMANIA	10,000	100.00
OPERA OTTO	S.R.L.	VICENZA	10,000	100.00
SANMICHELE	S.R.L.	VICENZA	10,000	100.00
MALTAURO MAROC	S.A.R.L.	MOROCCO	9,000	99.90
OPERA SETTE	S.R.L.	VICENZA	10,000	99.00
POR.TER.	S.C.A R.L.	AGRIGENTO	10,000	80.00
ICM USA	L.L.C.	UNITED STATES OF AMERICA	474,000	70.00
INC-ENGEOBRA GROUPMENT		CAPE VERDE	10,000	60.00
JV ICM INTEGRA		VICENZA	10,000	60.00
CODEL.MA	S.R.L.	VICENZA	100,000	50.00
CONSORZIO MONTE ADRIANO		CAPE VERDE	40,000	50.00
JV SKE-ICM	S.C.A R.L.	VICENZA	10,000	50.00
MALCO	S.C.A R.L.	VICENZA	10,000	50.00
PIZZOMUNNO VIESTE	S.C.A R.L.	ANCONA	51,000	50.00
TAVI	S.C.A R.L.	BOLOGNA	10,000	49.00

COMPANY	TYPE	HEAD OFFICE	AUTH. SHARE CAPITAL	% OF DIRECT OR INDIRECT INVESTMENT
RIVIERA	S.C.A R.L.	NAPLES	50,000	45.00
CONSORZIO FU.G.I.S.T.		NAPLES	26,000	31.58
VICENZA FUTURA	S.P.A.	VICENZA	3,546,695	30.88
SIMAL	S.R.L.	VICENZA	61,000	30.00
OPERA DUE	S.R.L.	VICENZA	60,000	20.00
LEASING NORD	S.R.L.	VICENZA	2,838,000	14.98



Restoration and redevelopment of the former “La Rotonda” ice production plant, Verona – Italy

Companies and consortia in liquidation:

COMPANY	TYPE	HEAD OFFICE	AUTH. SHARE CAPITAL	% OF DIRECT OR INDIRECT INVESTMENT
SESTO	S.C.A R.L.	VICENZA	10,000	100.00
SUBURBANA EST BOLOGNA	S.C.A R.L.	VICENZA	10,845	99.99
IMMOBILIARE COLLI	S.R.L.	VICENZA	46,440	99.00
PORTO DI CASCIOLINO	S.C.A R.L.	ROME	10,000	90.00
SAN CRISTOFORO	S.C.A R.L.	VICENZA	10,000	90.00
ACQUASANTA	S.C.A R.L.	CATANIA	10,000	80.00
JONICA	S.C.A R.L.	ROCCELLA J. (RC)	10,200	80.00
PALAZZO IACOBUCCI	S.C.A R.L.	VICENZA	10,000	70.00
CONSORZIO A.I.P.		BARAGIANO SCALO (PZ)	408,000	62.00
CASTEL DI SANGRO	S.C.A R.L.	ROME	10,000	51.00
EDIMAL GRAN SASSO	S.C.A R.L.	ROME	10,000	51.00
FCE	S.C.A R.L.	ROME	10,000	51.00
FLORIDIA	S.C.A R.L.	VICENZA	10,710	51.00
MEDITERRANEO	S.C.A R.L.	CATANIA	10,000	51.00
OLIVO	S.C.A R.L.	CATANIA	10,000	51.00
SAN DEMETRIO	S.C.A R.L.	ROME	10,000	51.00
DEL.FUR.	S.C.R.L.	NAPLES	10,200	50.00
G.E.I. GESTIONI ITALIA	S.R.L.	VICENZA	100,000	50.00
PORTO DI ROCCELLA JONICA	S.C.A R.L.	ROCCELLA J. (RC)	10,400	50.00
CONSORZIO SAN MASSIMO	S.C.A R.L.	VICENZA	10,000	49.00
INFRASTRUTTURE STRADALI	S.C.A R.L.	ROME	10,000	49.00
NTV	S.C.A R.L.	CAMPOLONGO MAGGIORE (VE)	20,000	49.00
T.M.T.	S.C.A R.L.	P. PICENZE (AQ)	10,000	48.50

COMPANY	TYPE	HEAD OFFICE	AUTH. SHARE CAPITAL	% OF DIRECT OR INDIRECT INVESTMENT
LOTTO 5A	S.C.A R.L.	ROME	10,000	43.35
ROBUR 2003	S.C.A R.L.	NAPLES	10,000	42.00
CONSORZIO CO.FER.I.		NAPLES	438,988	41.00
SMACEMEX	S.C.A R.L.	SAN DONATO MILANESE (MI)	10,000	40.00
CONSORZIO M.R.G.		BARAGIANO SCALO (PZ)	51,646	30.00
ITACA	S.C.A R.L.	RAVENNA	10,200	30.00
ASSI STRADALI	S.C.R.L.	VICENZA	10,710	28.57
G.T.B.	S.C.R.L.	NAPLES	51,000	28.00
DIAMANTE PAOLA	S.C.A R.L.	ROME	46,481	22.10

PRINCIPLES OF CONSOLIDATION

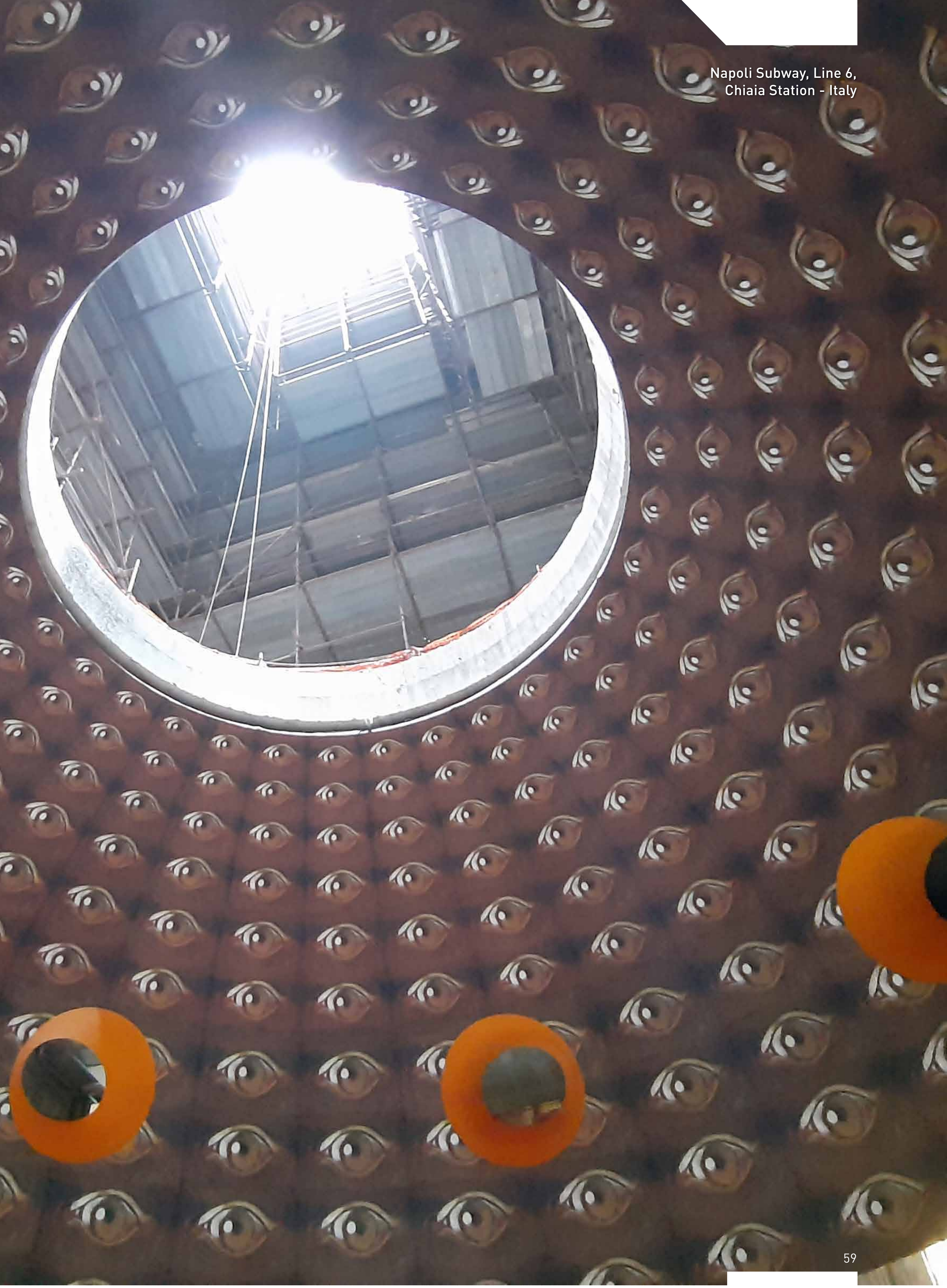
The fundamental principles used in preparing the consolidated financial statements require:

- elimination of the book value of investments held in companies included in the scope of consolidation against the associated share belonging to the Net Equity, and separate display of the net equity belonging to minority interests;
- the purchase of subsidiaries is booked in accordance with the acquisition method in compliance with the IFRS 3. The cost of the purchase is equal to the sum at fair value, as of the date in which it is gained the control on the acquired assets and on the borne or acquired liabilities, and on the financial instruments issued by the Group in exchange for the control of the purchased company, plus all cost directly imputable to the aggregation itself;
- elimination of transactions and significant balances between companies and/or consortia included in the scope of consolidation;
- elimination of unrealized intercompany profits, net of the related tax effect.

We show below the reconciliation between the equity and period profit/loss of the financial statements of ICM S.p.A. and the Net Equity and period profit/loss of the consolidated financial statements.

RECONCILIATION OF FINANCIAL STATEMENTS OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS (AMOUNTS IN EUR/000)

	Current accounting period	
	Net profit/loss	Net Equity
PARENT COMPANY FINANCIAL STATEMENTS BALANCES	**-798**	**64,141**
Elimination of intercompany transactions between consolidated firms, net of tax effects:		
• Internal profits on warehouse inventories	-110	
• Internal profits on tangible long-term assets	-313	-1,534
• Internal profits on intangible long-term assets	197	-602
• Consolidated companies merger effects		-611
• Dividends received from consolidated companies		
Book value of the consolidated equity investments		-46,918
Period profit/loss and equity of the consolidated companies	954	67,508
Valuation using the equity method of companies entered at cost		-444
Profit on purchase of shareholdings	868	868
Attributing differences to the assets of the consolidated companies and associated depreciation/amortization:		
• Tangible long-term assets		324
• Goodwill from consolidation		
Effect of other adjustments	433	9
BALANCES AS PER CONSOLIDATED FINANCIAL STATEMENTS	1,231	82,741
BALANCES AS PER CONSOLIDATED FINANCIAL STATEMENTS - Third parties	-516	-12,239
BALANCES AS PER CONSOLIDATED FINANCIAL STATEMENTS - Group	715	70,502



Napoli Subway, Line 6,
Chiaia Station - Italy

ACCOUNTING POLICIES

As already indicated, the accounting standards used to prepare the consolidated financial statements were the international ones approved by the European Commission (International Accounting Standards – IAS or International Financial Reporting Standards – IFRS). The accounting policies and measurement bases used in the preparation of the consolidated financial statements for the year ended December 31, 2020 are the same as those used in the preparation of the consolidated financial statements for the year 2019, to which explicit reference is made, except for the new accounting standards, amendments and interpretations published by the IASB and endorsed by the European Union applied from January 1, 2020.

IFRS accounting standards, amendments and interpretations applied from January 1, 2020:

Amendments to IAS 1 and IAS 8 "Definition of Material" (issued on October 31, 2018)

The document introduced a change in the definition of "material" contained in IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The purpose of this amendment is to make the definition of "material" more specific and to introduce the concept of "obscured information" alongside the concepts of omitted or incorrect information already present in the two standards being amended. The amendment clarifies that information is "obscured" if it has been described in such a way as to produce for the primary readers of a financial statement an effect similar to that which would have occurred if that information had been omitted or incorrect. The adoption of such amendment did not affect the financial statements of the Company.

References to the Conceptual Framework in IFRS Standards (published on March 29, 2018)

The amendment is effective for periods beginning on or after January 1, 2020, yet an earlier application is permitted. The Conceptual Framework defines the fundamental concepts for financial reporting and guides the Board in developing the IFRS standards. The document helps to ensure that the Standards are conceptually consistent and that similar transactions are treated in the same way, so as to provide useful information to investors, lenders and other creditors. The Conceptual Framework supports companies in developing accounting standards when no IFRS standard is applicable to a particular transaction and, more generally, helps stakeholders understand and interpret the Standards. The adoption of such amendment did not affect the financial statements of the Company.

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (published on September 26, 2019)

The amendment amends IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement as well as IFRS 7 - Financial Instruments: Disclosures. In particular, the amendment modifies some of the requirements for the application of hedge accounting, providing temporary exceptions to the same, in order to mitigate the impact of the uncertainty of the IBOR reform (still in progress) on future cash flows in the period prior to its completion. The amendment also requires companies to provide additional disclosures in their financial statements about their hedging relationships that are directly affected by the uncertainties generated by the reform and to which they apply the above exemptions. The adoption of such amendment did not affect the financial statements of the Company.

Amendments to IFRS 3 "Definition of a Business" (issued on October 22, 2018)

The document provides some clarifications on the definition of business for the purposes of the correct application of IFRS 3. In particular, the amendment clarifies that, while a business usually produces an output, the presence of an output is not strictly necessary to identify a business in the presence of an integrated set of activities/processes and assets. However, to meet the definition of business, an integrated set of activities/processes and assets must include, at a minimum, an input and a substantial process that together contribute significantly to the ability to create an output. Consequently, the IASB replaced the term "ability to create outputs" with "contribute to the ability to create outputs" to clarify that a business can exist even without the presence of all the inputs and processes needed to create an output.

The amendment also introduced an optional test ("concentration test") that allows the exclusion of the presence of a business if the price paid is substantially referable to a single activity or group of activities. These amendments apply to all business combinations and assets acquisitions taking place after January 1, 2020, yet an earlier application is permitted.

The adoption of such amendment did not affect the financial statements of the Company.

Amendments to IFRS 16 "Covid-19 Related Rent Concessions" (issued on May 28, 2020)

The document provides lessees with the ability to account for Covid-19 related rent reductions without having to assess through contract analysis whether the definition of *lease modification* in IFRS 16 is met. Therefore, lessees applying this option will be able to account for the effects of rent reductions directly in the income statement on the effective date of the reduction. The adoption of such amendment did not affect the financial statements of the Company.

