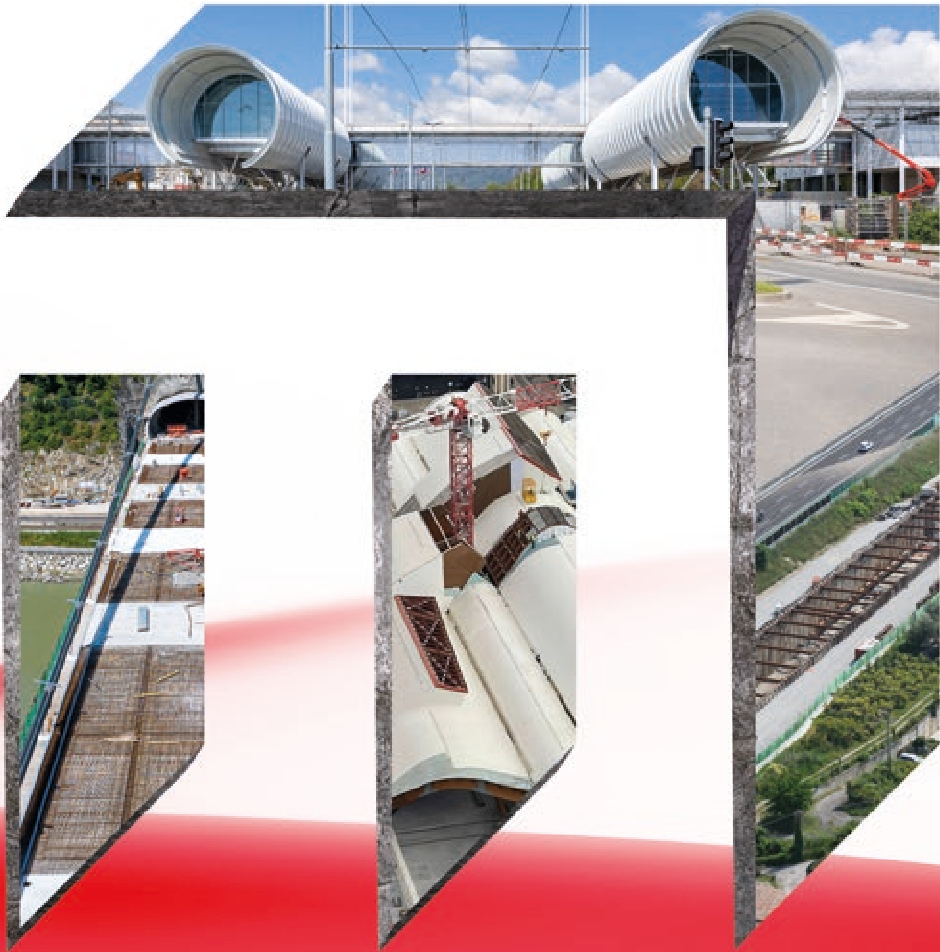
ICM GROUP

100 1921-2021

THE CULTURE OF BUILDING



2022 FINANCIAL STATEMENTS

Montecchio Maggiore (Vicenza)
New tollbooth construction and connections to the existing road network

ICM GROUP THE CULTURE OF BUILDING

The origins of the Group date back to 1921 with its incorporation, in Recoaro Terme (Vicenza, Italy). In the Fifties and Seventies, the company, after moving to Vicenza, acquired orders in the field of major works both in the public and private sector, and developed a full range of industrial initiatives related to the construction industry (factories 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 incorporation of Delma S.p.A. and the acquisition of important works in extra-UE countries.
The Group is currently active in large civil, industrial and infrastructural engineering projects and is one of the top ten national companies in Italy in terms of turnover, number of employees and order backlog, as well as one of the top two hundred and fifty international companies, according to the ENR classification. Besides being active in the construction sector, the Group operates in the fields of solutions for environmental issues, real estate and finance. The Group companies are members of the most qualified Italian and international associations and bodies.

ICM GROUP

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36100 Vicenza - Italy
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Tel. +39 0444 336111
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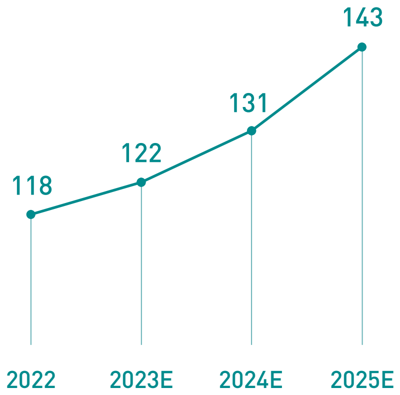
Share capital Euro 67,567,568.00 entirely paid in
Head Office in Vicenza - Viale dell'Industria, 42
Business Register of Vicenza and Fiscal Code 00184540276
VAT Number 02526350240

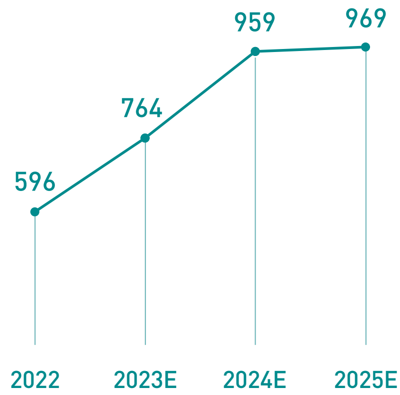
FINANCIAL STATEMENTS 2022 AND 2023-2025 BUSINESS PLAN

SUMMARY DATA
IN MILLIONS OF EUR

NET EQUITY

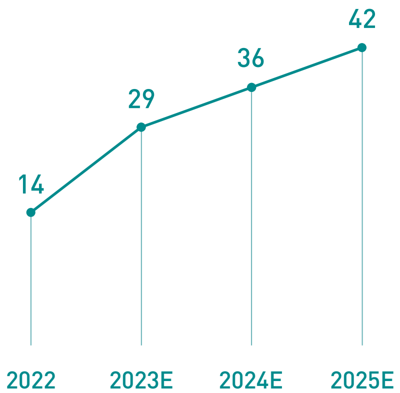


VALUE OF PRODUCTION



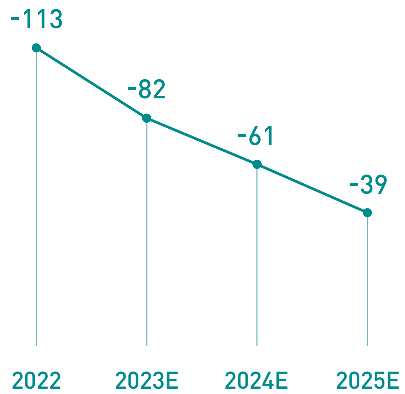
EBIT

Result before taxes
and financial charges



NFP

Net Financial Position

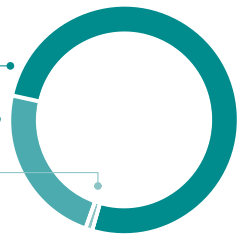


ORDER BACKLOG ICM SpA

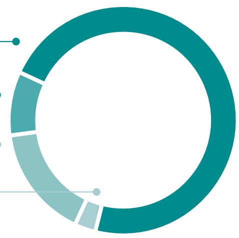
		AS OF 12/31/2022		AS OF 06/30/2023	
BY ACTIVITY SECTOR					
PUBLIC	mil. €	2,010	88%	2,648	88%
PRIVATE	mil. €	280	12%	368	12%


		AS OF 12/31/2022		AS OF 06/30/2023	
BY AREA					
ITALY	mil. €	1,660	72%	2,385	79%
FOREIGN COUNTRIES	mil. €	630	28%	631	21%


		AS OF 12/31/2022		AS OF 06/30/2023	
BY TYPE					
INFRASTRUCTURES	mil. €	1,691	74%	2,306	76%
BUILDING	mil. €	590	26%	701	23%
MAINTENANCE WORKS	mil. €	9	0%	9	0%

		AS OF 12/31/2022		AS OF 06/30/2023	
BY SDGs					
SUSTAINABLE MOBILITY	mil. €	1,638	72%	2,176	72%
OTHER	mil. €	256	11%	256	9%
GREEN BUILDING	mil. €	367	16%	478	16%
ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT	mil. €	28	1%	105	3%

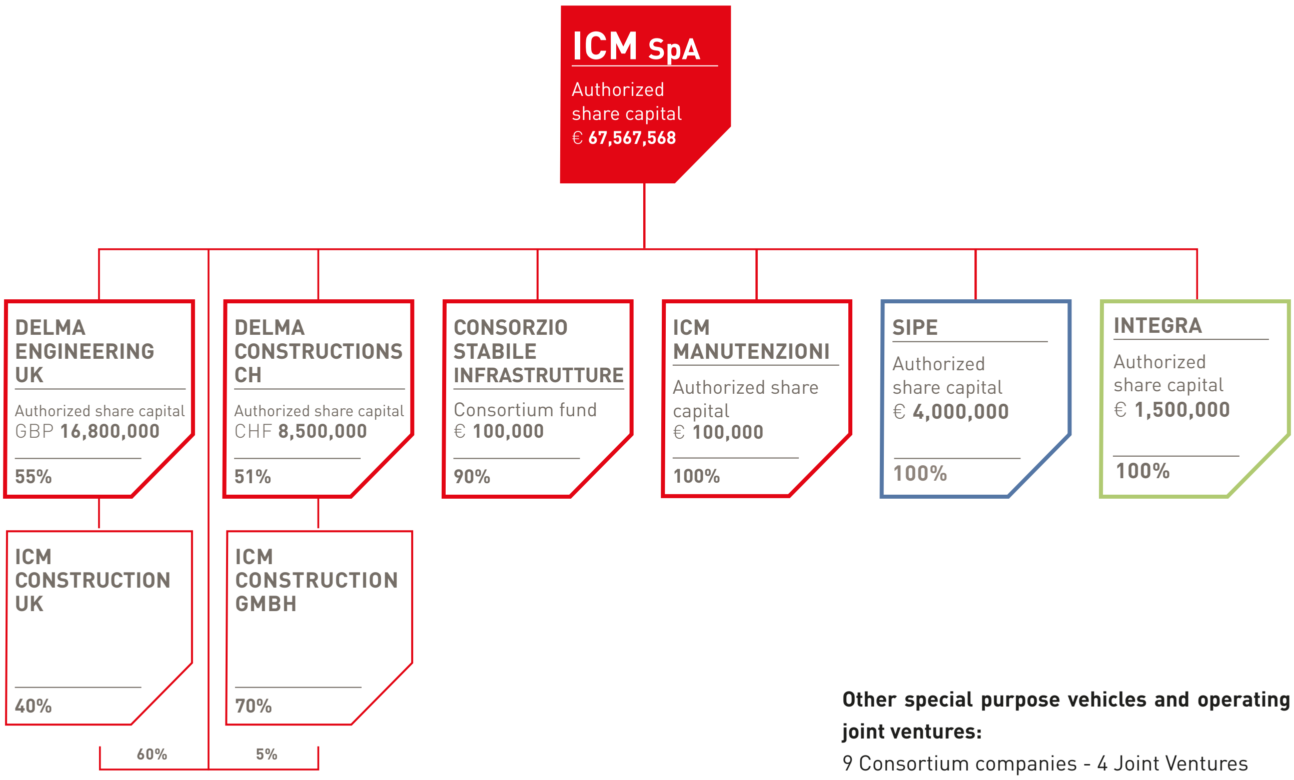
TOT. MIL. € 2,290 — TOT. MIL. € 3,015

SUMMARY

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	Bettina Campedelli
	Director	Silvia Cantele
	Director	Mauro Gestri
	Director	Vincenzo Panza
	Director	Alberto Regazzo
	Director	Claudia Trolese
STATUTORY AUDITORS	**President**	Alessandro Terrin
	Auditor	Marco Petrucci
	Auditor	Manfredo Turchetti
AUDITING FIRM	Deloitte & Touche S.p.A.	
SUPERVISORY BODY (PURSUANT TO THE ITALIAN LEGISLATIVE DECREE 231/2001)	Rodolfo Mecarelli	



Other special purpose vehicles and operating joint ventures:
9 Consortium companies - 4 Joint Ventures