Accounting policies, amendments and IFRS and IFRIC interpretations approved by the European Union, which shall not be compulsorily implemented yet and were not adopted in advance by the Group as of December 31, 2020:

As of December 31, 2020, no IFRS and IFRIC accounting standards, amendments and interpretations had been issued that were endorsed by the European Union but not yet mandatorily applicable as of December 31, 2020.

Accounting standards, amendments and IFRS interpretations not yet approved by the European Union:

IFRS 17 - Insurance Contract (published on May 18, 2017)

This standard is intended to replace IFRS 4 - Insurance Contracts. The objective of the new standard is to ensure that an entity provides relevant information that fairly represents the rights and obligations arising from the insurance contracts it issues. The IASB developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The new standard also includes presentation and disclosure requirements to improve comparability among entities in this industry. The new standard measures an insurance contract on the basis of a General Model or a simplified version of it, called the Premium Allocation Approach ("PAA").

The main features of the General Model are:

- the estimates and assumptions of future cash flows are always current;
- the measurement reflects the time value of money;
- the estimates involve extensive use of observable market information;
- there is a current and explicit measurement of risk;
- the expected profit is deferred and aggregated into groups of insurance contracts at initial recognition;
- and the expected profit is recognized over the period of contractual cover taking into account adjustments arising from
- changes in the cash flow assumptions for each group of contracts.

The PAA approach provides for the measurement of the liability for residual coverage of a group of insurance contracts provided that, at initial recognition, the entity expects that the liability reasonably represents an approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the PAA approach. The simplifications arising from the application of the PAA method do not apply to the measurement of liabilities for outstanding claims, which are measured using the General Model. However, it is not necessary to discount those cash flows if it is expected that the balance to be paid or collected will occur within one year of the date the claim occurred. An entity shall apply the new standard to insurance contracts issued, including reinsurance contracts issued, reinsurance contracts held and also to investment contracts with a discretionary participation feature (DPF).
The standard applies from January 1, 2023 but early application is permitted, only for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers. The directors do not expect a material effect on the Group's consolidated financial statements from the adoption of this standard.

Amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" (issued on January 23, 2020)

The purpose of this document is to clarify how to classify debts and other short-term or long-term liabilities. The amendments are effective from January 1, 2022 but the IASB has issued an exposure draft to postpone their entry into force to January 1, 2023; however, an earlier application is permitted. The directors are currently evaluating the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

On May 14, 2020, the IASB published the following amendments called:

Amendments to IFRS 3 "Business Combinations"

The purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in its revised version, without making any changes to the requirements of IFRS 3.

Amendments to IAS 16 "Property, Plant and Equipment"

The purpose of the amendments is not to permit the deduction from the cost of property, plant and equipment of the amount received from the sale of goods produced in the test phase of the asset itself. These sales revenues and related costs will therefore be recognized in the income statement.

Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendment clarifies that when estimating whether a contract is onerous, all costs directly attributable to the contract must be taken into account. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of direct materials used in the work), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as the share of personnel costs and depreciation of machinery used to perform the contract).

Annual Improvements 2018-2020:

The amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.
All changes shall take effect on January 1, 2022. The directors are currently evaluating the possible effects of the introduction of these amendments on the Group's consolidated financial statements.
Given the above, we show below the most significant accounting policies applied.

INTANGIBLE LONG-TERM ASSETS

Intangible long-term assets were entered at cost in accordance with IAS 38.
For each intangible asset, its useful life is determined at the time of initial entry. Intangible assets with finite useful lives are shown net of related accumulated amortization. Amortization begins when the asset is available for use and is systematically distributed in relation to the residual possibility of using it. Intangible assets with indefinite useful lives are not amortized, but are subject to annual verification to check the recoverability of their value in accordance with the provisions of IAS 36.
If the tangible assets include intangible assets as a component of their value, a critical judgment was carried out concerning the greater relevance of tangible elements with respect to intangible ones.
Finally, it shall be underlined that since January 1, 2008 the interpretation IFRIC 12 "Service Concession Arrangements" was applied with reference to the construction and management works of:

- an integrated purification plant assigned to the temporary joint venture set up between the Parent Company and the subsidiary Integra S.r.l. by the Commissioner Delegated to the environmental rehabilitation of the Orbetello lagoon (15-year term building and management concession);
- public works, including urbanizations, covered and not covered swimming-pool, as well as tennis and soccer courses for both training and competition use, assigned under concession to the Parent Company by the Municipality of Caldogno (VI) (30-year term building and management concession);
- plant for the management of the thermal and cooling energy service in the Municipality of Caldogno (VI) (30-year term concession).

The Group has recorded the works construction costs as intangible assets net of contributions for the construction and management accrued and collected up to now.

LOSSES OF VALUE

On each financial statements reference date, a check is made for the existence of events or changes in situation that indicate that the book value of tangible or intangible assets may not be recovered. If there is an indication of this type, the recoverable amount of these assets is estimated to determine the amount of any write-downs.
The recoverable value of tangible and intangible assets is the greater of their fair value, decreased by the sale costs and their use value, where the use value is the present value of future cash flows that may originate from an asset (or from a cash flow generating unit, "cash generating unit"). Cash flows are "incoming" flows, net of "outgoing" ones resulting from the use of the asset.
In defining the use value, expected future cash flows are discounted back using a discount rate before taxes that reflects the current market estimate referred to the cost of money for the time and specific risks of the asset.

Redevelopment of infrastructures at Venezia Airport on behalf of Save Spa – Italy

Losses of value are booked directly to the income statement. Should it be no more meaningful to hold the depreciation, the book value of the asset would be increased to its new value resulting from the estimate of its recoverable value, but not greater than the net book value that the asset would have had if it was not subject to depreciation. Any value restoration is booked to the income statement.

TANGIBLE LONG-TERM ASSETS

Tangible long-term assets are mostly reported at the purchase cost or internal production cost including directly imputable auxiliary expenses. The cost is entered net of accrued amortizations and any depreciation for durable losses of value; it includes also the expenses for the disposal, demolition, and disassembly of the asset at the end of the useful life when the requirements set forth by IAS 37 for the purposes of booking the item to the financial statements are met.
The book value of tangible long-term assets is subject to periodical verification in order to detect any losses of value, in detail when events or situation changes indicate that the book value might not be recoverable. Should such indication be detected or should the book value exceed the presumed realizable value, the assets are depreciated in order to reflect their realizable value represented by the greater value between the net sale price and the use value. The losses of value are booked to the income statement among the cost of sold amounts.
Upon the sale or when there are no future economic advantages expected from the use of the asset, the involved asset is eliminated from the financial statements and any loss or profit (calculated as difference between the transfer value and the book value) is booked to the income statement in the year in which the above-mentioned elimination does occur.
Buildings for which there are promises to buy are booked at the lesser of presumed realizable value or the cost of purchase or internal construction, including directly imputable auxiliary expenses.
As for depreciation booked to the income statement, this is calculated on all depreciable assets in existence at the end of the accounting period, based on rates considered representative of the estimated technical and economic useful life of the assets, reduced by 50% for assets acquired during the period.

The main economic and technical depreciation rates used were the following:

Category	%
Industrial buildings	3
Light construction	12.5
General installations	10
Specialized plant and operator machinery	15
Metal planks and formworks	25
Excavators and power digging equipment	20
Cars or trucks for transportation	20
Automobiles, motorcycles and similar	25
Miscellaneous small equipment	40
Furniture and ordinary office machinery	12
Electro-mechanical and electronic office machines	20

Whether undeveloped or attached to civil or industrial buildings, land is not depreciated, because it has unlimited useful life.
Assets held through financial leasing contracts, through which all the risks and benefits of ownership are essentially transferred to the Group, are recognized as Group assets and classified as property, plant and equipment, other assets, and amortized according to their useful life or, according to the expiration terms of the lease contracts, if the estimated useful life is lower than such terms; corresponding liabilities to the lessor are instead shown in the financial statements among financial payables. The cost of the lease payment is broken down into its components: financial charges, booked to the income statement, and repayment of principal, entered as a reduction of financial debt.
It should be noted that for two categories of plants identified as "prefabricated formwork" and "waste treatment plants", their value was revalued in the financial statements of the individual companies prepared in accordance with OIC national accounting standards, in compliance with the regulation introduced by art. 110 of the Italian Legislative Decree 104/20. This revaluation was maintained in the IAS consolidated financial statements, in which the related effect was recorded under reserves referring to components of the comprehensive income statement, using, for the above-mentioned categories, the revaluation method provided for by IAS 16 instead of the cost method. The values recorded are supported by appraisals whose preparation was entrusted to third party professionals.

ASSETS FROM RIGHTS OF USE

The adoption of IFRS 16 introduced a new system of accounting for lease and rental contracts. The lessee recognizes an asset representing the right to use the underlying asset and a liability reflecting the obligation to pay lease payments. Optional exemptions are provided for short-term and low-value leases. In this sense, the Group used the relative simplifications relating to assets of low value and to contracts with a duration of less than 12 months, for which the accounting is carried out in the income statement on a pro-rata basis and at the time they are incurred. For contracts that provide for a renewal option at the end of the period that cannot be cancelled, the Group has chosen to generally apply a "non-renewal" assumption, determined by the fact that the prevalence of contracts is associated with specific orders. The duration of the contracts was thus determined on the basis of the period that cannot be cancelled, provided for in the contract; the exercise of the renewal option was considered probable and applicable to a limited number of cases, based on current business plans.

INVESTMENTS

Investments in unconsolidated subsidiaries and in affiliates are valued with the equity method.
Subsidiaries in liquidation, limited to those with insignificant impact on the values of the consolidated financial statements, are valued at the lesser of cost or presumed realizable value.

Investments in other companies are measured at fair value with the effects recognized in the equity. In this case there is no provision for recycling to profit or loss on disposal of amounts previously included in other comprehensive income. When the fair value cannot be reliably determined, investments are measured at cost adjusted for impairment losses, the effect of which is recognized in the income statement. If the reasons for the write-downs cease to apply, the investments valued at cost are revalued within the limits of the write-downs made, with the effect charged to the income statement

CONTRACT COSTS

IFRS 15 allows the capitalization of costs for obtaining and performing contracts, provided that they are directly related to the contract, that they enable the company to have new or increased resources to perform or continue to perform obligations to be done in the future and that they are recoverable through the future economic benefits of the contract. Specifically, these are costs incurred as a consequence of the acquisition of a contract; they are recorded as assets and charged to the income statement under depreciation on a systematic basis and in a manner corresponding to the transfer of control of the goods/services to the customer, which coincides with the progress of work in progress.

INVENTORIES

Warehouse inventories are valued at the lesser of the purchase or production cost (including auxiliary expenses) or the corresponding realizable value on the market as of the close of the accounting period.
In particular, the cost of consumables was determined by applying the weighted average cost method.
Market value is represented by replacement cost for raw materials, parts and semi-finished goods, and by net realizable value for merchandise, finished goods and goods in progress.
The final inventories for building projects are represented by owned buildings under construction and/or finished and intended for sale.
They are valuated based on sustained costs, considered less than the presumed realizable value considered net of estimated residual cost of the project.
The cost of initiatives includes: the cost of land, the cost of urbanization and construction, taxes and in some cases directly imputable financial expenses. In the latter case these contribute to the cost of the building initiative only up until the moment in which it is completed.
Any expected losses are set aside in the financial statements of the accounting period in which they become known.
Even if a third party promise to pay is held, inventories referring to building initiatives are evaluated based on sustained costs.
Advances received from purchasers upon signing the agreement are recorded under "Contractual liabilities" included under "Contractual liabilities and other current liabilities".

Following the application of IFRS 15, the assets and liabilities resulting from the contract are classified in the Statement of Financial Position items "Contractual assets" and "Contractual liabilities", respectively in the assets and liabilities section. The classification between contractual assets and liabilities depends on the relationship between the ICM Group performance and the customer payment: the items in question represent, in fact, the sum of the following components analyzed individually for each contract:
(+) The value of work in progress determined in accordance with IFRS 15 rules, using the cost-to-cost method, net of the issued work progress status statements/certificates;
(-) Contractual advances.
If the resulting value is positive, the net balance of the contract is booked to the "Contractual assets", otherwise it is booked to the "Contractual liabilities". If, according to the contract, the involved values express an unconditional right to the consideration, they are booked as receivables.
The valuation of progressive works is performed taking into account the state of completion, based on the progress in the execution of the works.
Depending on the type and characteristics of the contract, the percentage of completion is based on the realization of contractual quantities or based on the percentage of costs sustained compared to total estimated costs (cost-to-cost method).
While assessing the work in progress, it is necessary to consider also the requests for additional expenses submitted by the Buyers and the changes during work to which the company deems to be entitled on a legal or contractual base, although they are not yet certified, considering the technical complexity, dimension and duration term of the works performance, which result in additional amounts besides the contractual ones. In particular, the amounts deriving from reserves represent additional amounts required to cover higher costs incurred (and/or to be incurred) for unforeseeable causes and/or events attributable to the Buyer, to greater work carried out (and/or to be carried out) and/or to changes in work not formalized in additional deeds. The determination of additional amounts is, by its very nature, subject to a certain degree of uncertainty, both as to the amounts that will be recognized by the Buyer and as to the collection times that, usually, depend on the outcome of negotiations between the parties or on decisions by judicial bodies.
This type of contractual consideration is governed by IFRS 15 and is referred to the "contractual changes". According to the accounting standard, a contractual amendment exists if it is approved by both contracting parties; also according to IFRS 15, the approval may take place in writing, by verbal agreement or through the commercial practices of the sector. In addition, the standard establishes that a contractual amendment may exist even in the presence of disputes about the subject matter and/or price of the contract. In this case, it is first of all necessary to assess whether the rights to the consideration are contractually established and generate an enforceable right.
Once the collectable right has been identified, the booking of the reserves and the amounts related to the additional requests to the Buyer is done in accordance with the guidelines defined by IFRS 15 in relation to the "Variable considerations".

Therefore, for the purposes of adjusting the transaction price as a result of the additional amounts deriving from reserves towards the Buyer, it is necessary to establish whether the circumstance that the revenues will not be written off in the future is considered "highly probable".
For the purposes of these valuations, all relevant aspects and circumstances are taken into account, including the terms of the contract itself, the industry trade and negotiation practices or other supporting evidence.
It should be noted that the 2020 financial statements include the recognition of some claims for compensation for costs arising from the need to carry out the works by adopting different methods, criteria and behavior from those initially foreseeable, due to the provisions issued by the Authorities aimed at containing the health emergency due to the Covid-19 virus and, ultimately, at protecting the health of the workers. These indemnities therefore tend to rebalance the contractual synergies that have been modified by the adoption of the aforementioned operating instructions.
The analytical quantification of the actual incidence of the activities required by the safety protocols established for the execution of the work is based on multiple variables affecting the production factors, ranging from the willingness of the personnel to voluntarily comply with the requirements, to the actual compliance with the protocols of the actions carried out by the personnel, to the individual resistance to the use of personal protection equipment (mask, gloves, etc.) during the performance of their duties, as well as the workforce required for each task.
It is also clear that compliance with the established protocols, i.e. the performance of all activities aimed at guaranteeing the personal protection of the workers, has forced, and still forces, a reorganization of the activities themselves.
In detail, in each operational reality, the average times used for the following activities are assessed:

- checking-in for the work entrance (temperature test and removal or replacement of masks)
- maintaining personal hygiene (frequent hand washing and sanitation)
- sanitation of shared vehicles and equipment after each use
- the management of the FFP2 mask, which is removed for about 2/3 minutes every half hour
- the impact deriving from the requirements for mixed transport on vehicles for movements inside and outside the site
- the impact of maintaining the minimum distance in case of simultaneous work in the same area.

On the whole, the incidence of these activities for each work unit usually exceeds one hour per day, resulting in a significant increase in indirect costs and a general loss of efficiency in the management of processes. On this basis, the amount of the indemnities requested was calculated with reference to the higher charges incurred until December 31, 2020, recording under inventories, at the financial statements closing date, a prudent valuation of the indemnities that will be obtained under this heading corresponding to approximately one third of the value of the requests.
When the overall costs of the order are likely to exceed the overall revenues, the expected loss for such order is booked immediately to the Income Statement for its entire amount, in compliance with the principle of prudence.

RECEIVABLES AND PAYABLES

Receivables and other current assets are included in the current assets and are measured at the amortized cost identified by the nominal value on the basis of the effective interest rate method. Trade receivables whose due date falls within normal commercial terms are not discounted as the effect of discounting cash flows is considered immaterial. Receivables with maturities of more than one year, which bear no interest or with bear interest at below market rates, are discounted using market rates. Trade receivables are discounted to present value when the collection terms are longer than the average payment terms granted. If there is objective evidence of elements indicating impairment, the asset is reduced to an amount equal to the discounted value of the cash flows obtainable in the future. Losses of value are booked to the income statement. If in subsequent periods the reasons for previous write-downs no longer apply, the value of the assets is reinstated up to the value that would have derived from the application of the amortized cost. In addition to the assessment referred to in the previous paragraph with reference to impairment, the estimate of loan losses is supplemented by the analysis of expected losses.
Therefore, the estimate of the allowance for doubtful receivables refers to expected losses, determined based on the historic experience on similar receivables, on current credits overdue, as well as on specific objective situations of meaningful debtors showing critical positions.
Payables and other current liabilities are initially recognized at cost (identified by the nominal value) and are not discounted as the effect of discounting cash flows is immaterial.

FINANCIAL ASSETS

Financial assets are classified in the following categories:

- financial assets at amortized cost;
- financial assets at fair value with changes booked to the income statement;
- financial assets at fair value with changes recognized in the OCI prospect (other comprehensive income statement) .

The classification depends on the business model used by the Group to manage its financial assets and the characteristics of the contractual cash flows deriving from them. The Group determines the classification of financial assets at the time of their initial recognition and verifies it subsequently at each financial statements date. Financial assets are initially recognized at their Fair Value, increased, in the case of assets other than those at fair value, by ancillary costs.

Financial assets at amortized cost

Financial assets that meet both of the following conditions are booked at the amortized cost method:

- the financial asset is held as part of a business model whose objective is to own financial assets in order to collect contractual cash flows;
- the contractual terms of the financial asset provide for cash flows, at specified dates, consisting solely of payments of principal and interest on the principal amount to be repaid (Sppi test – solely payments of principal and interest).

Amortized cost is calculated as the value initially recognized less repayment of principal, plus or minus the accumulated amortization using the effective interest rate method of any difference between the value initially recognized and the amount at maturity. This calculation shall include all commissions or points paid between the parties which form an integral part of the effective interest rate, transaction costs and other premiums or discounts. For investments measured at the amortized cost, gains and losses are recognized in the income statement when the investment is derecognized or when an impairment loss occurs, as well as through the amortization process.

Financial assets at fair value with changes recognized in other comprehensive income statement

Financial assets that meet the following conditions are valued at their fair value through other comprehensive income statement:

- financial assets are held as part of a business model whose objective is achieved both by collecting contractual flows and by selling financial assets;
- the contractual terms of the financial asset provide for cash flows, at specified dates, consisting solely of payments of principal and interest on the principal amount to be repaid.

On disposal of the financial assets, the amounts previously recognized in other comprehensive income statement components are going to be reversed to the income statement.

Financial assets at fair value with changes booked to the income statement

If it is not valued at the amortized cost or fair value booked to other comprehensive income statement components, a financial asset shall be valued at fair value and changes in fair value are recognized in the income statement in the period in which they occur.

Derecognition of financial assets

A financial asset is derecognized when:

- the rights to receive cash flows generated by the asset are extinguished;
- the Group retains the right to receive cash flows from the asset, but has assumed a contractual obligation to pay them in full and without delay to a third party;
- the Group has transferred the right to receive cash flows from the asset and (i) has transferred substantially all risks and benefits related to the ownership of the financial asset or (ii) has neither transferred nor retained substantially all risks and benefits of the asset, but has transferred the control of it.

In cases where the Group has transferred the rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and benefits or has not lost control over it, the asset is recognized in the Group's financial statements to the extent of its residual involvement in the asset. The residual involvement that takes the form of a guarantee on the transferred asset is valued at the lower of the initial book value of the asset and the maximum value of the consideration that the Group could be required to pay.

AMOUNTS EXPRESSED IN FOREIGN CURRENCY

Assets and liabilities originally expressed in foreign currency are converted to euro according to the exchange rate occurring as of the date of the related transactions. Exchange differences earned upon the following collection of receivables or payment of payables in foreign currency are booked to the income statement. Assets and liabilities in foreign currency still existing as of the date of the close of the period are directly adjusted to the current exchange as of such date. Resulting profits and losses are booked to the income statement of the period.

TAXES

Current income taxes for the period, booked among tax payables net of advance tax payments, are determined based on an estimate of the taxable income in the various countries in which the Group operates, taking into consideration the reference framework for each of them, which is relevant for the purposes of establishing the taxes, as well as in compliance with current provisions. Furthermore, the effects of implementing the new Unified Income Tax Code are taken into consideration, including the provisions of the National Tax Consolidation code, whose activation is subject to the formalization of a specific Group Regulation.

Within the Group for the subsidiaries for which the conditions set forth by the fiscal regulations do apply there is a national tax consolidation agreement drawn up within the same companies and the parent company itself, MP Finanziaria S.p.A..
The national tax consolidation code established by means of the Italian Legislative Decree No. 344/2003 allows, with reference to the income tax (IRES) of the companies, the settlement of a single tax by the parent company determined by adding algebraically the taxable amounts of all companies belonging to the national tax consolidation agreement. The parent company shall compulsorily pay to the tax authorities the advances and settlement of the taxes resulting from the consolidated tax return; while the subsidiaries shall compulsorily pay to the parent company the advance and settlement of own taxes resulting from the tax return and determined according to the taxable amount transferred to the parent company.
Deferred and anticipated income taxes are calculated on the temporary differences between the equity values entered in the consolidated financial statements and the corresponding values recognized for tax purposes.
Advance tax payments were booked when their recovery was probable, that is when sufficient taxable amounts were expected to recover the asset.
The recoverability of posted assets is re-examined at the end of each period.
These financial statements were prepared in accordance with the principles set forth in the branch exemption scheme, which involves the exemption of the profits and losses attributable to their own stable organizations abroad in the tax return statement. As a matter of fact, the Parent Company has actually exercised the option to adhere to such scheme when submitting the tax return statement for the period 2016.

OTHER PROVISIONS FOR RISKS AND CHARGES

Based on the provisions of IAS 37, provisions for risks and charges are noted when there is a current obligation (legal or implied) outstanding on the closing date of the financial statements, as a result of a past event, if it is probable that economic resources will be needed to meet the obligation, and if the amount can be estimated.
When the financial effect linked to the deferment of obligations is significant and the payment dates of the same can be reliably estimated, the value recognized for the reserve is equal to the pretax future cash flows (that is, expected disbursements) discounted back at a rate that reflects the present market value and specific risks of the liabilities.
The increase in the provision because of the time updating is entered as a financial expense. Provisions to the involved funds require the use of estimates based on the historic experience on similar cases on objective facts known as of the date of financial statements drawing up. With reference to potential liabilities for disputes in progress, whose estimate involves complex valuations also of legal nature and which are subject to a different degree of uncertainty considering the facts involved by the dispute, the applicable legislation and jurisdiction, as well as other issues, the estimate is carried out based on the knowledge of objective facts as of the date of financial statements drawing up, taking into consideration the opinions expressed by the legal consultants of the Company.

EMPLOYEE BENEFITS

The Group has defined with its employees a "post-employment benefit" plan represented by the instrument of Employee Severance Indemnity as set forth by the Italian regulations. The amount set aside in the financial statements with reference to such plan complies with the actuarial value of the Group payable determined in compliance with current legislation, collective bargaining contracts, and company supplemental agreements. This calculation, based on demographic, financial and turnover hypotheses, was assigned to independent actuaries. Actuarial profits and losses are booked to the comprehensive income statement.
Following the social security reform, since January 1, 2007 within companies with more than 50 employees the accrued Employee Severance Fund contributions are paid compulsorily to an additional Personnel Welfare Fund, i.e. to the suitable cash account at the INPS, when the employee has exercised this specific option. Therefore, the defined benefits owed by the Group to the employee concern exclusively provisions carried out until December 31, 2006.
In the case of companies with less than 50 employees, it is instead set forth that if the employee does not exercise the option of allocating the accrued amount to the supplementary pension such amounts shall remain within the company.
The accounting procedures adopted by the Group since January 1, 2007 reflect the prevailing interpretation of the new regulations and are coherent with the accounting procedure defined by the competent professional bodies.
Within the companies of the Group with less than 50 employees, the Employee Severance Fund amounts remain within the company and continue to be dealt with as "defined benefits program" and are subject to the same accounting procedure set forth by IAS 19 applied before such reform.
As for the Employee Severance Fund amounts destined to the INPS supplementary pension fund, starting from the date on which the employee exercises the above-mentioned option, the Group does not owe any further Employee Severance Fund amounts accrued after December 31, 2006; as a consequence, the actuarial calculation of the Employee Severance Fund does not include the component related to the future salary dynamics.

LOANS AND BOND ISSUES

The Group does not hold financial liabilities held for trading purposes. The obtained loans and debenture bonds are booked initially at cost, corresponding to the fair value of the payment received net of the ancillary operation charges (commissions and charges for their establishment).
After the initial entry, loans are valued using the amortized cost method. This method requires that amortization be determined using the actual internal rate of interest, which is the rate of interest that makes the expected cash flow and the initial book value equal at the time of initial entry.
The amortized cost takes into account the issue costs and any discount or premium expected at the time of settlement.

A financial liability is derecognized from the financial statements when the obligation underlying the liability is discharged, cancelled or fulfilled. In cases where an existing financial liability is replaced by another from the same lender, under substantially different conditions, or when the conditions of an existing liability are substantially modified, this exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, with any differences between the accounting amounts recognized in the income statement.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivatives to cover risks resulting from the fluctuations of interest rates and exchange rates related to bank loans. In compliance with the provisions of IFRS 9, derivative financial instruments may be accounted for in accordance with the hedge accounting only when the following conditions are met at the hedge start:

- there is a formal designation as a hedging instrument;
- documentation is available to demonstrate the hedging relationship and its high effectiveness;
- effectiveness can be reliably measured;
- the hedging is highly effective during the various accounting periods for which it is designated.

All derivative financial instruments are measured at fair value, as required by IFRS 9.

The structure of the contracts in force complies with the "hedging" policy of the Group. Derivative instruments are initially recognized at fair value. When hedging derivatives cover the risk of changes in the fair value of the hedged instruments (fair value hedge), they are recognized at their fair value and the effects are recognized in the income statement; accordingly, the hedged instruments are adjusted to reflect the changes in the fair value associated with the hedged risk. When hedging derivatives cover the risk of changes in the cash flows of the hedged instruments (cash flow hedges), changes in the fair value are booked as a component of the comprehensive income statement. If the derivative instruments do not meet the conditions to qualify as accounting hedging operations, the changes in the fair value are charged directly to the income statement.

RECOGNITION OF REVENUES AND COSTS

Revenues are recognized to the extent that it is probable that economic benefit will flow to the Group and that the amount can be reliably determined.
When the results can be reliably estimated, revenues and costs from a construction contract are recognized with regard to the state of progress of the activity as of the closing date of the financial statements, established as the ratio between the costs borne for the activity carried out and the total estimated costs of the purchase order.
Changes to the contract, price revisions and incentives are included to the extent that they were agreed with the Customer and their recovery is highly probable.

SIGNIFICANT ACCOUNTING ESTIMATES

Preparing the financial statements requires performing discretionary valuations and accounting estimates that have an effect on the value of the assets and liabilities as well as on the information in the financial statements. The estimates are used, in particular, to establish the impairment of assets, amortizations and depreciations, employee benefits, taxes and provisions for risks and charges, as well as to determine the total contract costs and the related progress, together with any liabilities resulting from the execution of the works for the Group and/or associative structures exploited by the former to manage the works. Actual results can differ from those estimated because of the uncertainty that characterizes the assumptions and the conditions on which the estimates are based.
Considering that a relevant part of production is performed based on construction contracts the payment of which is determined at the time of purchase, margins realized on these contracts can undergo changes based on the possibility of recuperating any major expenses or not, which must be incurred during the work. Also the evaluation of such possibility and of the following consideration of such returns under order revenues is subject to estimates and, therefore, to the same uncertainty described above.

FURTHER INFORMATION

ACCOUNTING CURRENCY

The currency used as currency for the drawing up of these financial statements is euro, since it is deemed representative of the economic reality in which the Group operates. Moreover, it is functional to a better understanding by the users of the financial statements of the information contained in the same. The amounts highlighted in these Notes as well as those contained in the tables of the Statement of Financial Position and of the Income Statement are expressed in thousands of euro.

MODIFICATION TO THE VALUATION CRITERIA

In the current period, not any relevant modifications to the valuation criteria were performed compared to the preceding period.

Construction of the
Maccheronis dam, Nuoro – Italy

ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION HEADINGS.