CONSTRUCTION
PREFABRICATION
ECOLOGY AND CONCESSIONS

MAIN BUILDING SITES IN PROGRESS

IN ITALY

ALESSANDRIA	Building	**Amazon** - Construction of a logistic hub
BOLOGNA	Building	**Cineca** - Design and implementation of site adaption works for the Euro HPC supercomputer
BRESCIA	Railways	**RFI -** Construction of HS/HC railway line Milan - Verona section, second functional lot BS - VR
CATANIA	Maritime Works	**Autorità Sistema Portuale Mare Sicilia Orientale** - New Commercial Dock, Port of Catania
DECIMOMANNU	Military	**Leonardo S.p.A** - International Flight Training School
FERRARA	Building	**Various clients** - Works at the petrochemical industrial site "Enichem"
GENOA	Various infrastructures	**Comune di Genova** - Light rail public transport
	Maritime Works	**Comune di Genova** - New quay for the shipbuilding industry at Porto Petroli
MILAN	Building	**Coima SGR** - Construction of real estate complex of two towers "Gioia Est" and "Gioia Ovest"
MATERA	Railways	**RFI -** Ferrandina - Matera La Martella
NAPLES	Railways	**Ente Autonomo Volturno -** Modernization and adjustment of the former "Alifana" railway line Secondigliano - Di Vittorio section
	Subways	**Ansaldo STS** - Naples subway, various lots line 1 and line 6
	Tunnels	**Ente Autonomo Volturno** - "Nuova" and "Vecchia Vomero" tunnels

IN ITALY

NOVARA	Military	**Leonardo S.p.A.** - Civil works
RAGUSA	Roads	**ANAS** - Ragusana Lot 2
REGGIO CALABRIA	Roads	**ANAS** - Construction of the variant to the town of Palizzi Marina, second functional lot
SIRACUSA	Maritime Works	**Autorità Sistema Portuale Mare Sicilia Orientale** - New docks at the Port of Augusta
VICENZA	Military	**US Navy** - Family Housing phase 3
	Military	**US Navy** - Construction of the new High School
	Roads	**ANAS** - Completion of the Vicenza ring-road
	Roads	**Autostrada BS VR VI PD** - Montecchio Maggiore Tollbooth

IN THE WORLD

AUSTRIA	Railways	**OBB Infrastruktur AG** - Marchtrenk, 4-track railroad extension Linz-Wels
	Bridges/ Tunnels	**ASFINAG** - A26 motorway, construction of a bridge over the Danube and connecting tunnels in Linz
	Roads	**ASFINAG** - L43 Viaduct
CROATIA	Roads	**Hrvatske Autoceste -** Novi-Vinodolski bypass of the A7 Rupa-Rijeka-Zuta Lokva motorway
DJIBOUTI	Military	**US Navy** - "MACC Djibouti" and "Mini MACC Djibouti" framework contracts
KENYA	Smart City	**KoTDA** - Design and construction of infrastructure for the development of the new Smart City of Konza
LIBYA	Building	**LIFECO** - Industrial construction in Marsa Brega
QATAR	Military	**Ministry of Defense** - Infrastructure works and buildings
ROMANIA	Military	**US Navy** - "JOC Romania" framework contract in Deveselu
SLOVAKIA	Railways	**Železnice Slovenskej Republiky -** Modernization of the railway line Devínska Nová Ves - Kúty - Slovakia / Czech Republic border
SWITZERLAND	Building	**Cern** - Construction of the new visitor center

GEOGRAPHICAL PRESENCE

- ■ OPERATING STRUCTURE
- ■ COMMERCIAL DEVELOPMENT STRUCTURE
- ■ COMPANY
- ■ BRANCH

Italy	Albania	Austria	Cape Verde	Cyprus	Kenya	Lebanon	Libya	Oman	Qatar	Romania	Slovakia	Switzerland	Tanzania	Tunisia	Turkey	U.S.A.	U.K.	Cameroon
■		■					■	■	■	■		■				■	■	
	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■			■

THE PRESIDENT'S LETTER TO SHAREHOLDERS AND STAKEHOLDERS

The year 2022 was still marked by exceptional events, affecting the lives of businesses and families.

The war in Ukraine, inflation, geopolitical tensions, and immigration have contributed to further alter the stability of our shared existence and have made the need to consider climate change and sustainability as primary and essential goals for our future even more urgent.

Accordingly, the ICM Group, with both its statutory and consolidated financial statements, also intends to present its first Sustainability Report, which constitutes the synthesis of a journey that began in recent years.

Therefore, in the 2022 Financial Statements, it is possible to find a description of the growth, both in terms of production and the portfolio of works acquired, which places our group as one of the leading players in the sector, especially in Italy. On the other hand, the Sustainability Report illustrates our commitment to the ecological transition and our social responsibility, which are also pursued with determination by strengthening the governance necessary to achieve them.

The effort that is being made, both in terms of quantity and quality, encourages us to look forward to the near future, which will see us facing the enormous challenges ahead with the knowledge that we are working in the direction necessary to safeguard future generations.

It is essential that we all work together, with tremendous team spirit, in the name of growth, development and sustainability.

The President
Gianfranco Simonetto

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31,2022

REPORT ON OPERATIONS

The past year has been marked, both nationally and internationally, by events of unusual relevance that have profoundly affected the lives of companies and people and will determine important impacts on the near future as well.
While Italian companies, particularly those in the construction sector, have faced unprecedented spikes in the cost of raw materials and, indirectly, in the prices of procured services, on the other hand they are benefiting from the launch of NRRP-related programs that offer hitherto unexperimented growth opportunities.
The current inflationary dynamics was originated from the sudden restart of production activities at the conclusion of the pandemic crisis and it later superposed on the energy crisis triggered by the Ukrainian war events. This resulted in a heavy spillover effect on raw material prices, which, given the nature of ongoing procurement contracts and the different types of domestic and international customers, companies in the industry were only partially able to pass on to customers. While in Italy public contracts have been able to benefit from regulatory interventions that have helped to reduce the negative effects of price increases, in some foreign markets and, in any case, in the context of contracts with private customers, the recognition of specific rebates has been - or still is - the subject of negotiation, leading to a misalignment in the management of the financial dynamics of contracts between the time when these higher prices have been recognized by the construction companies to their suppliers and the time when they have been or will be, in whole or in part, recognized by the customer.
The correct perception of the extent of this phenomenon can be easily inferred from the price trends of some of the raw materials widely used in the industry production processes. In fact, the average of the monthly prices recorded during 2022 compared with the January 2021 price lists showed the following trends:

- Iron for reinforced concrete and steel beams: + 95%
- Concrete: + 113%
- Road bitumen: +55%
- Automotive diesel fuel (net of excise and taxes): + 118%.

The 2022 consolidated financial statements, as will be explained in detail below, were affected by these dynamics and, as a result of it, although the total value of production increased by more than 30 percentage points, the economic result for the period showed a substantial balanced outcome before taxes and a positive result in the *adjusted* income statement, which we will outline hereinafter.
That being said, the climate in every company business line is characterized by the extraordinary commitment that is being put into making the most of the extraordinary opportunities offered within the NRRP-related projects and that has already translated into important acquisitions of new orders that are the basis of the 2023-2025 industrial plan, a plan that will lead the Group to stand at production values close to 1 billion EUR and, above all, to generate important cash flows and margins.
The opportunity offered by the market is unprecedented, and the Group aims at seizing it to the best of its ability, certainly not neglecting commercial and production development outside the national borders, but concentrating maximum operational effort in the context of Italian infrastructure works.
The Group has done so on several levels, starting with the strengthening of structures dedicated to the study of calls for tenders, as well as to the planning and management of infrastructure contracts.

From the point of view of capital structure and governance, too, it has been deemed that the ideal time had come to allow the share capital to be opened to new industrial partners by seizing on the one hand the opportunity to further consolidate the Group equity and, on the other hand, to be open to those contributions of ideas that, thanks to the pooling of different experiences, constitute the strongest drive for growth and evolution of business processes. According to the above, a project of integral renewal of the ERP was also concretely initiated, which will be developed according to the best practice in the industry and making use of the most advanced and reliable application systems offered by the market.
Finally, the important work of analysis, structuring, implementation and control that has long been conducted with the collaboration of the University of Vicenza in order to firmly structure the Group activities in a sustainable development context has resulted in the issuance of the first sustainability report.

ANALYSIS OF ECONOMIC TRENDS

As remarked above, the outlook for the world economy is characterized by the uncertainty resulting from the geopolitical circumstances and the effects caused by high inflation. . Indeed, global price pressures persist, amid a still relatively robust demand, together with tight conditions in labor markets and high food prices. Nevertheless, these tensions are expected to reduce as commodity markets stabilize and growth is expected to weaken slightly. Against a backdrop of high uncertainty, the overall risk picture in the baseline scenario projections is thus tilted toward a slowdown in global growth and an uptick for international price pressures.
The ECB December 2022 expert projections forecast a slowdown in the real growth rate of the world GDP (excluding the euro area), which is estimated at 2.6% in 2023, below its long-term average, with a subsequent gradual recovery to 3.1% and 3.3% in 2024 and 2025. Indeed, high inflation and tighter financing conditions may curb spending and production levels by reducing households real incomes and pushing up costs for businesses. The global economy may also slow down amid protracted geopolitical uncertainty, especially due to the Russia-Ukraine war and tighter financing conditions available globally.
However, negative economic impacts are expected to be mitigated to some extent by budgetary measures as well as ongoing initiatives to reduce energy demand including through the use of alternative sources. Thus, in the medium term, as the energy market rebalances, uncertainty is expected to decrease with positive effects on real incomes. As a result, economic growth is expected to regain momentum, supported by the elimination of the remaining supply-side bottlenecks despite less favorable financing conditions. In this sense, it is believed that the labor market may continue to show relatively good resilience despite the mild recessionary phase that is expected, reflecting labor force retention strategies while labor force shortages are still widespread.
In the short run, the existing inflationary pressures could generate stronger-than-expected increases in retail energy and food prices. In the medium term, risks come mainly from domestic factors, such as a prolonged rise in inflation expectations above the 2% ECB target or wage increases greater than projected. Conversely, a drop in energy costs or a further weakening of demand would reduce price pressures.

THE CONSTRUCTION INDUSTRY IN ITALY

During 2022, the Italian economy showed a positive performance exceeding the expectations of most economic observers after the start of the conflict in Ukraine. According to ISTAT (Italian Institute of Statistics) forecasts, the Italian GDP for 2022-2023 is estimated to have grown strongly in 2022 (+3.9%) and to have then slowed down in 2023 (+0.4%). Against this backdrop, the construction sector confirms the growth path it embarked on in early 2021, after the setback recorded in the pandemic year.
ANCE (Italian Association of Builders) estimates an increase of 12.1% in 2022, mainly due to the good performance of private investments referred to private housing maintenance works. Such investments now account for 40% of the sectoral total and show a particularly positive sign (+22%) after the already exceptional levels recorded in 2021 (+25% year-on-year). The dynamics recorded in the 2021-2022 two-year period, is easily explained by the possibilities offered by the incentives for the renovation and upgrading of the housing stock

and the recourse, now essentially precluded, to assigning the receivables accrued in the performance of the works in question.
Regarding new residential construction, based on new building permits, an estimated 4.5% increase in the market in real terms was attained in 2022.
As for private investments in nonresidential construction, there was an increase of 8.2%, confirming a positive dynamic that has been underway since 2016, interspersed with the negative sign related to the pandemic year.
Also for the public non-residential construction sector, a growth of 4% over the preceding year was recorded in 2022. The estimate has been revised downward from the previous year one in view of the effects resulting from tensions in commodity and energy prices, which have led to a slowdown in the launch of new NRRP initiatives planned for the current year. However, the positive dynamics of investment in public works recorded in 2022 is the result of the continuation of works already in progress and the start of "existing projects," i.e., projects envisaged by previous spending programs and included in the European Plan. The effects from major multi-year public investment support measures adopted in the recent years adds up to this context. In the current macroeconomic picture of the Italian economy, therefore, there are a number of aspects that could slow down growth expectations: inflation, rising interest rates, the continuation of the Russian-Ukrainian conflict and the residual issues related to supply chains represent the possible elements of risk in this regard.
Regarding the public works sector, the ANCE estimate for 2023 shows a significant increase of 25% over 2022. This increase is mainly explained by the expectations of NRRP resource utilization, which has attained an appreciable progress in the planning and allocation of funds to territories.

MAIN FOREIGN MARKETS OF REFERENCE

Switzerland is a country that is inevitably affected by international geopolitical and economic tensions, but in many ways confirms its good resilience. The difficult international environment held back the manufacturing industry and exports, while domestic demand remained solid. For 2022, GDP progression settled at +2.1%; +4.2% in the previous 12 months, when there was a rebound after the first pandemic year. The recovery, which continued in 2022, mainly referred to the service sector and private consumer spending.
Kenya is a politically stable country with reference to regional standards and often serves as a mediator in conflicts in the area. It has an extensive Internet coverage and is at the forefront of digital means of payment through the collaboration with international networks. This approach goes hand in hand with the authorities attempt to foster the growth of the free market with privatization and liberalization efforts. In its latest report titled "Kenya Economic Update," the World Bank estimated that growth of the Kenyan economy is expected to attain 5% in 2023 and 5.3% in 2024 compared to 5.5% in 2022. Regarding public debt, in view of the high amount reached, the Governor of the Central Bank of Kenya reiterated that the Kenyan authorities intend to use "measured" external borrowings in order to address the debt vulnerability and ensure its solvency.
Qatar economy is expected to see growth, so much so that according to the World Bank latest Gulf Economy Update, GDP grew by 4.1% in 2022 and will grow by 4.5% in 2023. The country ranks as one of the world largest exporters of liquefied gas, and this situation has allowed it to benefit from the advantage of higher commodity prices following the Russia-Ukraine war. Government agencies point to the great strides the country has made in diversifying its economic base with the decrease in the importance of the hydrocarbon market and the significant rise of other sectors. Hydrocarbons still make up around 50% of the national GDP, but the importance played by other sectors is in fact growing strongly, as envisioned in the Qatar Vision 2030 plan, whereby the country is being very committed to attracting foreign investments by diversifying its economy.
Slovakia, according to indications provided by the local Ministry of Finance, recorded a GDP growth of 1.9% in 2022, with forecasts for further expansions of 0.6% in 2023 and 1.7% in 2024. These increases will be partly driven by EU fund spending and major post-pandemic investments. State aids for energy prices for households and businesses also contribute to this improved outlook. The unemployment rate, which had reached 7.6% in 2020, dropped

to 6.8% in 2021 and 6.4% in 2022. The inflation rate was 12.4% in 2022, is expected to reach 13.4% in 2023 and then decline to 3.4% in 2024.
Austria economy is typical of highly industrialized countries, with a developed market economy, a skilled labor force and a high standard of living. The economy is eleventh in the European Union in terms of absolute GDP and fourth in terms of GDP per capita. In any case, it is a relatively small economy, comparable in size to that of the Lombardy Region.
GDP growth was 5% in 2022 with a forecast for 2023 of +0.8% and +1.4% in 2024.

ACTIVITIES OF THE GROUP

The reclassifications of the income statement and statement of financial position taken from the Group consolidated financial statements prepared in accordance with IAS (International Accounting Standards) and IFRS (International Financial Reporting Standards) standards are outlined here below. The economic and equity performance outlined in the financial statements here below are assessed also according to some indicators not defined by the IFRS, among which there are the EBITDAR, the EBITDA, and the net financial position (NFP). 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. Likewise, the Net Financial Position does not incorporate the effects of the application of IFRS 16 recorded under Liabilities from rights of use.
As outlined above, the management dynamics for the period 2022 were characterized by the non-recurring and extraordinary increases in the raw material prices recorded during 2022, which were not fully reimbursed by customers and contracting authorities and therefore produced a significant economic as well as financial impact. Therefore, it was deemed useful, in order to allow a better understanding of the management dynamics of a period characterized by the above-mentioned extraordinary events, to represent on the one hand - in the reclassified management income statement - which would have been the gross operating marginality generated by the recurring and ordinary components only (an indicator that, with reference to 2022, is identified in the table below as "EBITDAR" and "EBITDA"), and on the other hand - in the *adjusted* income statement - which would have been the net operating marginality and ultimately the result for the period, if the impact of the non-recurring and extraordinary components had not occurred. The assessment of this impact was mainly carried out by focusing the analysis on the two main foreign construction sites (Kenya and Qatar), whose contracts did not include automatic mechanisms to compensate for any increased charges incurred. The result of the performed analysis must therefore be considered a downward estimate of the overall impact suffered given that, in other realities, even in the presence of specific legislative instruments or contractual agreements and through the application of the same, the compensation for the increased incurred charges was not full in all cases.
Therefore, in the analysis thus conducted, the percentage increase in prices (monthly averages 2022 compared to January 2021) of the main raw materials used directly or indirectly as they are included in the services provided by third parties was calculated. Then it was estimated that half of these cost increases were or could be recovered within the framework of negotiations with buyers or through a lower recognition of the same towards subcontractors.
The impact of net non-recurring and extraordinary items charged for the period estimated by the *management* as described above amounted to 16.4 million EUR.
Therefore, it was deemed appropriate, in order to provide useful information to assess the actually attained *performance*, according to the criteria outlined above, to represent the reclassified income statement also pursuant to an *adjusted* layout, by excluding in the latter statement the impact of non-recurring and extraordinary items.

ADJUSTED RECLASSIFIED CONSOLIDATED INCOME STATEMENT	Period 2021	Period 2022		
	ICM GROUP	ICM GROUP	Non-recurring expenses	Adjusted
REVENUES	**454,176**	**596,164**		**596,164**
Raw materials and consumables	(95,310)	(145,176)		(145,176)
Subcontracts	(173,328)	(251,929)		(251,929)
Other operating expenses	(61,600)	(76,650)		(76,650)
Personnel costs	(50,360)	(54,858)		(54,858)
EBITDAR	**73,578**	**67,551**		**67,551**
Rents and leases	(21,151)	(15,941)		(15,941)
EBITDA	**52,427**	**51,610**		**51,610**
Non-recurring expenses		(16,427)	16,427	
Amortizations and set-asides	(31,566)	(21,405)		(21,405)
EBIT	**20,861**	**13,778**	**16,427**	**30,205**
Suretyship charges and bank expenses	(7,130)	(8,649)		(8,649)
Financial income and expenses	(8,995)	(9,386)		(9,386)
Gains (losses) on exchange	(3,123)	4,152		4,152
Total financial income and expenses	**(19,248)**	**(13,883)**		**(13,883)**
EBT	**1,613**	**(105)**	**16,427**	**16,322**
Taxes	2,123	(4,892)	(1,643)	(6,535)
NET PROFIT/LOSS	**3,736**	**(4,997)**	**14,784**	**9,787**
Minority interests (income) loss	(110)	(582)		(582)
NET INCOME (LOSS) OF THE GROUP	**3,626**	**(5,579)**	**14,784**	**9,205**

Despite the impact generated by the abnormal increase in prices and the shortages recorded in many cases in the supply chains, the full operation of the construction sites was ensured, which enabled the attainment of a value of production of EUR 596 million, 31% higher than the one achieved in the previous period.
As for 61.4%, it was attained in Italy and as for 38.6% it was recorded abroad.
The structure and breakdown of the operating costs show the impacts on the production chain caused by the extraordinary increase in raw material prices. In fact, there is an increase in the percentage incidence on revenues of total costs referring to the purchase of raw materials, subcontracts, and other operating expenses (82.2% in 2022 compared to 72.7% in 2021) at the expense of personnel costs, which decrease in percentage terms from 11.1% in 2021 to 9.2% in the following year.
Financial income and expenses, which also include suretyships costs, bank charges and foreign exchange effects, totaled EUR 13.9 million, reducing the percentage incidence on revenues compared to the previous year from 4.2% to 2.3%.
With reference to intermediate margins, determined as described above, this results in an EBITDA of EUR 51.6 million and an EBIT of EUR 13.8 million (EUR 30.2 million *in the adjusted scenario*).
The EBT essentially shows a balanced outcome, while the result after tax is -EUR 5.6 million (+EUR 9.8 million *in the adjusted scenario*).

Implementation of the variant to the town of Palizzi Marina (Catanzaro)

RECLASSIFIED STATEMENT OF FINANCIAL POSITION	12/31/21	12/31/22
Tangible long-term assets and assets from rights of use	51,559	48,789
Intangible long-term assets	4,714	4,179
Contract costs	30,484	29,792
Investments	7,654	7,411
Total Long-term assets (A)	**94,411**	**90,171**
Inventories	50,147	56,996
Contractual assets	139,301	190,178
Trade receivables	110,123	109,025
Intergroup trade receivables	15,222	12,732
Other assets	82,816	87,846
Subtotal	**397,609**	**456,777**
Trade payables	-199,112	-223,972
Intergroup liabilities	-6,505	-6,802
Other liabilities	-80,438	-71,947
Subtotal	**-286,055**	**-302,721**
Operating working capital (B)	**111,554**	**154,057**
Deferred tax liabilities	-6,314	-6,583
Employee benefits	-2,970	-2,765
Provisions for risks and charges	-4,586	-4,287
Total funds (C)	**-13,870**	**-13,635**
Net invested capital (D) = (A)+(B)+(C)	**192,095**	**230,593**
Cash and cash equivalents	89,741	91,591
Current financial receivables	16,999	18,528
Non-current financial liabilities	-79,783	-113,369
Non-current financial liabilities	-85,189	-67,600
Bonds	-41,630	-42,547
Net financial position (E)	**-99,862**	**-113,397**
Net equity of the Group	74,970	99,368
Net equity of minority interests	17,263	17,827
Net Equity (F) = (D) + (E)	**92,233**	**117,196**

The tangible long-term assets, which also include assets from rights of use arising from the application of IFRS 16, amounted to EUR 48.8 million, recording a decrease by EUR 2.8 million compared to the previous year mostly attributable to the calculation of depreciations for the period.
Intangible fixed assets, which include contractual costs, amounted to EUR 34 million and decreased slightly compared to the preceding period (EUR 35.2 million).
The operating working capital increased by 38,1% compared to the preceding period, with an expansion related to the increase in the value of production. The trend in the Net Financial Position, amounting to EUR -113.4 million, also follows physiologically, albeit in smaller terms, the dynamics associated with the significant expansion of the business activity.
There was also a significant increase in the total equity, which reached EUR 117.2 million following the capital increase with share premium subscribed and paid in last December.
Building initiatives, booked at cost under the inventories, as for EUR 40.9 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)	1,442
Trieste Former Stock Area	3,094
VI Est Initiative	5,086
VI Ovest Initiative	5,475
Fossalta Initiative	3,829
Zianigo	876
Apartments in Rome	933
Land in Pavia	2,465
Isola Vicentina	341
Other lands and initiatives	5,398
Total	**40,890**

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 mentioned above, the geographical breakdown of the production performed in 2022 is located as for 61.4% in Italy. The breakdown of the production by type carried out in the domestic territory refers as for 42% to infrastructural works, 65% of which relates to railway or metro lines, 23% to road works and 12% to maritime and port works, while 48% is attributable to public or private construction works. The remaining 10% can be attributed to activities carried out by other Group companies and other marginal activities. The most significant contributions to production come from the following building sites:

- Cepav 2 – construction of the Milan-Verona high-speed line, on behalf of RFI, Rete Ferroviaria Italiana S.p.A.;
- Infrastructural works for the "International flight training school (IFTS)" program at the Decimomannu Military Airport (CA);
- works for the construction of the former Alifana railway line in the Secondigliano-Di Vittorio section and in the Piscinola-Secondigliano section on behalf of Ente Autonomo Volturno;
- new construction of a large retail distribution logistics hub in Ardea (RM);
- executive design and execution of the "site adaptation" works for the Euro Hpc super-computer in the Bologna technology area for the CINECA consortium;
- Executive design and execution of the lots of the logistics hub for the macro area T1 and TP5 in Piacenza on behalf of Generali Real Estate Sgr;
- Construction of the new Montecchio Maggiore (Vicenza) motorway station and related connections and junctions on behalf of Autostrade BS-VR-VI-PD S.p.A.;

The production outside the national borders refers as for 41% to infrastructural works and as for the remaining 59% to construction works.
The production carried out at the following sites shall be further emphasized:

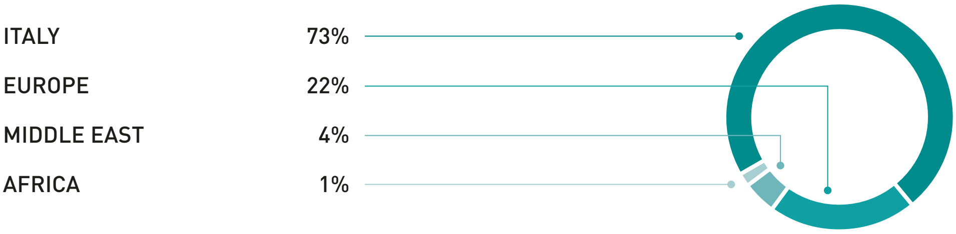
- in Kenya, for the urbanization works of the new Smart City of Konza;
- in Qatar, with the construction of the airport facilities and infrastructures, commissioned by the U.S. Army Corps of Engineers;
- in Austria, in Linz, through the construction of a Highway lot with a four-lane cable-stayed bridge and associated connecting tunnels on behalf of the highway company Asfinag;
- in Switzerland, for CERN construction of the auditorium, laboratories and outbuildings designed by the architect Renzo Piano;
- in Slovakia, construction and modernization of the railway section between Devinska Nová and the border with the Czech Republic.