NON-CURRENT ASSETS

1) Tangible long-term assets

Tangible long-term assets totaled EUR 41,308,000 a decrease by EUR 2,210,000 compared to the preceding period.
The composition and changes to this heading are shown in the following table:

(AMOUNTS IN EUR/000)	12/31/19	Increas.	Decr.	Depr.	Exchange rate difference	Change in consolidated scope	Fair value valuation	12/31/20
Land	19,844		(5,785)					14,059
Buildings	9,756		(46)	(517)				9,193
Plant and machinery	7,900	1,817	(1,755)	(1,505)	(744)	559		6,272
Indus. and comm. equip.	3,123	4,031	(192)	(966)	(288)			5,708
Other assets	2,093	634	(118)	(724)	(190)	64		1,759
Const. in progress and advances	289		(289)					
Subtotal	**43,005**	**6,482**	**(8,185)**	**(3,712)**	**(1,222)**	**623**		**36,991**
Prefabrication formworks	513	32		(70)			2,549	3,024
Waste treatment plant							1,293	1,293
Total	**43,518**	**6,514**	**(8,185)**	**(3,782)**	**(1,222)**	**623**	**3,842**	**41,308**

The Land and buildings item mainly included the prefabricated products factory in Almisano (VI) (EUR 15,163,000), and the offices, laboratories and purification plant in Via dell'Economia in Vicenza (EUR 5,711,000).
New investments amounted to EUR 6,514,000, in addition to EUR 3,842,000 relating to the revaluation of the "Prefabrication formwork" and "Waste treatment plant" categories at fair value, as described in the accounting policies. Disposals amounted to EUR 8,185,000 and refer, for EUR 6,646,000, to the sale of the business branch owned by Basalti Verona S.r.l. relating to quarry lands and related plants.

2) Assets from rights of use

The item in question, equal to EUR 8,897,000, included the values resulting from the application of the IFRS 16 standard. This item recorded an overall difference compared to the preceding period by EUR 2,509,000 due to the start of new contracts as for EUR 5,198,000, the conclusion of previous contracts as for EUR 98,000 and amortizations as for EUR 2,590,000. Changes by category are summarized below:

(AMOUNTS IN EUR/000)	12/31/19	Increases	Decreases	Depr.	12/31/20
Land	418		(60)	(127)	231
Buildings	5,269	814	(39)	(899)	5,145
Plant and machinery	19	4,263		(1,280)	3,002
Other assets	682	121		(284)	519
Total	**6,388**	**5,198**	**(99)**	**(2,590)**	**8,897**

3) Intangible long-term assets

Intangible long-term assets totaled EUR 5,175,000, a decrease of EUR 568,000 compared to the preceding period, mainly due to period amortizations.

(AMOUNTS IN EUR/000)	12/31/19	Consol. scope change	Incr.	Decr.	Reclass.	Depr.	12/31/20
Industrial patent rights and concessions	30		2			(18)	14
Software	24		7			(10)	21
Other	5.689		3			(552)	5,140
Total	**5.743**		**12**			**(580)**	**5,175**

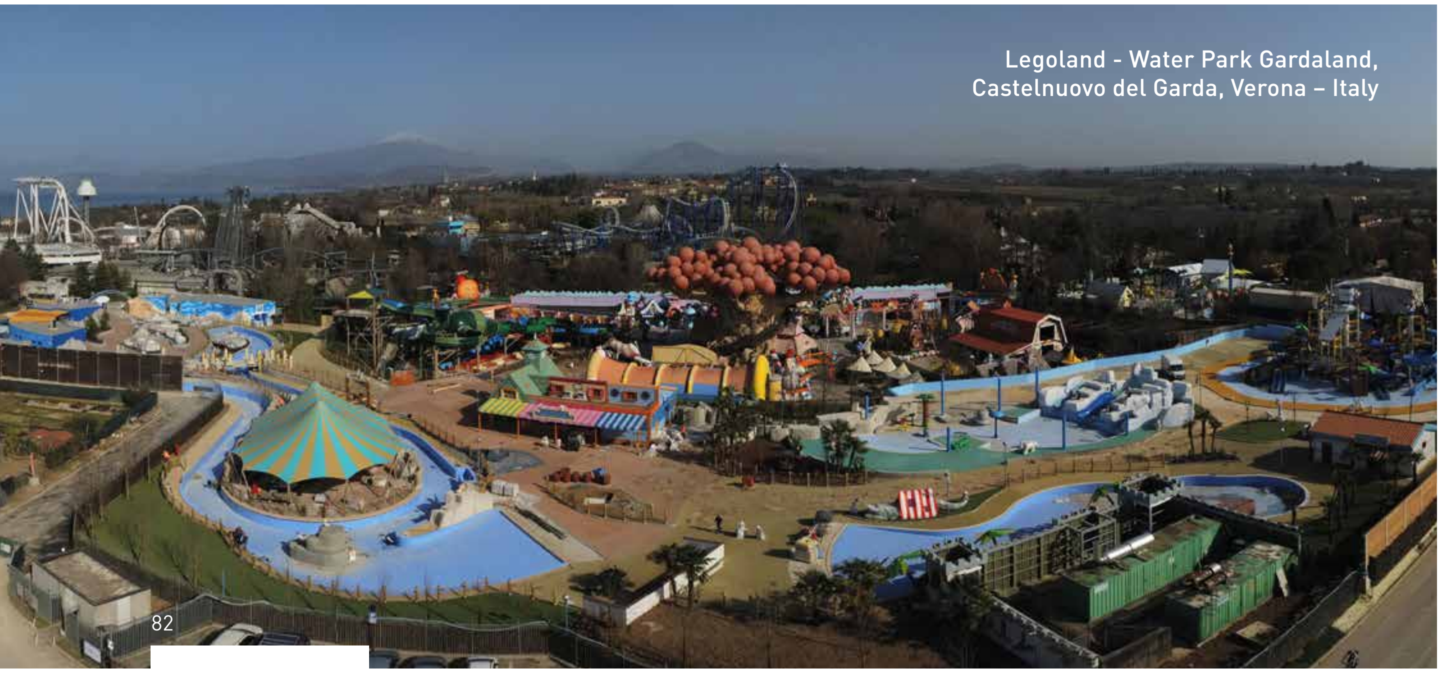
The heading "Other" mainly referred to costs borne for the project financing operations concerning the construction and management of the purification plant of Terrarossa in the Municipality of Orbetello as for EUR 2,367,000 and the construction and management of public use works in the Municipality of Caldogno (VI) as for EUR 1,843,000, as well as the concession for the management of the thermal and cooling energy service in the Municipality of Caldogno (VI) as for EUR 592,000.

4) Contract costs

This item included the costs incurred to obtain and/or execute the contracts, the acquisition of shares in projects/orders, and/or the design and study of the same.
These costs are booked under assets in compliance with the conditions required by IFRS 15 and are amortized on the basis of the percentage of progress of the contract to which they refer.
As of December 31, 2020 they amounted to EUR 31,528,000, with an overall increase by EUR 2,149,000 compared to the previous year, linked to the recognition of new costs for the execution of significant works. Amortizations as for EUR 5,281,000 were recorded during the period.
They mainly referred to the metropolitan railway works carried out on behalf of Ente Autonomo Volturno and Metropolitana di Napoli, as well as the Treviglio-Brescia/Brescia-Verona section high-speed railway works.
The recoverability of these assets is guaranteed by the margins expected from the projects to which they refer.

5) Investments

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
In subsidiaries	323	648	(325)
In affiliates	3,266	3,264	2
In other businesses	3,355	3,227	128
Total	**6,944**	**7,139**	**(195)**


Legoland - Water Park Gardaland,
Castelnuovo del Garda, Verona – Italy

Investments in subsidiaries totaled EUR 323,000, broken down as follows:

NAME SUBSIDIARIES		Head office	Share capit.	% held	Cons. fin. stat. value	Net Equity excl. result	Period profit/ loss
IMMOBILIARE COLLI in liquid.	S.R.L.	VICENZA	46	99.00	373	372	
OPERA SETTE	S.R.L.	VICENZA	10	99.00	18	18	
SANMICHELE	S.R.L.	VICENZA	10	100.00	16	11	
OPERA OTTO	S.R.L.	VICENZA	10	100.00	13	11	
JONICA in liquidation	S.C.A R.L.	ROCCELLA JONICA (RC)	10	80.00	11	14	
ICGM INTERNATIONAL CONSTRUCTION G.M.	S.R.L.	ROMANIA	10	100.00	10	10	
MALTAURO MAROC	S.A.R.L.	MOROCCO	9	99.90	9	9	
PORTO DI CASCIOLINO in liquid.	S.C.A R.L.	ROME	10	90.00	9	10	
SAN CRISTOFORO in liquidation	S.C.A R.L.	VICENZA	10	90.00	9	10	
ACQUASANTA in liquid.	S.C.A R.L.	CATANIA	10	80.00	8	10	
PALAZZO JACOBUCCI in liq.	S.C.A R.L.	VICENZA	10	70.00	7	10	
SUBURBANA EST BOLOGNA in liq.	S.C.A R.L.	VICENZA	11	99.99	7	9	
JV ICM INTEGRA	S.C.A R.L.	VICENZA	10	60.00	6	10	
EDIMAL GRAN SASSO in liquid.	S.C.A R.L.	ROME	10	51.00	5	10	
MEDITERRANEO in liquid.	S.C.A R.L.	CATANIA	10	51.00	5	10	
OLIVO in liquidation	S.C.A R.L.	CATANIA	10	51.00	5	10	
DELMA CONSTRUCTION	L.T.D.	KENYA	10	100.00		10	
INC-ENGEOBRA GROUPMENT		CAPE VERDE	10	60.00	(9)	(15)	
FLORIDIA in liquidation	S.C.A R.L.	VICENZA	11	51.00	(18)	(47)	
CONSORZIO AIP in liquid.		BARAGIANO SCALO (PZ)	408	62.00	(22)	(36)	
MALTAURO SPENCON STIRLING	JV LTD	TANZANIA	55	70.00	(139)	(198)	
CASTEL DI SANGRO in liquid.	S.C.A R.L.	ROME	10	51.00			**
FCE in liquidation	S.C.A R.L.	ROME	10	51.00			**
ICM USA	L.L.C.	UNITED STATES OF AMERICA	474	70.00			
ICM CONSTRUCTION LIMITED	L.T.D.	UNITED KINGDOM	115	100.00		115	
POR.TER.	S.C.A R.L.	AGRIGENTO	10	80.00			**
SAN DEMETRIO in liquidation	S.C.A R.L.	ROME	10	51.00			**
SESTO in liquidation	S.C.A R.L.	VICENZA	10	100.00			**
Total Investments in subsidiaries					**323**		

** not available data

Investments in affiliates totaled EUR 3,266,000, broken down as follows:

NAME AFFILIATES		Head office	Share capit.	% held	Cons. fin. stat. value	Net Equity excl. result	Period profit/ loss
VICENZA FUTURA	S.P.A.	VICENZA	3,547	30.88	2,655	3,068	(64)
CONSORZIO CO.FER.I. in liquid.		NAPLES	439	41.00	154	359	
CONSORZIO FU.GI.S.T.		NAPLES	26	31.58	152	2,565	**
CODEL.MA	S.R.L.	VICENZA	100	50.00	110	220	
PORTO DI ROCCELLA JONICA in liq.	S.C.A R.L.	ROCCELLA JONICA (RC)	10	50.00	53	94	
SIMAL	S.R.L.	VICENZA	61	30.00	44	164	12
RIVIERA	S.C.A R.L.	NAPLES	50	45.00	23	50	
CONSORZIO MONTE ADRIANO		CAPE VERDE	40	50.00	20	40	
CONSORZIO MRG in liquid.		BARAGIANO (PZ)	52	30.00	16	52	
G.T.B. in liquidation	S.C.R.L.	NAPLES	51	28.00	14	51	
G.E.I. GESTIONI ITALIA in liq.	S.R.L.	VICENZA	100	50.00	11	13	
NTV in liquidation	S.C.A R.L.	CAMPOLONGO MAGGIORE (VE)	20	49.00	10	20	
OPERA DUE	S.R.L.	VICENZA	60	20.00	9	46	
JV SKE-ICM	S.C.A R.L.	VICENZA	10	50.00	5	10	
MALCO	S.C.A R.L.	VICENZA	10	50.00	5	10	
T.M.T. in liquidation	S.C.A R.L.	POGGIO PICENZE (AQ)	10	48.50	5	10	
ROBUR in liquidation	S.C.A R.L.	NAPLES	10	42.00	4	10	
SMACEMEX in liquidation	S.C.A R.L.	S. DONATO MILANESE (MI)	10	40.00	4	10	
ASSI STRADALI in liquidation	S.C.R.L.	VICENZA	11	28.57	3	11	
ITACA in liquidation	S.C.A R.L.	RAVENNA	10	30.00	3	10	
CONSORZIO SAN MASSIMO in liq.	S.C.A R.L.	VICENZA	10	49.00	(10)	(23)	
DEL.FUR. in liquidation	S.C.R.L.	NAPLES	10	50.00	(24)	(51)	
DIAMANTE PAOLA in liquidation	S.C.A R.L.	ROME	46	22.10		(589)	
INFRASTRUTTURE STRADALI in liq.	S.C.A R.L.	ROME	10	49.00			**
LOTTO 5A in liquidation	S.C.A R.L.	ROME	10	43.35			**
PIZZOMUNNO VIESTE	S.C.A R.L.	ANCONA	51	50.00			**
TAVI	S.C.A R.L.	BOLOGNA	10	49.00		10	
Total Investments in affiliates					**3,266**		

** not available data

Investments in affiliates totaled EUR 3,355,000, broken down as follows:

Name of other Companies	% held	Book value
Metropolitana di Napoli S.p.A.	11.79	1,842
Capotur SA	10.00	600
Leasing Nord S.r.l.	14.98	489
L.R. Vicenza Virtus S.p.A.		333
Consorzio Nogma	7.30	30
Consorzio TRA.DE.CIV	6.87	27
Nuova Briantea S.c.a r.l.	14.00	14
Con. Fidi		7
Consorzio Cepav 2	13.64	6
Consorzio Asse Sangro	5.00	2
Altro		5
Total Other investments		**3,355**

6) Other non-current assets

This item, amounting to EUR 7,801,000, increased by EUR 4,898,000 and referred to the non-current portion of deferred tax assets on deductible temporary differences and on previous losses, whose recoverability was assessed on the basis of the tax results expected to be produced in the long term in the context of the tax consolidation to which the Group companies have adhered.

7) Assets available for sale

This item, amounting to EUR 11,050,000, included No. 184 shares of the real estate fund "Real Stone", which in these financial statements decreased by EUR 668,000 in compliance with the fund valuation as of 12/31/2020 as a result of the application of the fair value principle.
The valuation of these shares takes into account the net value of the fund estimated to amounting to EUR 12.4 million, booked mainly with reference to a value of the real estate projects held by the fund being overall worth approximately 40.8 million, and net of financial liabilities as for EUR 13.2 million and of liabilities as for EUR 15.9 million related to payables to the Group as for EUR 14.2 million.

Having said this, the uncertainty that characterizes the future prospects of the real estate sector may generate profiles potentially capable of affecting future valuations and the realization timing.