The year 2022 was a year of major new job acquisitions, totaling EUR 647 million. The most significant acquisitions are:

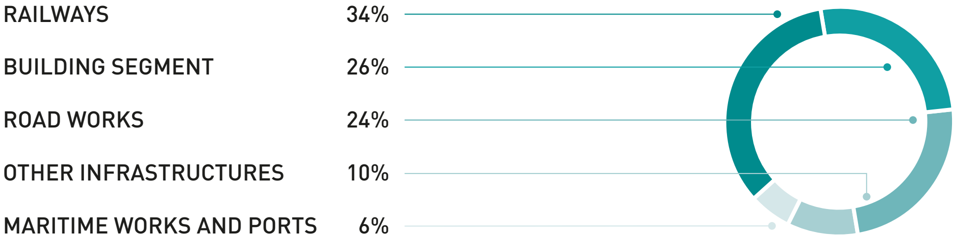
- the construction of the stops and terminuses of a new trolleybus system being about 50 kilometers long on behalf of the City of Genoa. The construction of the new Campanule parking lot is also foreseen. The amount of the works is EUR 105 million and the ICM S.p.A. share is 57.7%;
- the construction, as part of the Ragusa-Catania leg on behalf of ANAS, of the road connection between the junction of the S.S. 514 "di Chiaromonte" with the S.S. 115 and the junction of the S.S. 194 "Ragusana" and from the junction No. 13 on the S.P. 5 to the junction No. 5 "Granmichele". The works amount to EUR 252 million;
- the execution of the phase 3 of a housing construction program for the U.S. Army at the Villaggio della Pace and Ederle Barracks in Vicenza on behalf of the NAVFAC. Specifically, it involves the construction of 94 family housing units consisting of both townhouses and small condominiums. The works include the preparation of the area and all structural, plumbing, and finishing works. The works amount is EUR 74 million.

At the end of 2022, the works backlog amounted to EUR 2.29 million, of which EUR 2.02 belonging to the Group. Such backlog is distributed as for 73% in Italy, mainly in the North of the country, and the remaining 27% abroad, showing a particular concentration in Europe (79%), while the Middle East and East Africa works accounted for 15% and 5%, respectively. 74% of the portfolio relates to infrastructural works, while the remaining 26% refers to the construction sector. With reference to the infrastructural works, 46% of them can be attributed to railways and subways, 32% to roads, 8% to maritime and port works, and 13% to other infrastructural works.

BACKLOG SUMMARY BY GEOGRAPHICAL AREA



BACKLOG SUMMARY BY INDUSTRY SECTOR



The Parent Company works backlog was further enriched in the first four months of the current period with as much as EUR 598 million, through the acquisition, among other things, of the contract for the construction of the new Ferrandina-Matera line on behalf of RFI worth EUR 308 million, the contract for the execution of the Val di Riga railway bypass on behalf of RFI worth EUR 138 million, and a contract for the construction on behalf of Amazon of a logistics hub developed on approximately 60,000 square meters of covered area for a work amount of EUR 88 million. The works backlog updated to April 2023 thus reached EUR 2.86 billion in value.

The Parent Company is also participating in public or private calls for tenders in Italy for a countervalue of its own share of about EUR 3.6 billion, more than 50% of which is attributable to NRRP projects. Overseas, additional acquisitions are being finalized and the participation in calls for tenders is active.

With regards to the SOA qualification certifications, the Parent Company can avail itself of registrations in 37 different categories, 16 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.

In addition to the *core* sector of construction, the Group has also been active in the prefabrication and ecology sectors for a long time and to an established extent.

The subsidiary **S.I.P.E.- Società Industriale Prefabbricati Edili – S.p.A.** is in fact active in the field of industrial and civil prefabricates using a concrete prefabricate structure.

During the period, the company attained a turnover of EUR 23.1 million, showing an increase by 28% compared to the preceding year (EUR 18 million). It achieved an EBITDA of EUR 956 thousand, i.e. 4.1% of revenues, reaching a final broadly balanced result.

The current works backlog makes it possible to foresee for 2023 the preservation of current production volumes and the attainment of a positive result.

Integra S.r.l. operates in the field of environmental reclamation works and of the management of purification plants directly of through the subsidiary **Integra Concessioni S.r.l.**. The aggregate output of the two companies was EUR 12.5 million, which is in line with the previous year figure. The aggregate EBITDA amounted to EUR 0.4 million, i.e. 3.8% of revenues, with a decrease compared to the preceding period due to the effects associated with the substantial increase in energy costs, which are one of the main cost items in the operation of purification plants.

INVESTMENTS

The choice of contracting out work to specialized subcontractors rather than performing "in-house" the works commissioned by the contracting authorities depends both on the nature of the works to be performed, their geographic location, and the presence or absence of evolved markets with an adequate supply of services by specialized operators. Especially abroad, the use of subcontracting for parts of the works may be difficult to apply, with the result that entire construction phases are executed directly with direct or indirect personnel and with own or rented means. Therefore, the investment plan may be highly variable over time as it closely depend on the different environmental and technical conditions. During the period, the Group invested EUR 7.1 million in new plant and equipment.

OCCUPATIONAL HEALTH AND SAFETY

One of the fundamental pillars on which the organization of the corporate activities is based is undoubtedly the management of occupational health and safety. ICM S.p.A., in addition to being *compliant* with industry regulations (Legislative Decree 81/2008 as amended and supplemented), has voluntarily adopted since the year 2012 an Occpational Health and Safety management system based today on the ISO 45001 standard.
During the year 2022, ICM S.p.A.:

- kept the ISO 45001 certification through a series of third-party audits conducted by the Quaser Certification Body;
- kept the regularity certification with the reference to the correct adoption and effective implementation of the requirements of the Safety Organization and Management Model pursuant to article 30 of the Italian Decree 81/08, through the audit activity carried out by Ente Scuola Costruzioni Vicenza.

Since the mid-1990s, that is, following the introduction of the Italian Decree 626/94 (currentDecree 81/08), the Company has had an in-house Prevention and Protection Service in place, consisting of various technicians featuring the skills and meeting the professional requirements set forth by the mandatory regulations. This Service takes care of occupational health and safety issues, regardless of whether these relate to the Vicenza headquarters (fixed facilities such as offices and logistics), branch offices and construction sites. Over the years, the Prevention and Protection Service has changed its structure, adapting it to the evolution of the company reality and structuring itself through a Manager and an adequate number of Prevention and Protection Service Officers; the Employer from time to time provides additional resources to this Service on a proportional basis according to the acquired orders, also making use of external consultants.
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.
During 2022, the Prevention and Protection Service was organized as follows:

PLACE	TOTAL PREVENTION AND PROTECTION SERVICE MEMBERS	NAME					
		-	ICM PREVENTION AND PROTECTION SERVICE OFFICER	ICM PREVENTION AND PROTECTION SERVICE OFFICER	CONSORTIA PREVENTION AND PROTECTION SERVICE MANAGER	CONSORTIA PREVENTION AND PROTECTION SERVICE OFFICER	HSE MANAGER
Vicenza Headquarters	2	divided into	1	1	-	-	-
Italy building sites	18	divided into	-	11	4	3	-
Construction sites abroad	6	divided into	-	-	-	-	6
TOTAL	**26**		**1**	**12**	**4**	**3**	**6**

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 through the personnel present at the building site. In addition, through the coordination of the headquarters service, timely audits and reviews are constantly carried out in relation to issues pertaining to occupational health and safety.
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 adequate technical solutions, developing suitable operating procedures, taking care of the education and training of personnel;
- keep its employees and third parties accessing its own or managed facilities informed of the prevention measures adopted and 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 works and the organization of the activities on the sites, the general principles and measures of protection shall be followed; 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 zones 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 the 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 principles listed above are developed within the following documentation:

- Risk Assessment Document (DVR) of the Company;
- Risk Assessment Documents (DVR), prepared for each individual external office and/or branch;
- Safety Operational Plans (POSs), prepared with reference to individual construction sites in Italy and updated by the construction site Prevention and Protection Service based on the development of the works;
- Occupational Health and Safety Plan (H&S PLAN), prepared with reference to individual construction sites abroad and updated by HSE Managers based on the develpoment of the works;

- Internal Emergency Management Plan (IEP), relating to the Vicenza Headquarters, updated during 2022 and jointly prepared by the Employers of the companies present inside the building at 42 Viale dell'Industria - Vicenza, in accordance with recent regulations;
- Internal Emergency Management Plans (PEIs), prepared with reference to individual corporate workplaces;
- Interference Risk Assessment Documents (DUVRI), prepared for work environments in which there is the coexistence of several companies.

PLACE	DOCUMENT NAME				
	DVR	POS	H&S PLAN	IEP	DUVRI
Vicenza Headquarters	1	-	-	1	1
Subsidiaries and Branches	7	-	-	7	1
Italy building sites	-	18	-	18	-
Construction sites abroad	-	-	5	-	-
TOTAL	**8**	**18**	**5**	**26**	**2**

The POS and H&S PLANs detail the procedural, technical and logistical choices related to the assessment of specific risks and the related prevention and protection measures. The POS/H&S PLAN is the document within which the logistical configuration of the construction site is described through the identification of accesses, internal roadways, hygiene and assistance services, equipment and facilities, main work equipment (such as tower cranes and stationary concrete pouring pumps), and preparations related to emergency management.
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. Therefore, safety managers, i.e., Employer Delegates and Employer Sub-Delegates, and supervisors (Site Managers and Site Assistants) are identified for each individual construction site.
These people, together with workers, are 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 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, and evacuation of workplaces;
- on the names of the workers in charge of applying 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;

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

During 2022, although residual restrictions related to the Covid-19 pandemic were still in place, they did not slow down in any way whatsoever the normal implementation of the training plan. During the course of the year, thanks to a careful planning, demanding organization and also through the use of distance learning methods, the necessary training activities were carried out for:

- newly hired personnel;
- personnel already employed.

During 2022 training courses were carried out (evidenced by the certificates issued by the training providers and/or by the attendance records) showing the following attendance figures:

Description	Totals		Workers	Clerks Managers Executives
Number of employees who participated in "Courses" (Italy) during 2022	1,187	divided into	902	322
Total hours of participation in "Courses" (Italy) during 2022	3,330	divided into	1,527.5	1,802.5

Here below the is detailed subdivision by qualification and gender:

Description	Workers		Clerks		Managers		Executives	
Males Females	males	females	males	females	males	females	males	females
Number of employees who participated in "Courses" (Italy) during 2022	902	0	228	50	18	0	23	3
Total hours of participation in "Courses" (Italy) during 2022	1,527.5	0	1,366.5	283	65.5	0	77	10.5

Annually, the Society Company analyzes internal accident trends. The monitoring of the occupational accidents is carried out constantly by the corporate Prevention and Protection Service, and a union document is prepared annually to allow a comparison with the trends recorded in previous years. There is an internal procedure for the detection of the individual accident that allows for comprehensive detail of the accident and the various related aspects. Company accident statistics are therefore 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. Updated statistical data referring to the accident indices related to the last three-year period are provided below:

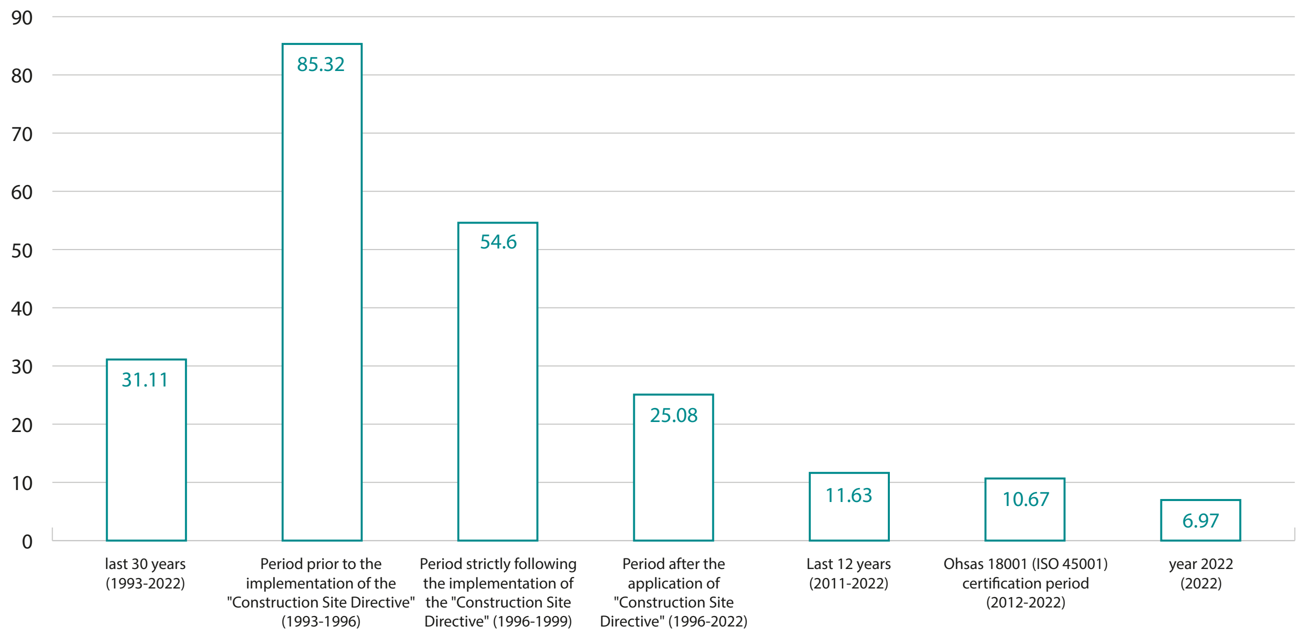
*Naples Subway,
Line 6, Chiaia Station*

ACCIDENT INDICES		2020	2021	2022
SEVERITY INDEX (S.I.) *Severity rate*	Index of severity	0.66	14.11	0.76
LTIf - FREQUENCY INDEX (I.F.) *Lost Time Incident Frequency*	Frequency index	12.86	16.20	6.97
TRIR *Total Recordable Incident Rate*	Frequency of recordable occupational accidents/ events, standardized per 100 workers per year	2.57	3.24	1.39
LTC *Lost Time Case Rate*	Frequency of accidents with absence from work, normalized per 100 workers per year	2.57	3.24	1.39
AVERAGE DURATION	Average duration per year	51.60	42.50	109

The**"Severity Index (S.I.)"** for 2022 shows a marked decrease compared to the year 2021.