CURRENT ASSETS

8) Inventories

The detail on the headings is the following:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Raw materials and supplies	9,334	4,722	4,612
Prod. in progress and finished goods	41,825	42,318	(493)
Finished goods and merchandise	140	128	12
Total	**51,299**	**47,168**	**4,131**

Inventories of raw, ancillary and consumable materials amounted to EUR 9,334,000 and recorded an increase by EUR 4,612,000. The increase refers to stocks of materials for the execution of works in Konza, Kenya. Raw material inventories are broken down as follows:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Italy	1,282	3,081	(1,799)
Kenya	7,398	987	6,411
Cape Verde	654	654	
Total	**9,334**	**4,722**	**4,612**

The inventories of products in progress and finished goods amounted to EUR 41,825,000 showing a decrease of EUR 493,000 compared to the preceding period. They referred to building initiatives ongoing as of December 31, 2020, referring to real estate operations waiting to be developed, still being executed, and already completed. They can be referred as for EUR 34,136,000 to the Parent Company and as for EUR 7,689,000 to S.I.P.E. - Società Industriale Prefabbricati Edili - S.p.A.. The real estate initiatives, whose details are outlined in the Report on Operations, were booked at cost.
Based on available estimates, the market value of these initiatives appears to be not lower than the booked amount. Having said this, the uncertainty that characterizes the future prospects of the real estate sector may generate profiles potentially capable of affecting future valuations and the realization timing.

9) Contractual assets

Contractual assets, which amounted to EUR 121,712,000, represented the production carried out as of December 31, 2020 that has not yet been certified, net of advances.

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Work in progress and other contractual assets	147,456	140,528	6,928
Contractual risks reserves	-25,744	-20,000	(5,744)
Total	**121,712**	**120,528**	**1,184**

This item consisted of contract work in progress shown net of the related advances and contractual risks reserves. This fund, set up in particular with a view to a prudent valuation of the risks connected with the management of litigations with customers acting as plaintiff, amounts to EUR 25,744,000 and recorded during the year a net increase of EUR 5,744,000 compared to the previous year, corresponding to uses as for EUR 3,000,000 and to provisions as for EUR 8,744,000.

The item included requests for additional fees expected and in the process of being defined with customers, accounted for in previous years and in the current one, including also requests made to compensate for the higher production costs generated by the pandemic, as described in the previous paragraph "Accounting policies", which in some cases may require the establishment of a dispute in order to obtain their recognition.

These types of amounts are governed within the framework of IFRS 15 and referred in this specific case to "Contractual changes". The standard establishes, among other things, in which cases a contractual change may exist even in the presence of disputes about the subject matter and/or price of the contract.

The recoverability of these amounts was deemed probable by the Directors also considering that these are mainly additional payments related to works performed and with reference to which the existence of a right due has been assessed with the support of the Group legal advisers, as well as in the light of the common evolution in the definition of requests for payments having a similar nature.

It is hereby outlined that there are no situations and/or conditions that may lead to the enforcement of contractual penalties due to delayed delivery or other reasons to be imputed to companies of the Group.

10) Trade receivables

Trade receivables are EUR 119,198,000 for 2020, which represents an increase of EUR 13,747,000 compared to 2019 and came from construction contracts with public agencies or private parties.
Given that there are no receivables due in more than five years, the receivables under current assets broke down as follows:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Buyers / customers	126,136	139,686	(13,550)
Allowance for doubtful accounts	(6,938)	(6,741)	(197)
Net total	**119,198**	**132,945**	**(13,747)**

The geographic distribution of trade receivables including the allowance for doubtful receivables was as follows:
EUR 85,775,000 Italy
EUR 40,361,000 abroad.

Receivables referred to foreign countries were subdivided as follows:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Middle East	9,887	5,536	4,351
Kenya	9,156	18,278	(9,122)
Tanzania	5	6	(1)
Albania	34	34	
Libya	4,680	5,219	(539)
Cape Verde	1,167	1,780	(613)
Lebanon	7,552	8,250	(698)
Romania	113	7	106
Oman	1,187	2,758	(1,571)
Austria	2,552	1,915	637
Cyprus	4,028	1,731	2,297
Total	**40,361**	**45,514**	**(5,153)**

A26 Motorway, construction of the Danube river bridge and connecting tunnels in Linz – Austria

Trade receivables did not show such concentrations as to involve a relevant risk concerning their recoverability and it was deemed that the accounting value of such trade receivables is close to their *fair value*. A more detailed analysis, also considering the aging of receivables shown in the financial statements, is contained in the following chapter prepared in accordance with the provisions laid down by IFRS 7 — Financial risk disclosure.
As for the situation in Libya, a market where the Group has been traditionally operating, during the preceding periods, given the existing political uncertainty, remarkable restatements of the financial statements items were already carried out. However, these items are partially offset by debt accounts.
Residual amounts due from Libyan government entities are valued in the financial statements on the basis of estimates of their recoverability, which is supported by securities and, to a large extent, by final court rulings. Although the political situation appears unstable, such circumstance provides a reasonable certainty of recovery of the amounts booked to the financial statements, as soon as the political situation will return to normal conditions.

The allowance for doubtful receivables changed as follows during the period:

Value 12/31/19	Uses	Provisions	Value 12/31/20
6,741	(53)	250	6,938
6,741	**(53)**	**250**	**6,938**

11) Current receivables from affiliates and parent companies

These totaled EUR 37,862,000, with an increase by EUR 10,879,000 compared to the preceding period and were subdivided as follows:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Financial receivables from affiliates and parent companies	24,333	20,417	3,916
Trade receivables from affiliates and parent companies	13,529	6,566	6,963
Total	**37,862**	**26,983**	**10,879**

Financial receivables from affiliates and parent companies

This item, which totaled EUR 24,333,000, showed an increase by EUR 3,916,000 compared to the preceding period and consisted of receivables from the company Codel.Ma S.r.l. as for EUR 13,067,000 to support real estate activities, as well as of receivables from the parent company MP Finanziaria S.p.A. as for EUR 5,317,000 referred to the giro account balance, and as for EUR 5,949,000 referred to tax receivables accrued within the framework of the Group settlements. There are not any recoverability issues with the aforementioned receivables; in particular, with reference to the receivables from the company Codel.Ma S.r.l.; this valuation was made on the basis of the estimated recoverability of the real estate development carried out or in progress within the management of its operating cycle by one of its subsidiaries, having the profiles described in the previous note commenting on inventories.

Trade receivables from affiliates and parent companies

This heading, which totaled EUR 13,529,000, referred to receivables from affiliates generated by commercial relationships for services, rentals, and other revenues. Compared to the preceding period, this heading showed an increase by EUR 6,963,000.
The economic and financial transactions among the above-mentioned companies took place under normal market conditions.

12) Other current assets

The balance of EUR 56,138,000 increased compared to the preceding period by EUR 12,109,000. It consisted of the following items:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Tax credits	11,466	13,329	(1,863)
Deferred tax assets	501	252	249
Receivable from others	42,386	28,251	14,135
Accrued income and prepaid expenses	1,785	2,197	(412)
Total	**56,138**	**44,029**	**12,109**

Tax credits

Receivables from Treasury totaled EUR 11,466,000 and decreased by EUR 1,863,000 compared to the preceding period, mainly due to the decrease in VAT receivables from subsidiaries and consortia. They referred to receivables for indirect taxes of companies and consortia for indirect taxes of companies and consortia (EUR 2,312,000), to excess taxes, mainly for indirect taxes, at foreign branches (EUR 4,658,000), to taxes requested to be reimbursed (EUR 393,000), to interest on taxes requested for reimbursement (EUR 391,000) plus other residual amounts (EUR 3,712,000) referred to other receivables.

Other deferred taxable assets

This heading, which totaled EUR 501,000, showed an increase by EUR 249,000 compared to the preceding period. It included receivables for taxes paid in advance corresponding to taxes related to tax-deductible costs and losses in future accounting periods. Their recoverability has been assessed on the basis of the expected taxable income that the Group deems will be achieved over the next few years.

Receivable from others

This item, equal to EUR 42,386,000, increased with reference to the preceding period by EUR 14,135,000 and referred to two types of receivables, i.e. financial and trade receivables. The balance of receivables from others having a financial nature, which amounted to EUR 13,961,000, included EUR 10,380,000 of cash dedicated to the Cepav Due order, which will soon be transferred from the accounts of the agent to those of the Parent Company ICM S.p.A.. Trade receivables from others amounted to EUR 28,425,000, an increase by EUR 3,355,000 compared to the preceding period, mainly as a result of the increase in the "Advances to subcontractors and suppliers".

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Advances to subcontractors	18,648	12,100	6,548
Receivables for consortium activities and from partners in consortia	5,533	4,884	649
Other receivables	4,244	8,086	(3,842)
Total	**28,425**	**25,070**	**3,355**

Accruals and deferrals

This heading, which totaled EUR 1,785,000, showed a decrease of EUR 412,000 compared to the preceding period. It included prepaid expenses related to insurance premiums, commissions on bank guarantees and costs relating to future periods.

13) Cash and cash equivalents

They totaled EUR 95,977,000, an increase by EUR 24,827,000 compared to the preceding period.

This heading included:

1) Bank and postal deposits
   Bank and postal deposits amounted to EUR 95,830,000.
   It should be noted that cash and cash equivalents amounting to approximately EUR 35 million are freely available as part of the operational management of


Napoli Subway, Line 1,
Tribunale Station – Italy

specific orders and further EUR 27 million will be released during the execution or completion of specific projects.

2) Cash on hand
The balance amounted to EUR 147,000.

14) statement of changes in equity

For the changes occurring to consolidated net equity, please see the tables shown in the financial statements. Here below there is a description of the composition of the net equity as of December 31, 2020.

a) Authorized share capital

As of December 31, 2020, authorized share capital, which is entirely paid in, totaled EUR 50,000,000, divided into 50,000,000 shares with a nominal value of EUR 1.00 each. It did not change with reference to the preceding period.

b) Additional paid in capital

This refers to the additional capital paid in upon subscribing and paying in for the increase in authorized share capital, which foresees this execution procedure.

c) Legal reserve

This item totaled EUR 2,187,000, with an increase by EUR 49,000 compared to the preceding period, following the assignment to this reserve of 5% of the income from the preceding period.

d) Other reserves

This item amounted to EUR 34,488,000 and was made up as follows:

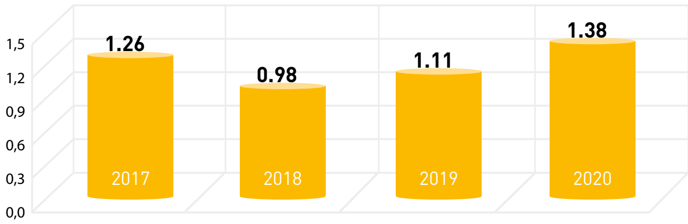
- as for EUR 27,113,000 by the extraordinary reserve, which increased by EUR 931,000 compared to the previous period following the allocation of the Parent Company's profit;
- as for EUR 7,375,000 by reserves generated during preceding periods by the effect calculated upon first time adoption following the entering into the scope of consolidation and the merger by incorporation with the Parent company of the company Sici S.r.l.

e) Reserves relating to components of the Comprehensive Income Statement:

- EUR -1,499,000 referred to the transposition reserve generated as a result of the conversion of balances related to the foreign branches;
- EUR 3,727,000 referred to the reserve that includes the fair value valuation of the categories identified among tangible long-term assets;
- EUR -874,000 referred to the reserve, which includes the changes in the fair value of derivatives designated as cash flow hedge;

- EUR -9,928,000 referred to the reserve including the changes in the fair value of the shares of the real estate fund "Real Stone";
- EUR -502,000 referred to the reserve including the recognition of the actuarial profits and losses as set forth by IAS 19.

LEVERAGE



NON-CURRENT LIABILITIES

As of 12/31/2020, non-current liabilities totaled EUR 139,745,000, an increase by EUR 50,577,000 compared to the amount as of 12/31/2019. In detail, this item included:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Bonds	24,458	33,103	(8,645)
Bank loans	84,977	24,012	60,965
Payables due to other lenders	7,573	10,208	(2,635)
Payables for financial leases	509	748	(239)
Liabilities from rights of use	5,233	5,331	(98)
Deferred tax liabilities	7,557	6,584	973
Provisions for risks and charges	6,621	5,847	774
Employee benefits	2,817	3,335	(518)
Total	**139,745**	**89,168**	**50,577**

15) Bonds

This item was accounted for using the amortizing cost method and amounted to EUR 24,458,000. The item showed a decrease by EUR 8,645,000 compared to the preceding period and changed as follows.

(AMOUNTS IN EUR/000)	12/31/19	Reim-bursement	Opening	Reclassifi-cation	12/31/20
Bonds - share non-current financing	33,103		4,118	(12,763)	24,458
Total	**33,103**		**4,118**	**(12,763)**	**24,458**

The outstanding debenture bonds consisted of an unlisted debenture bond worth EUR 15.2 million maturing on December 31, 2024 and two bonds listed on the Borsa Italiana multi-media trading system in the Extramot Pro professional segment with maturities of EUR 6.7 million on December 31, 2022 and of EUR 15 million on June 30, 2023.
The debenture bonds involve given financial covenants that, on the basis of the data provided in the financial statements as of 12/31/2020, have been met.

16) Bank loans

This item amounted to EUR 84,977,000, recorded using the amortizing cost method, and increased by EUR 60,966,000 compared to the previous year. It changed as follows:

(AMOUNTS IN EUR/000)	12/31/19	Reim-bursement	Opening	Reclassifi-cation	12/31/20
Payables to banks share non-current financing	24,012	(16,533)	80,569	(3,071)	84,977
Total	**24,012**	**(16,533)**	**80,569**	**(3,071)**	**84,977**

The extension of the maturity of the bank debt is the result of financing and refinancing transactions entered into in order to provide the Group with a stable source of funding to support growth expectations and to refinance part of the existing debt with a simultaneous extension of the same.

The main contracts signed during the period are:

- Syndicated loan granted by Banco BPM. S.p.A, Intesa San Paolo S.p.A. and Unicredit S.p.A. as for EUR 50,000,000, partly destined to close previous loans existing at the date of subscription for a total amount of EUR 28,300,000. The repayment plan envisages six-monthly instalments, maturing in 2025; interest is calculated at the six-month Euribor rate plus an agreed spread.

- Loan granted by Banca del Fucino S.p.A. as for EUR 20,000,000, backed by a guarantee from SACE pursuant to the Liquidity Decree; the loan has a duration of six years, of which two years of pre-amortization, with repayment in 16 constant capital quarterly instalments; interest is calculated at the three-month Euribor rate plus an agreed spread.
- Loan granted by MPS Capital Services S.p.A. as for EUR 20,000,000, backed by a guarantee from SACE pursuant to the Liquidity Decree; the loan has a duration of six years, of which two years of pre-amortization, with repayment in 16 constant capital quarterly instalments; interest is calculated at the three-month Euribor rate plus an agreed spread.

Some of the loans involve financial covenants that, on the basis of the data provided in the financial statements as of 12/31/2020, have been met.

17) Payables to other lenders

This item, amounting to EUR 7,573,000, decreased by EUR 2,635,000 compared to the previous period following the collection of receivables subject to the securitization described below.
This securitization operation was concluded in the previous period through the pro-solvendo assignment to a special purpose vehicle of the receivables arising from technical reserves formulated in connection with the execution of works awarded pursuant to a contract procedure.

18) Payables for financial leases

Non-current payables for financial leases totaled EUR 509,000, with a decrease by EUR 239,000 compared to the preceding period. If added to the payables for current financial leases, these correspond to the value of leased assets posted to tangible long-term assets, net of the amount repaid on principal.

19) Liabilities from rights of use

This heading, which amounted to EUR 5,233,000, showed a decrease by EUR 98,000 compared to the preceding period. It reflected the medium-term portion of the present value of the obligation to pay rent and lease payments as indicated in the section "Accounting policies".

20) Deferred tax liabilities

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Deferred tax liabilities	7,557	6,584	973
Total	**7,557**	**6,584**	**973**

This heading totaled EUR 7,557,000, an increase by EUR 973,000 compared to the preceding period.
The total amount was determined from the provisions made for temporary differences between the values posted to the financial statements and the corresponding values recognized for tax purposes.

21) Provisions for risks and charges

They totaled EUR 6,621,000, an increase by EUR 774,000 compared to the preceding period. The change referred fully to the coverage of the risk related to the evaluation to the market place of the updated flow for future payments forecast on derivate contracts. It is believed that, in total, this item represented an adequate hedge against the Libyan "country" risk and the outstanding litigations as defendants.

22) Employee benefits

The indicated value, determined according to the criteria established by IAS 19, amounted to EUR 2,817,000. It showed a decrease by EUR 518,000 compared to the preceding period.

Value 12/31/19	Set-asides 2020	Financ. expenses on bonds	Other changes	Uses	Value 12/31/20
3,335	109	39	47	(713)	2,817
3,335	**109**	**39**	**47**	**(713)**	**2,817**

They represented a liability related to benefits recognized to employees, disbursed at or after the end of the employment relationship. Such liability was included in the so-called defined benefits plans and, therefore, it was determined applying the actuarial methodology.
Financial expenses shown in the table represent the cost of the liability resulting from time elapsing and are proportional to the interest rate adopted in the valuations and to the liability of the preceding period. To establish this liability, the method called projected unit credit method was applied, which develops as follows:

- possible future performance that could be granted in favor of each individual employee were projected based on a series of financial hypotheses (increase of the cost of living, salary increase, etc.). The estimate of future performance shall include any possible increases corresponding to the further service seniority accrued, as well as to the expected increase of salary with reference to the valuation date;
- the current average value of performance was calculated on the valuation date, according to the yearly interest rate adopted and to the likelihood that each performance should actually take place;
- the liability for the companies was defined identifying the share of the current average value of future performance that refers to the seniority already accrued by the employee within the company as of the valuation date;
- the evaluation was carried out with the support of an independent professional, using the following parameters:
    - discount rate of 0.7%;
    - Employee Severance Fund increase rate of 2.1%;
    - inflation rate of 0.8%.

The use of discounting back rates referred to European bonds with AA rating would not generate actuarial losses greater than those indicated in the remarks to item 14 e).
The data of the employed personnel are listed in the table below.

	12/31/20	12/31/19	Average '20	Average '19
Executives	22	29	23	29
Employees and Manag.	369	289	309	276
Workers	289	245	261	233
Total	**680**	**563**	**593**	**538**

Out of the total of 680 active employees as of December 31, 2020, 396 were employed in Italy. In addition to these resources, it should also be underlined that the Group employs 1,117 people abroad within the framework of temporary contracts. The total workforce is therefore close to 1,800 people.

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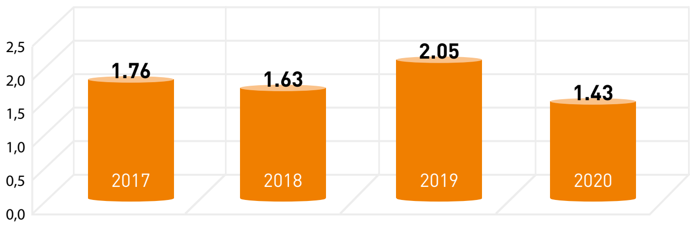


CURRENT LIABILITIES

As of 12/31/2020, current liabilities totaled EUR 372,403,000, a decrease by EUR 3,325,000 compared to 12/31/2019. This item broke down as follows:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Bonds	11,921	10,060	1,861
Bank loans	79,295	87,831	(8,536)
Payables due to other lenders	1,672		1,672
Payables for financial leases	118	479	(361)
Liabilities from rights of use	3,650	1,057	2,593
Trade payables to suppliers	184,104	201,551	(17,447)
Payables to affiliates and parent companies	9,289	7,573	1,716
Contractual liabilities and other liabilities	82,354	67,177	15,177
Total	**372,403**	**375,728**	**(3,325)**

23) Bonds

The item, which amounted to EUR 11,921,000, increased by EUR 1,861 and referred to the portion of bonds maturing in the next period.

24) Bank loans

Bank loans for 2020 were EUR 79,295,000 and increased by EUR 8,536,000 compared to 2019. It consisted of installments on loans due in the next period (EUR 3,795,000), instalments on the syndicated loan due in the period (EUR 10,653,000), and finally of signature financing in euro (EUR 64,847,000) represented mainly by advances on contracts and advances on invoices, uses of current accounts and financings to imports.
Despite the loans with installments expiring in the next period are subject to variable rate, the stipulated coverage contracts have actually minimized the risks related to the interest rate fluctuations.

25) Payables to other lenders

This item, which amounting to EUR 1,672,000, included advances on the pro-solvendo assignment of receivables to factoring companies.

26) Payables for financial leases

Payables for financial leases totaled EUR 118,000, a decrease of EUR 361,000 compared to the preceding year. They referred to the portion of principal maturing in the next accounting period.

27) Liabilities from rights of use

This heading, referred to the IFRS 16 accounting standard, which totaled EUR 3,650,000, showed an increase by EUR 2,593,000 compared to the preceding period. It reflected share due in the next period of the current value of the obligation to pay rent and lease payments as indicated in the section "Accounting policies".

28) Trade payables

Trade payables totaled EUR 184,104,000. This item, which decreased by EUR 17,447,000, compared to the preceding period, referred as for EUR 72,372,000 to payables to suppliers operating abroad.

29) Current payables to affiliates and parent companies

This heading, which overall totaled EUR 9,289,000, showed an increase by EUR 1,716,000 compared to the preceding period. It consisted of payables to affiliates due to the usual operating dynamics with cooperative companies of the Group. The most significant values referred to the item related to Malco S.c.a r.l. as for EUR 3,161,000, and to the balances referred to taxes within the framework of the Group liquidations as for EUR 2,161,000.

30) Contractual liabilities and other current liabilities

These totaled EUR 82,354,000, an increase by EUR 15,177,000 compared to the preceding period, consisting of:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Taxes payables	6,238	3,901	2,337
Payables to social security agencies	2,275	1,509	766
Contractual liabilities	46,391	34,947	11,444
Other payables	18,469	18,090	379
Payables to partners in consortia	8,036	5,847	2,189
Accrued liabilities and deferred income	945	2,883	(1,938)
Total	**82,354**	**67,177**	**15,177**

Taxes payables

This heading, which totaled EUR 6,238,000, showed an increase by EUR 2,337,000 compared to the preceding period. It referred mainly to withholding taxes as for EUR 1,737,000, direct taxes as for EUR 326,000 and indirect taxes as for EUR 2,904,000.

Concerning the tax situation it shall be underlined that the periods until 2015 are defined both in terms of VAT and direct taxes. In any case, taxes were paid according to the taxable income resulting from the return statements submitted for each tax period.

Payables to social security agencies

This heading, totaling EUR 2,275,000, consisted as for EUR 1,728,000 of payables to INPS and as for EUR 547,000 of payables to other entities.

Contractual liabilities

This item includes liabilities related to contracts in accordance with the application of the IFRS 15 standard. The change occurred in this item depends on the relationship between the Group performance and customer payments.

These amounted to EUR 46,391,000 and increased by EUR 11,444,000 compared to the previous year due to the payment of contractual advances by customers.

Other payables

The involved heading, which overall totaled EUR 18,469,000, showed an increase by EUR 379,000 compared to the preceding period. Among the other most relevant items making up this heading there are payables to employees as for EUR 5,585,000, payables to insurance companies for coverages referred to the entire duration of the order as for EUR 2,837,000 and trade payables with reference to real estate initiatives as for EUR 1,445,000.

Payables to partners in consortia

This item, which totaled EUR 8,036,000, showed an increase by EUR 2,189,000 compared to the preceding period, following the start of new orders.

Accrued liabilities and deferred income

This heading, which totaled EUR 945,000 and which decreased by EUR 1,938,000 compared to the preceding period, consisted mainly of shares of interest owed on loans, rent owed and charges on policies and suretyships accruing to the period that were still outstanding as of the date of the financial statements.

ANALYSIS OF THE INCOME STATEMENT HEADINGS

31) Revenues

The total of revenues, which overall amounted to EUR 363,586,000, decreased by EUR 161,000 compared to the preceding period. The heading included in detail:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Revenues from sales and services	340,045	342,783	(2,738)
Change in inventories for finished goods and goods in progress	(296)	(945)	649
Change in contract work in progress	23,315	21,689	1,626
Increases in capitalization for internal work	522	220	302
Total	**363,586**	**363,747**	**(161)**

Revenues from sales and services

Revenues from sales and services broke down as follows.

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Revenues from construction activity from buyers	287,975	285,660	2,315
Revenues from constr. activity from partners in consortia & other revenues	36,696	40,675	(3,979)
Revenues from manufacturing activity	14,870	15,693	(823)
Revenues from real estate activity	504	755	(251)
Total	**340,045**	**342,783**	**(2,738)**

Works on A26
Motorway - Austria

Revenues from construction activity included production that was certified and completed during the accounting period, in addition to miscellaneous revenues connected with construction activity and transaction definitions occurred during the period.
Revenues from the activity towards partners in consortia and other revenues included charges for passing on costs, borne and booked to the Income Statement, carried out by consolidated consortia and cooperative companies, as well as charges for the performance of services to not integrally consolidated subsidiaries.
Revenues from manufacturing activity refer to the construction and management of wastewater and waste treatment facilities, to environmental activity in general.
Revenues from real estate activity included the amount for selling construction projects that were deeded during the period.
The total value of revenues, amounting to EUR 363,586,000, related as for EUR 196,602,000 to orders carried out in Italy and EUR 166,984,000 to orders carried out in abroad.

32) Operating expenses

These totaled EUR 343,116,000 (EUR 346,220,000 as of December 31, 2019), an absolute decrease by EUR 3,104,000.
The table below shows the principal cost headings.

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Raw materials and consumables	**73,843**	**78,073**	**(4,230)**
Subcontracts	**138,977**	**171,892**	**(32,915)**
Technical Consultants	17,447	17,008	439
Compensation of Directors, Statutory Auditors, indep. auditors	1,242	1,542	(300)
Maintenance	1,310	1,271	39
Transportation	10,147	6,458	3,689
Insurance	2,693	1,901	792
Other costs for services	10,337	8,123	2,214
Miscellaneous operating expenses	8,859	4,071	4,788
Other operating expenses	**52,035**	**40,374**	**11,661**
Salaries and wages	26,675	23,940	2,735
Social security contributions	6,636	6,949	(313)
Set-aside employee benefits	1,771	1,297	474
Other personnel costs	3,558	3,640	(82)
Personnel costs	**38,640**	**35,826**	**2,814**
Amortization of intangible long-term assets	5,861	4,383	1,478
Amortization of tangible long-term assets	6,431	6,516	(85)
Rents and leases	18,005	6,132	11,873
Amortizations of rentals	**30,297**	**17,031**	**13,266**
Allocations to provisions	**9,324**	**3,024**	**6,300**
Total	**343,116**	**346,220**	**(3,104)**

The item "Consumption of raw materials", amounting to EUR 73,843,000, decreased by EUR 4,230,000 compared to the previous period and referred to materials purchased and used for the production during the period.

Costs for subcontracts

The amount referred to subcontract represented the main item among the operating costs and totaled EUR 138,977,000, decreasing by EUR 32,915,000 compared to the preceding period.

Other operating expenses

Other operating expenses amounted to EUR 52,035,000 and showed an increase by EUR 11,661,000 compared to the preceding period.
The amount of compensations to the Directors and Statutory Auditors of the Parent Company for the performance of such functions, even in the other Group companies, totaled EUR 836,000 and EUR 82,000, respectively; while the amount of compensations to the auditing firm for the legal auditing services performed on the financial statements totaled EUR 127,000.

Other costs for services

This heading, which totaled EUR 10,337,000, showed an increase by EUR 2,214,000 compared to the preceding period. It refers to utilities, consultancies, researches, tests, analyses and other services performed by third parties.

Miscellaneous operating expenses

This heading totaled EUR 8,859,000, an increase by EUR 4,788,000 compared to the preceding period.

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Payment of damages	318	574	(256)
Non-operating losses	540	491	49
Capital losses from disposition of assets	4,669	47	4,622
Duties and taxes	1,188	1,039	149
Promotional expenses	45	111	(66)
Office materials	217	132	85
Membership dues	55	51	4
Other	1,827	1,626	201
Total	**8,859**	**4,071**	**4,788**

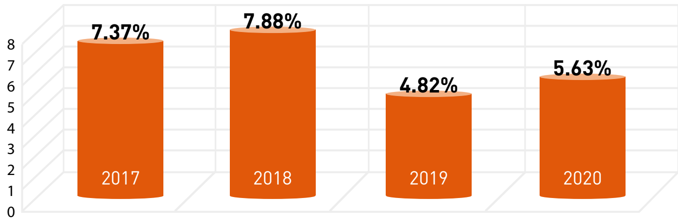
Personnel costs

They totaled overall EUR 38,640,000 compared to EUR 35,826,000 of the preceding year, showing an increase by EUR 2,814,000.
The pure costs relating to wages and salaries, social security charges and retirement provisions amounted to EUR 35,082,000, of which EUR 25,614 referred to Italy and EUR 9,468 to foreign countries.

Depreciation and amortization of tangible and intangible long-term assets

See the detail in the category shown for the headings "Intangible long-term assets", "Tangible long-term assets" and "Contract costs".

EBIT



Allocations to provisions

This item, which totaled EUR 9,324,000, referred mainly to provisions to the risks fund within the framework of a prudent assessment of the risks related to the management of disputes.