" **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. Also the Frequency Index for the year 2022 shows a sharply decrease compared to the index value of the preceding year:

FREQUENCY INDEX



Analyzing the trend of the **corporate frequency index** the following can be inferred:

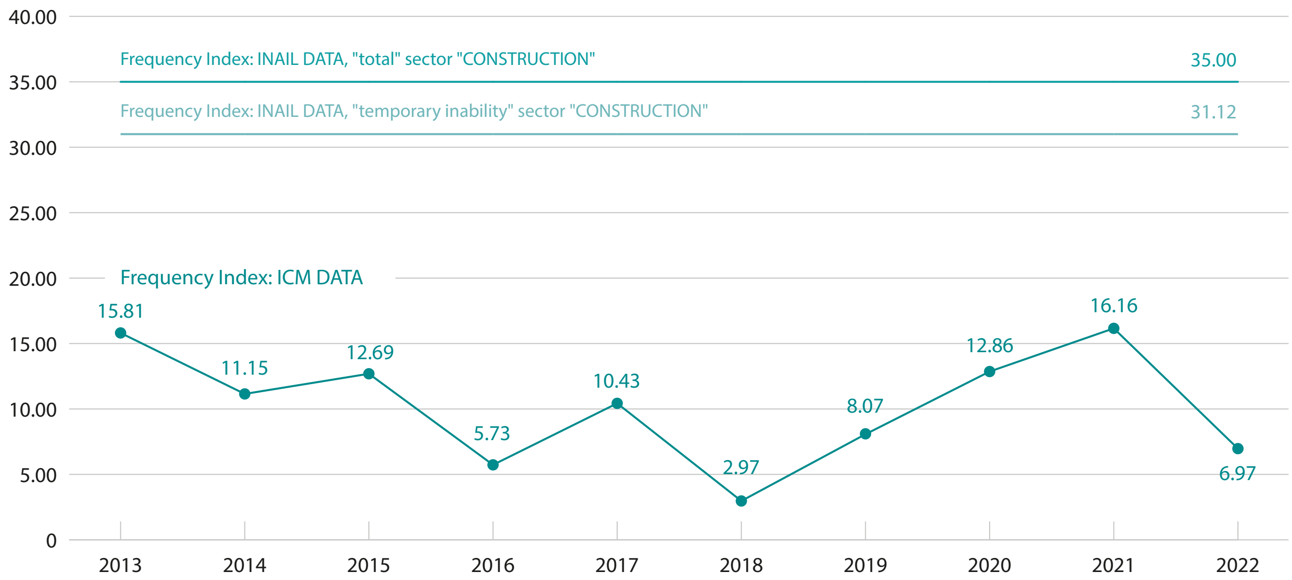
- With reference to 2022, the frequency index figure stands at 6.97
- With reference to the period in which the company has been 18001 OHSAS (since 2012 on and current ISO 45001) certified, the average figure stands at: 10.67
- With reference to the past 12 years, the average figure stands at: 11.63
- With reference to the period after the implementation of the Building Site Directive (ItalianLegislative Decree 494/96, later merged into the Italian LegislativeDecree 81/08), the average figure stands at: 25.08

The above data can be compared with some historical data, such as:

- The frequency index related the period strictly following the implementation of the Building Site Directive (1996-1999) the figure stood at: 54.60
- The frequency index related to the period before the implementation of the Building Site Directive (before 1996) the average figure stands at: 85.32
- The frequency index related to the average figure for the past 30 years: 31.11

In addition to the comparison with the corporate historical data over the different periods, the correlation of the corporate frequency index with the national average frequency index for the "construction" sector identified by INAIL is a must.

FREQUENCY INDEX



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	5,935		137	1,963
MP Finanziaria Spa for ICM VAT/taxes	5,532			
Basalti Verona Srl	11			
Integra Srl for taxes	46			
Integra Srl for VAT		149		
Integra Concessioni Srl commerciale		25		
Integra Concessioni Srl for VAT/taxes	548			
Sipe SpA for VAT		375		
Acquasanta Scarl in liquidation		50		1
CDN Scarl		1,102	179	1,586
Edimal Gran Sasso Scarl in liquidation	15			
Elmas Scarl in liquidation	30			
FCE Scarl in liquidation		231		
Floridia Scarl in liquidation	63			
ICM USA LLC	236			
ICGM International Construction GM Srl	250			
Immobiliare Colli Srl in liquidation		358		
Consorzio San Massimo Scarl in liquidation	21			
Maltauro Spencon Stirling JV	443			
Mediterraneo Scarl in liquidation	44			13
Olivo Scarl in liquidation	54			
Porto di Casciolino Scarl in liquidation	145			15
San Cristoforo Scarl in liquidation	33			
Assi Stradali Scarl in liquidation	29			
Codel.Ma Srl	171			
Codel.Ma Srl	12,601			
NTV Scarl in liquidation. *CSI*	1,490			
Consorzio MRG in liquidation	26			
Consorzio Fugist	5,238		3	
Delfur Scarl in liquidation		34		
Diamante Paola Scarl in liquidation		80		
Itaca scarl in liquidation		83		

COMPANY AMOUNTS IN EUR/1000	**Receivables**	**Payables**	**Revenues**	**Costs**
JV SKE-ICM Scarl	58		212	5
Malco Scarl		1,298		107
Maltauro Maroc Sarl	10			
Consorzio Monte Adriano	116			
G.E.I. Gestione Italia srl in liquidation	26			
GTB Scarl in liquidation	330			
Riviera Scarl		67	15	286
Robur Scarl in liquidation	167			
Suburabana Est Bologna Scarl in liquidation		57		
Tavi Scarl *ICM*	716		396	
Tavi Scarl *CSI*		2,334	36	3,773
Tessera Scarl in liquidation	281		21	14
Smacemex Scarl in liquidation		523		
Simal Srl	21		98	
Vicenza Futura Srl	2,007			
Other companies	712	36	12	29
Totals	**37,405**	**6,802**	**1,109**	**7,792**


Design and construction HS/HC line Milan/Verona section

RISK MANAGEMENT

RISKS RELATED TO WAR EVENTS

After the restrictive measures for the containment of the Coronavirus put in place by public authorities in all affected countries, while the economic system seemed to be on its way to substantial recovery to pre-pandemic operating conditions, at the same time the first inflationary tensions accompanied by widespread stickiness phenomena were being generated in many of the *supply chains*. Against this backdrop, the Russia-Ukraine war has not only led to widespread heightened uncertainty, but also to severe price tensions that, starting with those in the energy sectors, have spread to almost all sectors.
In particular, the construction industry, which develops its business on the basis of even long-term contracts and which do not always provide for forms of compensation in favor of the contractor in the event of significant increases in the prices of raw materials and energy, may be particularly exposed to risks resulting from sudden inflationary dynamics.
As usual, risk management is an issue having strategic relevance for the Group in order to allow the same to attain its own targets. The most recent dynamics described above are therefore the subject of constant attention as well as specific actions by the Group both directly and mediated through trade associations.

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 situation of the construction sector in the country was previously represented, which, after a long period of difficulty, is sending signs of recovery that could be consolidated with the start of projects related to the NRRP. Widespread scenarios of uncertainty remain, however, prompting the Group to continue its policy of geographic and typological diversification of its backlog, aiming among other things to increase the share of work characterized by positive social and environmental impacts. In addition, the growth in demand at the national level, added to the reduction in the number of competitors, makes it possible to make a greater selection of the calls for tenders in which to participate, favoring those that offer potentially higher margins.
As mentioned above, the Group also copes with the risk associated with the business environment by implementing a balanced diversification policy of its backlog among different segments, while still favoring the infrastructure component in the sub-sectors of railway lines, subways, and roads.

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 repeated 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". The Group is not exposed with any activities in the territories affected by the recent Russian-Ukrainian conflict.

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. New procedures are being studied that the Group intends to apply as part of the supplier selection by introducing elements of *supply chain* assessment that are compatible with the sustainable development goals identified internationally by the United Nations.

LIQUIDITY RISK

The liquidity risk may arise as a result of potential delays in the collection of payments from the Buyers, in part 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.

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 contribute to making 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 statement of changes in 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 code pos. 136 / Governorate of Muscat/ Bawshar Oman
Qatar	Al Markhiya Street 380 - Area 32 Dahel Al Haman - Doha
Romania	Maria Rossetti Street No. 8A - Etaj 3 - Sector 2 - CAP 020485 - Bucharest (Rom ania)
Slovakia	Michalská 7 - Bratislava
Switzerland	Place des Eaux - Vives 6 - c/o Etoile Office SA - 1207 Geneve

EVOLUTION OF THE MANAGEMENT

As already mentioned in the body of the report, during the first months of 2023 the Parent Company acquired new works amounting to approximately EUR 600 million. This trend exceeds the assumptions contained in the new Business Plan 2023-2025 that the Board of Directors approved on May 5, 2023. The document shows a strong expansionary phase, partly supported by the investments planned under the NRRP, which is expected to lead the Group to achieve, as early as in the fiscal year 2024, a value of production close to 1 billion EUR with a CAGR within the plan horizon of about 18%.

Contribution margins are also expected to follow the same trend, and cash generation to support debt is expected to enable a significant improvement in the net financial position by containing debt at the end of the plan to about EUR 40 million.

Therefore, the scenario offered by the investments planned under the NRRP represents an extraordinary opportunity to consolidate and strengthen all indicators, and thus all energies are focused in this direction. This, however, without neglecting the more traditional trade and production channels, both domestically and abroad, in order to deliver to the future a balanced backlog and production structure without excessive risk concentrations.

Vicenza, June 8, 2023

The President
Mr. Gianfranco Simonetto

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(AMOUNTS IN EUR/000)	NOTES	12/31/21	12/31/22
Assets			
Non-current assets			
Tangible long-term assets	1	45,803	43,437
Assets from rights of use	2	5,756	5,352
Intangible long-term assets	3	4,714	4,179
Contract costs	4	30,484	29,792
Investments	5	7,654	7,411
Other non-current assets	6	14,401	11,606
Total non-current assets		**108,812**	**101,777**
Assets available for sale	7	10,400	8,578
Current Assets			
Inventories	8	50,147	56,996
Contractual assets	9	139,301	190,178
Trade receivables	10	110,123	109,025
Receivables from affiliates and parent companies	11	36,441	37,405
Other current assets	12	53,795	61,517
Cash and cash equivalents	13	89,741	91,591
Total current assets		**479,548**	**546,712**
Total assets		**598,760**	**657,067**

LIABILITIES

(AMOUNTS IN EUR/000)	NOTES	12/31/21	12/31/22
Net equity			
Authorized share capital		50,000	67,568
Add. paid in capital fund Shares		500	13,742
Legal reserve		2,187	2,267
Other reserves		27,779	30,349
Retained earnings (losses)		-9,122	-8,979
Period income/loss		3,626	-5,579
Total Net Equity of the Group		**74,970**	**99,368**
Minority interests		17,263	17,827
Total net equity	**14**	**92,233**	**117,195**
Non-current liabilities			
Bonds	**15**	29,711	31,795
Bank loans	**16**	84,026	66,266
Payables for financial leases	**17**	1,163	1,334
Liabilities from rights of use	**18**	4,055	4,097
Deferred tax liabilities	**19**	6,314	6,583
Provisions for risks and charges	**20**	4,586	4,287
Employee benefits	**21**	2,970	2,765
Total non-current liabilities		**132,825**	**117,127**
Current liabilities			
Bonds	**22**	11,919	10,752
Bank financings	**23**	70,807	106,257
Payables due to other lenders	**24**	6,889	5,676
Payables for financial leases	**25**	2,087	1,436
Liabilities from rights of use	**26**	1,701	1,255
Trade payables to suppliers	**27**	199,112	223,972
Payables to affiliates and parent companies	**28**	6,505	6,802
Contractual liabilities and other current liabilities	**29**	74,682	66,595
Total current liabilities		**373,702**	**422,745**
Total net equity and liabilities		**598,760**	**657,067**

CONSOLIDATED INCOME STATEMENT

(AMOUNTS IN EUR/000)	NOTES	12/31/21	12/31/22
Revenues			
Revenues		454,176	596,164
Total revenues	**30**	**454,176**	**596,164**
Costs			
Raw materials and consumables		95,310	161,603
Subcontracts		173,328	251,929
Other operating expenses		61,600	76,650
Personnel costs		50,360	54,858
Amortizations, rentals and set-asides		52,717	37,346
Total costs	**31**	**433,315**	**582,386**
Operating income		**20,861**	**13,778**
Financial income and expenses			
Suretyship charges and bank expenses	**32**	-7,130	-8,649
Interest expense to credit institutions	**33**	-5,637	-5,535
Interest expense to third parties	**34**	-3,356	-3,849
Total financial income and expenses		**-16,123**	**-18,033**
Gains (losses) on exchange	**35**	**-566**	**4,094**
Adjustments to the value of financial assets	**36**	**-2,559**	**56**
Income before taxes		**1,613**	**-105**
Current taxes	**37**	-2,691	-4,566
Deferred taxes	**37**	4,814	-326
Net income (loss) for the Group and minority interests		**3,736**	**-4,997**
Minority interests (income) loss		-110	-582
Net income (loss) of the Group		**3,626**	**-5,579**

(AMOUNTS IN EUR/000)	NOTES	12/31/21	12/31/22
Net income (loss) for the Group and minority interests		**3,736**	**-4,997**
Transposition differences	**14**	1,571	1,438
Plants fair value	**14**	0	0
Cash flow hedge	**14**	790	2,219
Actuarial Benefit	**14**	-73	147
Change in assets available for sale	**14**	-651	-1,822
Total Other income (expenses)		**1,637**	**1,982**
Net comprehensive period income (loss)		**5,373**	**-3,015**
referred to: Third Parties		-953	-564
Group		4,420	-3,579

CASH FLOW STATEMENT

(AMOUNTS IN EUR/000)	2021	2022
Period income (loss)	**3,736**	**(4,997)**
Amortizations	17,808	21,277
Set-aside (use) provisions for future charges and assets adjustments	11,640	(17,074)
Depreciations (revaluations)	2,559	(56)
Set-aside (use) Employee Severance Fund	80	(58)
Taxes	(2,105)	4,892
Capital gains on disposals		
Financial charges	8,993	9,384
Cash flow before net working capital changes	**42,711**	**13,368**
Change in assets and liabilities		
Trade receivables	8,446	1,095
Contractual assets/liabilities	(38,172)	(41,142)
Trade payables	15,009	38,546
Other operational assets/liabilities	(5,512)	(15,815)
Payment of financial charges	(8,993)	(9,384)
Total cash flow from operating activities	**13,489**	**(13,332)**
(Investments)/disinvestments of tangible long-term assets	(10,871)	(4,156)
(Investments)/disinvestments of long-term assets Fix.as./goodwill/contract.	(6,792)	(11,115)
Change in non-current assets		
(Investments)/disinvestments of shareholdings	(710)	243
Total cash flow from investment activities	**(18,373)**	**(15,028)**
Bonds	5,251	917
Repayment of loans and funding	(28,384)	(7,170)
Opening of loans and funding	18,945	24,860
Change in other financial assets/liabilities	(2,853)	(4,105)
Dividends		
Changes in capital and reserves		14,295
Changes in minority interests	4,072	
Total cash flow from financing activities	**(2,969)**	**28,797**
Change in the scope of consolidation	48	(25)
Differences on transposition of currency	1,569	1,438
Annual cash flow	**(6,236)**	**1,850**
Beginning cash and cash equivalents	**95,977**	**89,741**
Ending cash and cash equivalents	**89,741**	**91,591**

CONSOLIDATED 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 12/31/20	**50,000**	**500**	**2,187**	**34,488**	**-1,499**	**3,727**	**-874**	**-502**	**-9,928**	**-8,312**	**715**	**70,502**	**12,239**	**82,741**
Allocation of profits					1,149					-784	-715			
Distribution of dividends														
Investments under common control														
Other changes				1						47		48		48
Consolidation scope change													4,071	4,071
Revaluation reserve														
Overall income (loss) for the period					801		790	-73	-651	-73	3,626	4,420	953	5,373
As of 12/31/21	**50,000**	**500**	**2,187**	**34,489**	**801**	**3,727**	**-84**	**-575**	**-10,579**	**-9,122**	**3,626**	**74,970**	**17,263**	**92,233**
Allocation of profits			80	1,521	-801					2,826	-3,626			
Share capital increase	17,568	13,242								-2,808		28,002		28,002
Distribution of dividends														
Investments under common control														
Other changes										-25		-25		-25
Consolidation scope change														
Revaluation reserve														
Overall income (loss) for the period					1,306		2,219	147	-1,822	150	-5,579	-3,579	564	-3,015
As of 12/31/22	**67,568**	**13,742**	**2,267**	**36,010**	**1,306**	**3,727**	**2,135**	**-428**	**-12,401**	**-8,979**	**-5,579**	**99,368**	**17,827**	**117,195**

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 active in the fields of prefabrication and ecology.

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group as of December 31, 2022 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. 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 expenses 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 size of the existing order backlog amounting as of the assessment date to EUR 2.29 billion, of which EUR 2.02 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.

Cern Science Gateway new visitor center (Geneva)

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. 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.
The companies 12 Baie S.c.a r.l., ICM Construction LTD and Arge Obb Marchtrenk BL 3.4, which started operations during the period, entered 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
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	L.T.D.	UNITED KING-DOM	278,000	100.00
12 BAIE	S.C.A R.L.	ROME	10,000	81.44
ICM CONSTRUCTION	G.M.B.H.	AUSTRIA	100,000	75.00
BCA	S.C.A R.L.	VICENZA	10,000	70.00
INDEPENDENT CONSTRUCTION GROUP MUSCAT	L.L.C.	OMAN	610,000	70.00
DELMA LIBYA COMPANY	L.T.D.	LIBYA	194,000	65.00
JONICASTRADE	S.C.A R.L.	ROME	10,000	60.00
MONTECCHIO	S.C.A R.L.	VICENZA	10,000	60.00
DELMA ENGINEERING UK	L.T.D.	UNITED KING-DOM	18,942,000	55.36
CO.ME.CA.	S.C.A R.L.	VICENZA	10,000	54.00
DELMA CONSTRUCTIONS CH	S.A.	SWITZERLAND	8,656,000	51.20
DELMA MIDDLE EAST ENTERPRISES	W.L.L.	QATAR	7,212,000	49.00

Entities consolidated with the proportional method:

COMPANY	TYPE	HEAD OFFICE	AUTH. SHARE CAPITAL	% OF DIRECT OR INDIRECT INVESTMENT
ARGE A26 DONAU BRÜCKE	J.V.	AUSTRIA		46.50
AMIC HIGHRISE CONTRACTORS	J.V.	CYPRUS		32.00
ARGE ÖBB MARCHTRENK BL 3.4	J.V.	AUSTRIA		51.00

Companies consolidated with the equity method:
Operational companies and consortia:

COMPANY	TYPE	HEAD OFFICE	AUTH. SHARE CAPITAL	% OF DIRECT OR INDIRECT INVESTMENT
ICGM International Constr. G.M.	S.R.L.	ROMANIA	10,000	100.00
ICM MANUTENZIONI	S.R.L.	VICENZA	100,000	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
DELMA CONSTRUCTION	L.T.D.	KENYA	10,000	100.00
INC-ENGEOBRA GROUPMENT		CAPE VERDE	10,000	60.00
CODEL.MA	S.R.L.	VICENZA	100,000	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
RIVIERA	S.C.A R.L.	NAPLES	50,000	45.30
CONSORZIO FU.G.I.S.T.		NAPLES	26,000	31.58
VICENZA FUTURA	S.R.L.	VICENZA	3,546,695	30.88
CDN	S.C.A R.L.	NAPLES	50,000	32.01
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

Companies and consortia in liquidation:

COMPANY	TYPE	HEAD OFFICE	AUTH. SHARE CAPITAL	% OF DIRECT OR INDIRECT INVESTMENT
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 I. (RC)	10,200	80.00
MALTAURO-SPENCON-STIRLING JV	L.T.D.	TANZANIA	55,000	70.00
PALAZZO IACOBUCCI	S.C.A R.L.	VICENZA	10,000	70.00
JV ICM INTEGRA		VICENZA	10,000	60.00
TESSERA	S.C.A R.L.	TORTONA (AL)	10,000	60.76
LOTTO 5A	S.C.A R.L.	ROME	10,000	58.35
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
DEL.FUR.	S.C.R.L.	NAPLES	10,200	50.00
G.E.I. GESTIONI Italia	S.R.L.	VICENZA	100,000	50.00
CONSORZIO SAN MASSIMO	S.C.A R.L.	VICENZA	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	49.00
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
CONSORTIUM 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, displaying separately 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	CURRENT ACCOUNTING PERIOD	
	Net profit/loss	Net Equity
PARENT COMPANY FINANCIAL STATEMENTS BALANCES	**-4,105**	**91,824**
Elimination of intercompany transactions between consolidated firms, net of tax effects:		
- Internal profits on warehouse inventories		
- Internal profits on tangible long-term assets	267	-1,195
- Internal profits on intangible long-term assets	127	-348
- Internal profits on Investments	-1,239	-1,239
- Consolidated companies merger effects		-611
- Dividends received from consolidated companies	-1,000	
Book value of the consolidated equity investments		-50,897
Period profit/loss and equity of the consolidated companies	953	79,140
Valuation using the equity method of companies entered at cost		-444
Profit on purchase of shareholdings		868
Attributing differences to the assets of the consolidated companies:		
- Tangible long-term assets		324
- Goodwill from consolidation		
Effect of other adjustments		-227
BALANCES AS PER CONSOLIDATED FINANCIAL STATEMENTS	-4,997	117,195
BALANCES AS PER CONSOLIDATED FINANCIAL STATEMENTS - Third parties	-582	-17,827
BALANCES AS PER CONSOLIDATED FINANCIAL STATEMENTS - Group	-5,579	99,368

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, 2022 are the same as those used in the preparation of the consolidated financial statements for the year 2021, 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, 2022.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1, 2022

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 standard provisions.

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 the depreciation of the 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.
The adoption of such amendments did not affect the consolidated financial statements of the Group.


Motorway A26 "Linzer Autobahn", construction of a bridge and connecting tunnels, Austria

ACCOUNTING POLICIES, IFRS AMENDMENTS AND 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, 2022

On May 18, 2017, the IASB published the new **IFRS 17 Insurance Contracts** standard, which aims at replacing the IFRS 4 – Insurance Contracts standard.

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;
- the expected profit is recognized over the contract coverage period, taking into account the adjustments resulting from changes in the assumptions regarding cash flows related to 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.

On December 9, 2021, IASB published an amendment entitled "**Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information**". Such amendment is a transition option relating to comparative information on financial assets submitted at the date of initial application of the IFRS 17.

The amendment aims at avoiding temporary accounting mismatches between financial assets and liabilities of insurance contracts, and therefore at improving the usefulness of comparative information for financial statements readers. The amendments shall apply starting from January 1, 2023, together with the application of the IFRS 17 standard. The directors do not expect a material effect on the Group consolidated financial statements from the adoption of this amendment.

On February 12, 2021, the IASB published two amendments called "**Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**" and "**Definition of Accounting Estimates - Amendments to IAS 8**". *The* amendments are intended to improve the *disclosure* on the *accounting policies* so as to provide more useful information to all investors and other primary users of financial statements as well as to help companies recognize changes in accounting estimates from changes in the *accounting policy.* These amendments will apply starting from January 1, 2023; yet an early application of the same is allowed. The directors do not expect a material effect on the Group consolidated financial statements from the adoption of these amendments.

On May 7, 2021, the IASB published an amendment entitled "**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**". The paper clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. These amendments will apply starting from January 1, 2023; yet an early application of the same is allowed. The directors do not expect a material effect on the Group consolidated financial statements from the adoption of this amendment.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION

As of the reference date of this document, the competent bodies of the European Union have not yet concluded the approval process necessary for the adoption of the amendments and standards outlined below.