33) Suretyship charges and bank expenses

This heading totaled EUR 6,237,000, an increase by EUR 1,192,000 compared to the preceding period. It broke down as follows:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Charges on suretyships	3,828	3,512	316
Financial expenses	2,409	1,533	876
Total	**6,237**	**5,045**	**1,192**

The change recorded in the item financial expenses mainly referred to the charges connected to the signing of the contracts described in the chapter "Bank loans".

34) Interest expense to credit institutions

The heading, amounting to EUR 4,875,000, showed a decrease by EUR 674,000 compared to the preceding period. It was booked net of interest income from banks and consisted of the following items:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Interest on curr. accts. and loans	3,080	4,313	(1,233)
Interest expense on loans	1,795	1,236	559
Total	**4,875**	**5,549**	**(674)**

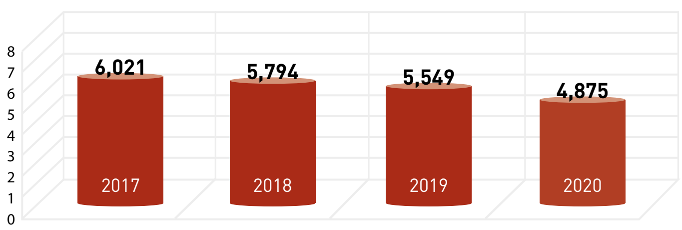
35) Interest expenses to third parties

This heading totaled EUR 3,898,000, a decrease by EUR 450,000 compared to the preceding period, consisting of the following:

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Interest updating employee benefits	20	64	(44)
Interest expense on bond loans	2,344	1,704	640
Other	1,534	2,580	(1,046)
Total	**3,898**	**4,348**	**(450)**

The item "Other" referred mainly to interests to factoring companies and other lenders for credit disinvestment.

FINANCIAL BANK EXPENSES (AMOUNTS IN EUR/000)



36) Gains (losses) on exchange rates

The loss, amounting to EUR 4,475,000, referred to exchange rate differences calculated on the basis of the exchange rate at the financial statements closing date. These are mainly the effects of the depreciation of the dollar against the euro occurred in the second half of 2020.

37) Adjustments to the value of the financial assets

This item amounted to EUR 314,000 and included adjustments recorded in the financial year relating to investments.

38) Income taxes for the period

(AMOUNTS IN EUR/000)	12/31/20	12/31/19	Delta
Current taxes	(3,181)	(667)	(2,514)
Deferred taxes	3,113	(550)	3,663
Total	**(68)**	**(1,217)**	**1,149**

The balance of EUR 68,000 was the result of current taxes for the year amounting to EUR 3,181,000 and prepaid taxes as for EUR 3,113,000.
As stated with reference to the general principles, these financial statements were prepared in accordance with the principles set forth in the branch exemption scheme, which involves the exemption of the profits and losses attributable to their own stable organizations abroad in the tax return statement. The Parent Company has actually exercised the option to adhere to such scheme when submitting the tax return statement for the period 2016.

GUARANTEES

The amount showed here below included the risks, commitments and guarantees granted and received by the Group, having a banking, insurance or corporate nature. The indicated amounts referred to the nominal value of the granted guarantee, while the actual risk may be significantly lower as, in many cases, the guarantee remained in place at its nominal value until it was extinguished even though the actual exposure to the risk was reduced as a result, for example, of the progress of production on the contract rather than the reduction in the use of granted credit lines.
The total amount of the Guarantees amounted to EUR 497,479,000, broken down as follows:

- bid, performance, advance and retention guarantees for a total of EUR 414,588,000, of which EUR 193,304,000 were bank guarantees, EUR 171,491,000 were insurance guarantees and EUR 49,793,000 were corporate guarantees;
- other guarantees of a financial nature, mostly given to banks for the granting of credit lines to subsidiaries or to the tax authorities for tax refunds, for a total of EUR 82,891,000,

of which EUR 22,279,000 bank guarantees, EUR 17,153,000 insurance guarantees and EUR 43,459,000 corporate guarantees.

The most significant positions related to the contracts: High-Speed Cepav 2 (EUR 127,454,000), Kenya Konza (EUR 71,155,000), and Qatar (EUR 61,119,000).
With specific regard to the High Speed Cepav 2 contract, it should be noted that the contractual scheme provides for the delivery to the RFI granting body of good performance bank guarantees. In addition to these guarantees, the members of the joint venture issue in favor of ENI, in its capacity as general contractor of the joint venture, a further corporate performance guarantee for a value equal to the entire contractual consideration. The above data, referring to the provided Guarantees, do not include this corporate guarantee as the actual underlying risk is already fully covered by the bank performance guarantees that the joint venture has delivered to the RFI granting body.

Maintenance activities of Genova's tunnels, first section - Italy

INFORMATION ON RISK MANAGEMENT (IFRS 7 FINANCIAL RISK DISCLOSURE)

LIFRS 7, compulsorily applicable starting from January 1, 2007, requires the involved company to submit a suitable information notice on the relevance of financial instruments for the financial position and the economic trend of the Group, as well as on the exposure to risks linked to credit, liquidity and market resulting from financial instruments, and on the processes adopted by the corporate management to manage such risks.
Therefore, to meet the requirements of the provisions of IFRS 7 the classes of the owned financial instruments have been classified and grouped in a homogeneous manner. With the term "financial instrument" it is meant "any contract generating a financial assets or liability or any other instrument representing capital for another company".
According to the context in which the Group operates, it is subject to the following risks:

- market risk resulting from the fluctuation of exchange rates, as well as of the interest rates since the Group operates in an international context, in different currency areas, and uses external financing sources generating interests.
- liquidity risk with specific reference to the trend and access of credit market to support the operating activities on time;
- credit risk because of the usual commercial relationships with the customers resulting from the failure to fulfill obligations.

Market risk

The Group operates in an international context in which transactions occur in different currencies; as a consequence, such context is exposed to the risks resulting from changes in the exchange rates.
In order to reduce the exchange rate risk, the Group has agreed contracts whose payment is settled mainly in euro and for the residual amount in local currency, having considered the estimate of the costs to be paid in local currency that the Group shall bear in executing the orders.
If the consideration is paid in foreign currency, the Group has solved the exchange rate risk by assuring a substantial alignment between the costs to be incurred in local currency and the financial resources expressed in the same currency.
Such policy has allowed avoiding costs related to the covering of exchange rate risk and to limit the exposure to such risk remarkably.

Interest rate risk

In order to mitigate the amount of debt and the interest rate risk on medium- and long-term structured loans, the Group makes use of Interest Rate Swaps (IRS) contracts.
The ICM Group is not carrying out any speculative derivatives since the main objective is reduction of the fluctuation in the volatility of the financial expenses.
In case of increase of interest rates, financial expenses for the Group related to loans will not have in any case any impact on the economic and financial situation of the Group.
Such financial risks are persistently monitored through quantitative analyses.

Sensitivity analysis - interest rates

With reference to the exposure to the fluctuation of interest rates, it shall be underlined that if interest rates as of December 31, 2020 were higher (or lower) by 100 basis points, keeping all variables constant, the consolidated result, before taxes, would have been subject to a negative change by EUR 952,000 (positive by EUR 952,000).

MEDIUM AND LONG-TERM BORROWINGS (AMOUNTS IN EUR/000)						
	Loans and borrowings	Bonds	Total	Inter.	1.0%	-1.0%
2019	34,220	33,103	**67,323**	**2,940**	3,168	2,713
2020	92,550	24,458	**117,008**	**4,139**	4,256	4,022
SHORT TERM BORROWINGS						
	Loans and borrowings	Bonds	Total	Inter,	1,0%	-1,0%
2019	87,831	10,060	**97,891**	**4,313**	5,545	3,081
2020	80,967	11,921	**92,888**	**3,080**	3,915	2,245
CASH AND CASH EQUIVALENTS						
			Total	Inter,	1,0%	-1,0%
2019			**(71,150)**			
2020			**(95,977)**			
NET POSITION						
			Total	Inter,	1,0%	-1,0%
2019			**94,064**	**7,253**	**8,713**	**5,793**
2020			**113,919**	**7,219**	**8,171**	**6,267**
Improvement/worsening 2019					**1,460**	**(1,460)**
Improvement/worsening 2020					**952**	**(952)**

Analysis of derivatives

The ICM Group has stipulated Interest Rate Swap derivatives contracts booked to the financial statements according to the fair value applicable at the time of the initial recognition and at the following valuations.
The Group holds derivative financial instruments for the specific purpose of covering financial risks and, upon transaction start, it documents the coverage relation, the objectives of the risk management and the strategy implemented for the coverage, as well as the identification of the coverage instrument and the nature of the covered risk. Additionally, the Group documents, at the beginning of the transaction and continuatively thereafter, whether the coverage instrument meets the necessary efficacy requirements in compensating the exposure to the fair value fluctuations related to the covered item or to the financial flows imputable to the covered risk.
The derivative instruments used for the specific coverage purposes are classified and booked according to the cash flow hedge accounting method. If a derivative instrument is destined to cover the exposure to the fluctuation of cash flows of a forecast operation, which is likely to happen and which may affect the income statement, the "effective" portion of the profits or losses related to such financial instrument is booked to the net equity. The profit or loss accrued are deducted from the net equity and booked to the income statement in the same period in which the operation subject to coverage occurs. The profit or loss not linked to a coverage or to that part of the coverage, which has become "ineffective", are booked to the income statement at once.

Sensitivity analysis - derivatives

The potential fair value loss, affecting the income statement and the net equity, related to derivative instruments held as of December 31, 2020 is shown in the following table from which it can be inferred that a decrease in the interest rates by 100 basis points would result in a negative impact on the statement of financial position of EUR 885,000, after taxes; an increase in the reference interest rates by 100 basis points would instead result in a positive impact on the statement of financial position of EUR 886,000, always after taxes.

Financial instrument	Count-er-party	Expiration	Notional	+ 100 bps interest rate curve parallel shift		- 100 bps interest rate curve parallel shift	
				Income Statement Impact	Net Equity Impact	Income Statement Impact	Net Equity Impact
IRS amortizing	BPM	06/30/2025	9,260,906	0	246	0	(246)
IRS amortizing	BPM	06/30/2025	5,284,472	0	140	0	(140)
IRS amortizing	BPM	06/30/2025	1,866,134	0	41	0	(41)
IRS amortizing	Unicredit	06/30/2025	9,260,906	0	246	0	(246)
IRS amortizing	Unicredit	06/30/2025	5,284,472	0	140	0	(140)
IRS amortizing	Unicredit	06/30/2025	1,866,134	0	41	0	(41)
IRS amortizing	Intesa	06/30/2025	7,937,919	0	210.89	0.00	(210.89)
IRS amortizing	Intesa	06/30/2025	4,529,547	0	120	0	(120)
IRS amortizing	Intesa	06/30/2025	1,599,543	0	35.46	0.00	(35.50)
Tax effect (tax rate 27.5%)				0	(336)	0	336
GROUP TOTAL			**46,890,030**	**0**	**885**	**0**	**(886)**

Liquidity risk

The liquidity risk may arise as a result of potential delays in the collection of payments from the Buyers, mostly public entities, also as a result of greater costs incurred in the execution of works, for reasons not caused by the Group and the long time required to obtain the settlement of the same by the buyers.

The Group has adopted a series of policies and processes aiming at assuring an effective and efficient management of financial resources thus reducing the liquidity risk by taking the following steps:

- centralized management of collection and payment flows (cash management systems), where it is convenient, in compliance with several civil, currency and tax regulations in force in the countries where the Group operates and with the order management needs;
- keeping a suitable level of liquidity with reference to the ongoing orders;

- attainment of suitable credit lines;
- monitoring of the perspective liquidity conditions with reference to the corporate planning process. In particular, the Group regularly updates its forecasts for the financial requirements during the period, in order to identify in a timely manner the sources of funding most appropriate to the characteristics of the financial markets in question.

Credit risk

Credit risk, represented by the Group exposure to potential losses resulting from the failure to fulfill obligations by the buyers is unlikely, since the type of customers is largely represented by governmental entities.
A monitoring activity is constantly carried out on both the operative and administrative function based on standardized periodical reporting procedures.
Nowadays, there are no credit concentrations with single big customers, which cannot be considered physiological also with reference to the size of the building sites.

(AMOUNTS IN EUR/000)	Expiring	0 to 6 months	Expired 6 to 12 months	Beyond 12 months	Total	Gross total	Allow. for doubt.	Net total
12/31/19	119,174	4,342	1,376	14,794	20,512	139,686	-6,741	132,945
12/31/20	97,419	8,822	2,699	17,196	28,717	126,136	-6,938	119,198

As for credits overdue more than one year ago, the prevailing portion refers to positions related to works whose execution is in progress or to receivables for final testing.
Therefore, these items need to be valuated together with the corresponding records of reserves booked within the framework of work in progress.
In most cases, these are entries for which extrajudicial and judicial proceedings have been started, mainly against public administration bodies, which shall allow the collection of the credit on principal and the further collection of financial and legal expenses.

Exchange Risk

As for the foreign exchange risk, while a significant part of the turnover is attained in currencies other than euro, the operation modes and procedures used to safeguard such risk allow making it of little relevance.

Hierarchical levels for determining the fair value

With reference to the financial instruments booked to the statement of financial position at their fair value, the IFRS 7 requires that such amounts are classified based on a hierarchy of levels, which reflects the relevance of the inputs used in determining the fair value.
The following levels can be defined:

- Level 1 – listing values based on the active market for assets or liabilities subject to valuation;

- Level 2 – other inputs different from listed prices based on level 1, which can be observed directly (prices) or indirectly (derived from the prices) on the market;
- Level 3 – inputs that are based on market data that are available.

(AMOUNTS IN EUR/000)	Level 1	Level 2	Level 3
Assets available for sale		11,050	
Derivative instruments		(1,261)	
Total		**9,789**	

In 2020, there were no transfers from Level 1 to Level 2 or Level 3.

NEXT EVENTS

Regarding subsequent events and effects of the current pandemic on the production outlook, please see the section "Evolution of the management" described in the Report on Operations, where these circumstances are discussed in detail.
Lastly, it should be noted that the Parent Company ICM S.p.A. signed a medium-term loan contract for EUR 10,000,000 issued by Banca del Fucino S.p.A., backed by a guarantee granted by SACE.

Vicenza, May 20, 2021

The President
Mr. Gianfranco Simonetto

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Sole Shareholder of
ICM S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the consolidated financial statements of ICM S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Qualified Opinion

During the year ended December 31, 2017, the parent company ICM S.p.A. signed an agreement that envisaged that a third party would take part in a subsidiary's capital increase for an amount of Euro 8.5 million, of which Euro 4.3 million paid in as of December 31, 2017 and the rest paid in during the year ended December 31, 2018.