On January 23, 2020, the IASB published an amendment entitled "**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**", and on October 31, 2022, it published an amendment entitled "**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants**". These documents aim at clarifying how to classify debts and other short-term or long-term liabilities. These amendments enter into force starting from January 1, 2024, yet an early application of the same is in any case allowed. The directors are currently evaluating the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

On May 7, 2021, the IASB published an amendment entitled "**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**". The paper clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. These amendments will apply starting from January 1, 2023; yet an early application of the same is allowed. The directors do not expect a material effect on the Group consolidated financial statements from the adoption of this amendment.

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On September 22, 2022, the IASB published an amendment entitled "**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**". This document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognize any income or loss that relates to the retained right of use. These amendments will apply starting from January 1, 2024; yet an early application of the same is allowed. The directors are currently evaluating the possible effects of the introduction of this amendment on the Group's consolidated financial statements.

On January 30, 2014, the IASB published the IFRS 14 - Regulatory Deferral Accounts standard, which allows only first-time adopters of the IFRSs to continue to recognize amounts related to rate-regulated activities pursuant to the previously adopted accounting standards. Since the Group is not a first-time adopter, this principle is not applicable to it.
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.

Naples subway, Alifana 1,
Artificial tunnel of the 1st lot

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.
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.

ASSETS FROM RIGHTS OF USE

The adoption of the 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 rentals and for low-value rentals. 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 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 resulting 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 2022 financial statements keeps the recognition of some claims for compensation, booked in the preceding periods, 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 in the preceding years 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.

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 into 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.

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.

Currency		Exchange rate 12/31/22	Average exchange rate 2022	Exchange rate 12/31/21	Average exchange rate 2021
US dollar	USD	1.07	1.05	1.13	1.18
Kenyan shilling	KES	131.61	124.06	128.15	129.67
Tanzania shilling	TZS	2,484.22	2,447.47	2,610.17	2,736.92
Albanian lek	LEK	114.46	118.93	120.71	122.44
Qatari riyal	QAR	3.88	3.83	4.12	4.31
Libyan dinar	LYD	5.15	5.05	5.21	5.34
Cape Verdean escudo	CVE	110.27	110.27	110.27	110.27
Tunisian dinar	TND	3.32	3.25	3.26	3.29
Lebanese pound	LBP	1,607.90	1,587.47	1,707.39	1,782.98
New Romanian leu	RON	4.95	4.93	4.95	4.92
Omani riyal	OMR	0.41	0.40	0.44	0.45
Saudi riyal	SAR	4.00	3.95	4.25	4.44
Swiss Franc	CHF	0.98	1.00	1.03	1.08
Great Britain pound sterling	GBP	0.89	0.85	0.84	0.86

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.

Construction of the two office towers "Gioia Est" and "Gioia Ovest" downtown Milan

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, canceled 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 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.

ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION HEADINGS

NON-CURRENT ASSETS

1) Tangible long-term assets
Tangible long-term assets amounted to EUR 43,437 thousand and showed a decrease by 5.2% over the previous year, in absolute value by EUR 2,366 thousand.
The composition and changes to this heading are shown in the following table:

(amounts in EUR/000)	12/31/21	Increas.	Decr.	Depr.	Diff. on exch.r.	Consolidation scope change	12/31/22
Land	14,059						14,059
Buildings	8,718	196		-520			8,394
Plant and machinery	14,619	5,612	-1,435	-4,017	121		14,900
Indus. and comm. equip.	6,661	446	-1,860	-1,311	166		4,102
Other assets	1,285	1,083	-16	-675	34		1,711
Const. in progress and advances	461	-190					271
Total	**45,803**	**7,147**	**-3,311**	**-6,523**	**321**		**43,437**

The Land and buildings items included the prefabricated products factory in Almisano (VI), as for EUR 14,619 thousand, and the offices, laboratories and purification plant in Via dell'Economia in Vicenza, as for EUR 5,543 thousand.
The investments made during the period amounted to EUR 7,147 thousand, while the depreciation and amortization charges amounted to EUR 6,523 thousand, and the disposals accounted for EUR 3,311 thousand.

2) Assets from rights of use
This item, equal to EUR 5,352 thousand, included the values resulting from the application of the IFRS 16 standard. This item recorded an overall decrease compared to the preceding period by EUR 404 thousand due to the start of new contracts as for EUR 2,034 thousand, the conclusion of previous contracts as for EUR 26 thousand, and amortizations as for EUR 2,412 thousand. Change by category are summarized below:

(amounts in EUR/000)	12/31/21	Increas.	Decr.	Depr.	12/31/22
Land	100			-100	
Buildings	4,880	977	-26	-1,364	4,467
Plant and machinery	477	329		-698	108
Other assets	299	728		-250	777
Total	**5,756**	**2,034**	**-26**	**-2,412**	**5,352**

3) Intangible long-term assets

Intangible long-term assets totaled EUR 4,179 thousand, a decrease by EUR 535 thousand compared to the preceding period, mainly due to period amortizations.

(amounts in EUR/000)	12/31/21	Increas.	Decr.	Depr.	12/31/22
Industrial patent rights and concessions		26		-7	19
Software	58	25		-32	51
Other	4,656	44		-591	4,109
Total	**4,714**	**95**		**-630**	**4,179**

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 Orbetello as for EUR 1,617 thousand, the construction and management of public use works in the Municipality of Caldogno (VI) as for EUR 1,654 thousand, as well as the concession for the management of the thermal and cooling energy service in the Municipality of Caldogno (VI) as for EUR 566.

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, 2022, they totaled EUR 29,792 thousand, an overall decrease by EUR 692 thousand compared to the preceding period. Amortizations as for EUR 11,712 thousand were recorded during the period.
They mainly referred to the metropolitan railway works being 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)	12/31/21	12/31/22	Delta
In subsidiary	579	421	-158
In affiliates	3,280	3,222	-58
In other businesses	3,795	3,768	-27
Total	**7,654**	**7,411**	**-243**

Investments in subsidiaries totaled EUR 421 thousand, 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	353	357	
ICM MANUTENZIONI	S.R.L.	VICENZA	100	100.00	96	96	
OPERA SETTE	S.R.L.	VICENZA	10	99.00	45	45	
JONICA in liquidation	S.C.A R.L.	ROCCELLA IONICA (RC)	10	80.00	14	17	
ICGM INTERNATIONAL CONSTRUCTION G.M.	S.R.L.	ROMANIA	10	100.00	10	10	
SANMICHELE	S.R.L.	VICENZA	10	100.00	9	9	
MALTAURO MAROC	S.A.R.L.	MOROCCO	9	99.90	9	9	
PORT OF 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	
SUBURBANA EST BOLOGNA in liq.	S.C.A R.L.	VICENZA	11	99.99	8	-2	
PALAZZO IACOBUCCI in liq.	S.C.A R.L.	VICENZA	10	70.00	7	10	
TESSERA in liquidation	S.C.A R.L.	TORTOLA (AL)	10	60.76	6	10	
JV ICM INTEGRA in liquidation		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	
DELMA CONSTRUCTION	L.T.D.	KENYA	10	100.00		10	
INC-ENGEOBRA GROUPMENT		CAPE VERDE	10	60.00	-9	-15	
FLORIDA in liquidation	S.C.A R.L.	VICENZA	11	51.00	-30	-59	
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			**
LOTTO 5A in liquidation	S.C.A R.L.	ROME	10	58.35			**
ICM USA	L.L.C.	UNITED STATES OF AMERICA	474	70.00			
POR.TER.	S.C.A R.L.	AGRIGENTO	10	80.00			**
Total investments in subsidiaries					**421**		

** not available data

Investments in affiliates totaled EUR 3,222 thousand, broken down as follows:

Affiliates		Head office	Share capit.	% held	Cons. fin. stat. value	Net Equity excl.	Period profit/ loss
VICENZA FUTURA	S.R.L.	VICENZA	3,547	30.88	2,655	2,948	
CO.FER.I. CONSORTIUM in liquid.		NAPLES	439	41.00	154	363	
CONSORZIO FU.GI.S.T.		NAPLES	26	31.58	152		**
CODEL.MA	S.R.L.	VICENZA	100	50.00	119	237	
SIMAL	S.R.L.	VICENZA	61	30.00	55	183	
RIVIERA	S.C.A R.L.	NAPLES	50	45.30	23	50	
CDN	S.C.A R.L.	NAPLES	50	32.01	16	50	
CONSORZIO MRG in liquid.		BARAGIANO (PZ)	52	30.00	16	52	
G.T.B. in liquidation	S.C.R.L.	NAPLES	51	27.40	14	51	
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	44	
G.E.I. GESTIONI Italia in liq.	S.R.L.	VICENZA	100	50.00	3	5	
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	49.00	5	10	
ROBUR in liquidation	S.C.A R.L.	NAPLES	10	42.00	4	10	
SMACEMEX in liquidation	S.C.A R.L.	SAN 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	-12	-25	
DEL.FUR. in liquidation	S.C.R.L.	NAPLES	10	50.00	-27	-53	
DIAMANTE PAOLA in liquidation	S.C.A R.L.	ROME	46	22.10		-565	
TAVI	S.C.A R.L.	BOLOGNA	10	49.00	5	10	
PIZZOMUNNO VIESTE	S.C.A R.L.	ANCONA	51	50.00			**
Total Investments in affiliates					**3,222**		

** not available data

Investments in other companies totaled EUR 3,768 thousand, broken down as follows:

Name of other Companies	% held	Book value
Metropolitana di Napoli S.p.A.	14.06	2,216
Capotur SA	10.00	600
Leasing North S.r.l.	14.98	489
L.R. Vicenza Virtus S.p.A.	N.M.	393
Consorzio TRA.DE.CIV	17.18	27
Con. Fidi		7
Consorzio Cepav 2	13.64	6
Consorzio Asse Sangro	5.00	2
Other		28
Total Other investments		**3,768**

6) Other non-current assets

They amounted to EUR 11,606 thousand and recorded a decrease by EUR 2,795 thousand. This item 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 middle/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 8,578 thousand, included No. 184 shares of the real estate fund "Real Stone", which in these financial statements decreased by EUR 1,822 as a result of the adhesion to the *fair value* assessment of the fund as of 12/31/2022.
This assessment results from the net value of the fund, which, as of 12/31/2022, was estimated at EUR 9.7 million; the value of the real estate initiatives held by the fund was estimated at EUR 33.5 million, while financial liabilities amounted to EUR 7.8 million and other liabilities to EUR 17.1 million, of which EUR 14 million referred to debts to the Group. Although it is believed that, over time, the *fair value* estimate of the real estate assets owned by the fund has already fully incorporated the substantial devaluation effects induced by the prolonged crisis in the real estate sector, the uncertainty that characterizes the future prospects of this sector could generate profiles that could also potentially affect future valuations as well as the execution timeframes, albeit to a lesser extent than in the past.

8) Inventories

They broke down as follows:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Raw materials and supplies	9,014	15,905	6,891
Prod. in progress and finished goods	40,937	40,890	-47
Finished goods and merchandise	196	201	5
Total	**50,147**	**56,996**	**6,849**

Inventories of raw, ancillary and consumable materials amounted to EUR 15,905 thousand and recorded an increase by EUR 6,891 thousand. Raw material inventories, mostly referring to inventories in the warehouses of main construction sites, were territorially broken down as follows:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Italy	2,365	8,045	5,680
Kenya	5,995	6,815	820
Cape Verde	654	654	
Switzerland		391	391
Total	**9,014**	**15,905**	**6,891**

The increase recorded in Italy referred to materials used in the following period, mainly at the Cameri (NO) construction site for Leonardo S.p.A..A..
The inventories of products in progress and finished goods amounted to EUR 40,890 thousand showing a decrease of EUR 47 thousand compared to the preceding period. They referred to building initiatives ongoing as of December 31, 2022, referring to real estate operations waiting to be developed, still being executed, and already completed. They can be referred as for EUR 33,255 thousand to the Parent Company and as for EUR 7,635 thousand 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.


Infrastructure development of the first phase of the Konza Smart City, Kenya

9) Contractual assets

Contractual assets, which amounted to EUR 190,178 thousand, represented the production carried out as of December 31, 2022 that has not yet been certified, net of advances.

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Work in progress and other contractual assets	177,301	211,178	33,877
Contractual risks reserves	-38,000	-21,000	17,000
Total	**139,301**	**190,178**	**50,877**

This item consisted of contract work in progress shown net of the related advances and of the reserves established to cover contractual risks. This provision, which represents an appreciation of the risks related to the management of disputes promoted against customers acting as a plaintiff, amounted to EUR 21 million.

This financial statements item included requests for additional fees expected and in the process of being defined with customers, accounted for in previous periods 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", or for price review purposes, 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.