Considering the requirements of the accounting standards applicable in the circumstances and given the specific contractual conditions that govern the remuneration and repayment of the capital invested, the amount paid by the third party ought to have been recognised by entering a simultaneous non-current liability under "Payables to other lenders". In the Group's consolidated financial statements, this transaction was recognised as an increase in "Minority interests", resulting in a corresponding increase in "Total net equity" of approximately Euro 8.5 million; for this reason we expressed a qualified opinion also on the consolidated financial statements at December 31, 2019.

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We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of ICM S.p.A. in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the parent company ICM S.p.A. or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

Deloitte.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Qualified Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10

The Directors of ICM S.p.A. are responsible for the preparation of the report on operation of ICM Group as at December 31, 2020, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations, with the consolidated financial statements of ICM Group as at December 31, 2020 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the above-mentioned report on operations is consistent with the consolidated financial statements of ICM Group as at December 31, 2020 and is prepared in accordance with the law.

Deloitte.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report other than what has already been highlighted above.

DELOITTE & TOUCHE S.p.A.

Signed by
Mauro Di Bartolomeo
Partner

Bologna, Italy
June 14, 2021

This report has been translated into the English language solely for the convenience of international readers.

CONSOLIDATED COMPANIES

Helical shape characterizing the Chiaia Station, Napoli Subway - Italy

ICM S.p.A.

ICM S.p.A., the Group's operating holding company, has gained many years of experience, both in the public and private construction sector, by building large residential, office and commercial complexes, and infrastructures such as road works in general, reinforced concrete and metal structure viaducts, airports and railway works, tunnels, special foundations, hydraulic works, aqueducts, sewerage, dams and maritime works.
Being among the first companies qualified to carry out public works by the SOA body, the certification held by the Company includes 36 category registrations, 15 of which for an unlimited amount. The Company is also a member of associations and bodies in the construction sector such as ANCE (Italian Association of Private Construction Contractors). Since 2002, the company has acquired the certification of the Quality Management System in accordance with UNI EN ISO 9001 and subsequently the certifications of the Environmental Management System in accordance with UNI EN ISO 14001 and that of the Occupational Health and Safety Management System in accordance with BS OHSAS 18001. Since January 2021, the company can boast the UNI ISO 39001 certification related to the Traffic Management system.
The company has its own system following the principles of legality based on a Code of Ethics inspired by the principles of fairness, transparency, honesty, integrity in accordance with the highest national and international standards and guidelines. The Organization, Management and Control Model inspired by it implements its principles by translating them into a procedural system. Such a system constitutes a strict behavioral code that all subjects operating in the interest of the company are called upon to comply with, thus ensuring the effective maintenance of a system to prevent crimes, in accordance with the Italian Legislative Decree 231/2001 and international best practices.

Construction, on behalf of Coima, of "Corso Como Place", an office and commercial complex in the Porta Nuova area of Milano – Italy

ASSETS SITUATION (AMOUNTS IN EUR/000)

	12/31/20	12/31/19
Tangible long-term assets	18,366	16,140
Intangible long-term assets	1,863	1,990
Contractual costs	19,328	17,307
Investments	45,406	43,852
Other net long-term assets	7,511	2,511
TOTAL Long-term assets (A)	**92,474**	**81,800**
Inventories	42,322	36,360
Works in progress	91,942	85,461
Trade receivables	94,733	105,216
Intergroup trade receivables	34,496	37,956
Other assets	46,047	40,176
Subtotal	**309,540**	**305,169**
Trade payables	-136,766	-140,925
Intergroup liabilities	-41,073	-35,158
Other liabilities	-66,457	-58,877
Subtotal	**-244,296**	**-234,960**
Operating working capital (B)	**65,244**	**70,209**
Deferred tax liabilities	-6,561	-4,948
Employee benefits	-1,548	-1,708
Provisions for risks and charges	-6,502	-5,450
Total funds (C)	**-14,611**	**-12,106**
Net invested capital (D) = (A)+(B)+(C)	**143,107**	**139,903**
Cash and cash equivalents	75,786	43,826
Current financial receivables	28,765	18,238
Current financial liabilities	-67,018	-73,495
Non-current financial liabilities	-80,121	-17,246
Bonds	-36,379	-43,163
Net financial position (E)	**-78,967**	**-71,840**
Net Equity (F) = (D) + (E)	**64,140**	**68,063**

INCOME STATEMENT (AMOUNTS IN EUR/000)

	12/31/20	12/31/19
Revenues	**306,431**	**293,719**
Raw materials and consumption materials	-44,478	-31,731
Subcontracts	-167,925	-187,653
Other operative costs	-26,315	-25,079
Personnel costs	-24,057	-24,102
EBITDAR	**43,656**	**25,154**
Depreciation, leases, rentals and allocations	-30,950	-11,425
EBIT	**12,706**	**13,729**
Suretyship charges and bank expenses	-5,659	-4,697
Net financial income and expenses	-6,823	-6,769
Total financial income and expenses	**-12,482**	**-11,466**
Profits and (losses) on exchange rates	-1,945	949
Adjustment to the value of financial assets	-81	-1,513
Profit (Loss) before taxes	**-1,802**	**1,699**
Taxes	1,004	-719
Profit (Loss) of the period	**-798**	**980**

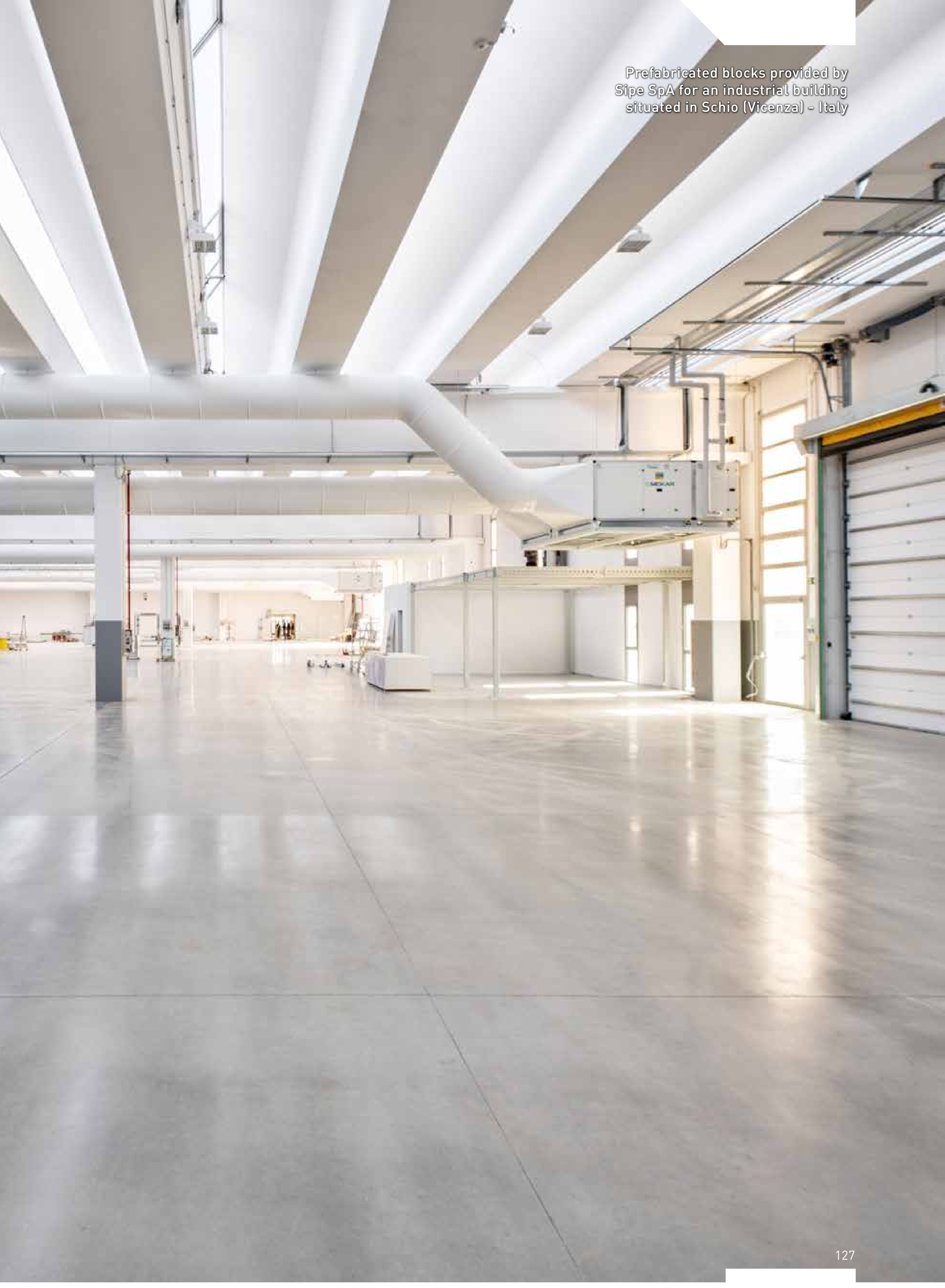
The Board of Directors

Gianfranco Simonetto	*President*
Bettina Campedelli	*Vice President*
Alberto Liberatori	*Vice President*
Darik Gastaldello	*Managing Director*
Claudio Roberto Calabi	
Giovanni Dolcetta Capuzzo	
Francesco Marena	
Alberto Regazzo	
Francesco Simonetto	

Vicenza, May 20, 2021

SIPE S.p.A.

S.I.P.E. - Società Industriale Prefabbricati Edili - S.p.A., established in 1963, operates in the industrialized construction sector allowing, through the use of its prefabricated structures, the integral construction of civil, industrial and commercial buildings.
S.I.P.E. S.p.A. holds patents relating to advanced technological processes for the use of prefabrication in seismic areas.
S.I.P.E. S.p.A. has a prominent position in the reference market (Northern Italy) thanks also to the significant investments made for the construction of the new production plant (which covers an area of over 115,000 square meters) and the new production lines of Almisano.



Prefabricated blocks provided by Sipe SpA for an industrial building situated in Schio (Vicenza) - Italy

ASSETS SITUATION (AMOUNTS IN EUR/000)

	12/31/20	12/31/19
Intangible long-term assets	12	30
Tangible long-term assets	21,762	19,496
Investments	338	164
Other net long-term assets	160	160
TOTAL Long-term assets (A)	**22,272**	**19,850**
Inventories	7,643	7,934
Works in progress	12,015	10,465
Trade receivables	1,527	2,737
Intergroup trade receivables	2,078	2,171
Other assets	150	133
Advances from customers	-9,581	-8,759
Subtotal	**13,832**	**14,681**
Trade payables	-4,460	-5,314
Intergroup liabilities	-428	-333
Other liabilities	-1,048	-997
Subtotal	**-5,936**	**-6,644**
Operating working capital (B)	**7,896**	**8,037**
Employee benefits	-342	-439
Provisions for risks and charges	0	0
Total funds (C)	**-342**	**-439**
Net invested capital (D) = (A)+(B)+(C)	**29,826**	**27,448**
Cash and cash equivalents	2,181	951
Current financial receivables	246	365
Non-current financial receivables	0	0
Current financial liabilities	-2,042	-2,187
Non-current financial liabilities	-804	0
Net financial position (E)	**-419**	**-871**
Net Equity (F) = (D) + (E)	**29,407**	**26,577**

INCOME STATEMENT (AMOUNTS IN EUR/000)

	12/31/20	12/31/19
Revenues	**17,608**	**19,415**
Operating costs	-13,371	-14,933
Personnel costs	-3,116	-3,676
EBITDAR	**1,121**	**806**
Amort,, rentals and set-asides	-536	-529
EBIT	**585**	**277**
Net financial income and expenses	-89	-144
Adjustment to the value of financial assets	0	0
Profit (Loss) before taxes	**496**	**133**
Taxes	-138	-81
Profit (Loss) of the period	**358**	**52**

The Board of Directors

Giovanni Dolcetta Capuzzo *President*
Francesco Simonetto *Managing Director*
Darik Gastaldello *Director*
Alberto Liberatori

Vicenza, March 26, 2021

INTEGRA S.r.l.

Integra S.r.l. has been operating in the field of services and plants for the environmental protection and the preservation of natural resources since 1983.
In this context, it designs, builds and manages plants for water purification/ potabilization plants, liquid waste treatment and disposal plants, as well as carrying out environmental reclamation, implementing the securing of contaminated sites and providing for the intermediation of waste in addition to having a certified analysis laboratory.
Integra follows and develops the opportunities offered by the market in the concession sector, through the subsidiary Integra Concessioni S.r.l., in which the concession activities currently in place have merged.
The two companies have their own liquid waste treatment platforms, authorized under normal conditions, with a total potential of over 100,000 tons per year.

Purification plant fulfilled
by Integra Srl on behalf of Viacqua SpA
in Grisignano (Vicenza) - Italy

ASSETS SITUATION (AMOUNTS IN EUR/000)

	12/31/20	12/31/19
Intangible long-term assets	8	7
Tangible long-term assets	6,104	4,883
Investments	1,746	1,750
Other net long-term assets	0	0
TOTAL Long-term assets (A)	**7,858**	**6,640**
Inventories	81	123
Works in progress	579	539
Trade receivables	3,318	4,373
Intergroup trade receivables	2,374	3,209
Other assets	744	248
Advances from customers	-54	-329
Subtotal	**7,042**	**8,163**
Trade payables	-4,497	-3,302
Intergroup liabilities	-1,786	-5,862
Other liabilities	-1,191	-954
Subtotal	**-7,474**	**-10,118**
Operating working capital (B)	**-432**	**-1,955**
Employee benefits	-321	-312
Provisions for risks and charges	0	0
Total funds (C)	**-321**	**-312**
Net invested capital (D) = (A)+(B)+(C)	**7,105**	**4,373**
Cash and cash equivalents	115	280
Current financial receivables	0	0
Non-current financial receivables	0	0
Current financial liabilities	-2,044	-1,618
Non-current financial liabilities	-79	0
Net financial position (E)	**-2,008**	**-1,338**
Net Equity (F) = (D) + (E)	**5,097**	**3,035**

INCOME STATEMENT (AMOUNTS IN EUR/000)

	12/31/20	12/31/19
Revenues	**15,610**	**9,817**
Operating costs	-12,444	-7,787
Personnel costs	-1,206	-1,337
EBITDAR	**1,960**	**693**
Amort,, rentals and set-asides	-478	-248
EBIT	**1,482**	**445**
Net financial income and expenses	-235	-269
Adjustment to the value of financial assets	0	0
Profit (Loss) before taxes	**1,247**	**176**
Taxes	-440	-95
Profit (Loss) of the period	**807**	**81**

The Board of Directors

Marcello Milano *President*
Gianalberto Balasso
Giovanni Dolcetta Capuzzo
Francesco Simonetto

Vicenza, March 26, 2021

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