The reduction recorded in the provision for risks referred in part to the failure by the buyers to recognize claims arising from reserves that represent additional consideration for higher incurred (and/or to be incurred) charges for litigations and/or events not foreseeable and attributable to the buyer, to greater works performed (and/or to be performed) and/or to work variants not formalized in additional deeds as well as, in part, to the ordinary process of updating estimates of the recoverability of the booked reserves.

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.

10) Trade receivables

Trade receivables amounted to EUR 109,025 thousand, which represented a decrease by EUR 1,098 thousand compared to the preceding period and came from construction contracts awarded by 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)	12/31/21	12/31/22	Delta
Buyers / customers	116,309	115,115	-1,194
Allowance for doubtful accounts	-6,186	-6,090	96
Net total	**110,123**	**109,025**	**-1,098**

Gross trade receivables refer to domestic customers as for EUR 78,420 thousand and international customers as for EUR 36,695 thousand.
Specifically, the breakdown of receivables referring to foreign countries was as follows:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Middle East	10,430	5,792	-4,638
Kenya	21,818	8,153	-13,665
Libya	3,686	4,040	354
Cape Verde	1,109	1,109	
Lebanon	2,625	2,787	162
Romania	116	879	763
Oman	776		-776
Austria	1,587	8,855	7,268
Cyprus	3,030	1,693	-1,337
Slovakia	1,204	629	-575
Switzerland	2,032	2,722	690
Other countries	35	36	1
Total	**48,448**	**36,695**	**-11,753**

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, given the existing political uncertainty, during the preceding periods, a remarkable restatement of the financial statements items was in any case carried out. Moreover, 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 12/31/21	Uses	Provisions	Value 12/31/22
6,186	-99	3	6,090
6,186	**-99**	**3**	**6,090**

11) Current receivables from affiliates and parent companies
This item, which amounted to EUR 37,405 thousand and increased by EUR 964 thousand compared to the preceding period, broke down as follows:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Financial receivables from affiliates and parent companies	21,219	24,673	3,454
Trade receivables from affiliates and parent companies	15,222	12,732	-2,490
Total	**36,441**	**37,405**	**964**

Financial receivables from affiliates and parent companies

This item showed an increase by EUR 3,454 thousand compared to the preceding period and consisted of receivables from the company Codel.Ma. S.r.l. as for EUR 12,601 thousand granted to support real estate activities, as well as of receivables from the parent company MP Finanziaria S.p.A. as for EUR 5,927 thousand referred to the giro account balance, and of tax receivables accrued within the framework of the Group settlements as for EUR 6,145 thousand. There are not any recoverability issues with the aforementioned receivables; in particular, the valuation of the receivables from the company Codel.Ma S.r.l. 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 note commenting on initiatives.

Trade receivables from affiliates and parent companies

This heading, which totaled EUR 12,732 thousand, referred to receivables from affiliates generated by commercial relationships for services, rentals, and other revenues. Compared to the preceding period, this heading showed a decrease of EUR 2,490 thousand.
The economic and financial transactions among the above mentioned companies took place under normal market conditions.

12) Other current assets
The balance of EUR 61,517 thousand increased compared to the preceding period by EUR 7,722 thousand.
It consisted of the following items:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Tax credits	11,429	18,432	7,003
Receivable from others	40,183	40,964	781
Accrued income and prepaid expenses	2,183	2,121	-62
Total	**53,795**	**61,517**	**7,722**


Maccheronis Dam
(Sardegna)

Tax credits

Receivables from the Tax Authority totaled EUR 18,432 thousand and increased by EUR 7,003 thousand compared to the preceding period, mainly due to the VAT receivables from consortia and foreign branches. They referred to receivables for indirect taxes of companies and consortia (EUR 5,444 thousand), to excess taxes, mainly for indirect taxes, accrued at foreign branches (EUR 8,885 thousand), to taxes whose reimbursement was requested (EUR 394 thousand), to interest on taxes whose reimbursement was requested (EUR 391 thousand) plus other residual amounts (EUR 3,318 thousand).

Receivable from others

This financial statements item amounted to EUR 40,964 thousand and was substantially in line with the one of the preceding year.
The most significant component of the overall item was the advances granted to subcontractors, which amounted to EUR 25,950 thousand, which, although decreasing by EUR 1,855 thousand, represented 63% of the overall item.

Accruals and deferrals

They decreased by EUR 62 thousand, compared to the preceding period, and amounted to EUR 2,121 thousand. They included prepaid expenses related to insurance premiums, commissions on bank guarantees and, more in general, costs relating to future periods.

13) Cash and cash equivalents

They totaled EUR 91,591 thousand, an increase by EUR 1,850 thousand compared to the preceding period.
This heading included:

1. Bank and postal deposits as for EUR 91,429 thousand.
   It should be noted that cash and cash equivalents amounting to approximately EUR 56 million are freely available as part of the direct management of specific orders or consortia and entities established with a specific purpose (joint operation), and further EUR 23 million will be released during the execution or completion of specific projects.
2. Cash on hand.
   The balance amounted to EUR 162 thousand.

4) 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, 2022.
On December 21, the Shareholders Meeting approved a share capital increase of EUR 17,568 thousand with a share premium of EUR 13,242 thousand for a total of EUR 30,810 thousand.
The capital increase, which was fully subscribed and paid in by a new shareholder, was made, as to EUR 15,059 thousand, by waiving to trade receivables.

a) Authorized share capital

As of December 31, 2022, the authorized share capital, which is entirely paid in, totaled EUR 67,568 thousand, divided into 67,568 thousand shares with a nominal value of EUR 1.00 each, increased therefore by EUR 17,568 thousand compared to the preceding period.

b) Additional paid in capital

This item amounted to EUR 13,742 thousand and referred, as for EUR 13,242 thousand, to the share premium established upon the full subscription of the share capital increase resolved last December.

c) Legal reserve

This item totaled EUR 2,267 thousand, with an increase by EUR 80 thousand compared to the preceding period, following the assignment to this reserve of 5% of the income from the preceding period.

d) Other reserves

They amounted to EUR 36,010 thousand and were made up as follows:

- as for EUR 28,634 thousand by the extraordinary reserve, which increased by EUR 1,521 thousand compared to the previous period following the allocation of the Parent Company profit;
- as for EUR 7,376 thousand by reserves generated during preceding periods by the effect calculated upon the *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..

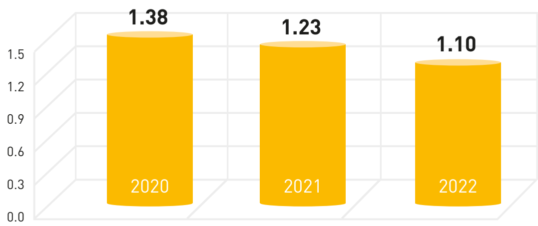
e) Fair value reserve

- EUR 3,727 thousand to the reserve that includes the value booking at fair value, referring to tangible long-term assets, recognized in the previous period;

f) Reserves relating to components of the Comprehensive Income Statement

- EUR 1,306 thousand referred to the transposition reserve, which included the conversion of balances related to the foreign branches and companies;
- EUR 2,135 thousand referred to the reserve, which includes the changes in the *fair value* of derivatives designated as cash flow hedge;
- EUR -12,401 thousand referred to the reserve including the changes in the *fair value* of the shares of the real estate fund "Real Stone";
- EUR -428 thousand 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 December 31, 2022, non-current liabilities totaled EUR 117,127 thousand, a decrease by EUR 15,698 thousand compared to the amount as of December 31, 2021. In detail, this item included:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Bonds	29,711	31,795	2,084
Bank loans	84,026	66,266	-17,760
Payables for financial leases	1,163	1,334	171
Liabilities from rights of use	4,055	4,097	42
Deferred tax liabilities	6,314	6,583	269
Provisions for risks and charges	4,586	4,287	-299
Employee benefits	2,970	2,765	-205
Total	**132,825**	**117,127**	**-15,698**

15) Bonds

This item, which is accounted for using the *amortizing cost* method, amounted to EUR 31,795 thousand and changed as described below:

(amounts in EUR/000)	12/31/21	Reimbursement	Opening	Reclassification	12/31/22
Bonds - share non-current financing	29.711		12.837	-10.753	31.795
Total	**29.711**		**12.837**	**-10.753**	**31.795**

Compared with the previous period, noncurrent obligations recorded an overall change of EUR 2,084 thousand as a result of:

- Reclassification into current liabilities of EUR 10,753 thousand of the portions of pre-existing debenture bonds to be repaid in the next 12 months;
- Issuance of two new unlisted debenture bonds worth EUR 3 million maturing on November 30, 2026 and EUR 10 million maturing on September 30, 2028, respectively.

The new debenture bonds are in addition to unlisted debenture bonds worth EUR 7.6 million maturing on December 31, 2024, EUR 12 million maturing on November 30, 2026, EUR 5.4 million maturing on December 28, 2027, and the debenture bond listed on the multimedia trading system managed by Borsa Italiana in the professional segment Extramot Pro, which matures on June 30, 2023 for EUR 5 million. The total value of debenture bonds (both non-current and current portions) amounted to EUR 42,547 thousand.
The debenture bonds involve given financial covenants that, on the basis of the data provided in the financial statements as of December 31, 2022, have been met.

16) Bank loans

This item amounted to EUR 66,266 thousand, recorded using the *amortizing cost* method, and decreased by EUR 17,760 thousand compared to the previous year. It changed as follows:

(amounts in EUR/000)	12/31/21	Reimbursement	Opening	Reclassification	12/31/22
Payables to banks - sharenon-current financing	84,026		24,855	-42,615	66,266
Total	**84,026**		**24,855**	**-42,615**	**66,266**

The largest amounts referred to:

- Syndicated loan granted by Banco BPM S.p.A., Intesa San Paolo S.p.A. and Unicredit S.p.A. for an original amount of EUR 50 million. The total remaining amount is EUR 25,722 thousand of which EUR 10,289 thousand referring to the portion to be repaid during 2023. In application of IFRS accounting standards, the non-current portion has also been temporarily classified among the short-term liabilities for the reasons specified herein. The repayment plan envisages six-monthly instalments, maturing in 2025; interest is calculated at the six-month Euribor rate plus an agreed spread.
- Loan provided by Banca del Fucino S.p.A. for an original amount of EUR 20 million, backed by a guarantee granted by SACE pursuant to the Italian Liquidity Decree ("Decreto Liquidità"). The total outstanding amount was EUR 18,333 thousand of which EUR 15 million included under the non-current liabilities. This loan has a duration of six years, of which 2 years of pre-amortization, with repayment in 24 constant capital quarterly instalments; interest is calculated at the three-month Euribor rate plus an agreed spread.

- Loan provided by MPS Capital Services S.p.A. of original EUR 20 million, backed by a guarantee granted by SACE pursuant to the Italian Liquidity Decree. The total outstanding amount was EUR 18,750 thousand of which EUR 13,750 thousand included under the non-current liabilities. The loan has a duration of six years, of which 2 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 Banca del Fucino S.p.A. as for EUR 10 million, of which EUR 8,333 thousand booked among non-current liabilities, backed by a guarantee from SACE pursuant to the Italian Liquidity Decree; the loan has a duration of eight years, of which 2 years of pre-amortization, with repayment in 24 constant capital quarterly instalments; interest is calculated at the three-month Euribor rate plus an agreed spread.
- Loan granted by Banco BPM S.p.A. as for EUR 15 million, of which EUR 13,571 thousand booked among non-current liabilities, backed by a guarantee from SACE pursuant to the Italian Aids Decree ("Decreto Aiuti"); the loan has a duration of six years, of which 1 year of pre-amortization, with repayment in 21 constant capital quarterly instalments; interest is calculated at the three-month Euribor rate plus an agreed spread.

Some of the above mentioned loans require the compliance with given financial covenants. Based on the balance sheet data as of December 31, 2022, these covenants are fully complied with except for the two covenants referring to the syndicated loan disbursed by Banco BPM S.p.A, Intesa San Paolo S.p.A and Unicredit S.p.A for a total remaining amount of EUR 25,722 thousand as of December 31, 2022, mainly due to the effects generated on the contractually defined profitability parameter for measuring these covenants by the abnormal increase in raw material prices, which is fully described in the Management Report.
Said position was subsequently remedied with the attainment by the parent company, on July 21, 2023, of a specific "holiday period" granted by the involved lending institutions.

17) Payables for financial leases

Payables for non-current financial leases totaled EUR 1,334 thousand, an increase by EUR 171 thousand 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.

18) Liabilities from rights of use

This heading, which amounted to EUR 4,097 thousand, showed an increase by EUR 42 thousand 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".

19) Deferred tax liabilities

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Deferred tax liabilities	6,314	6,583	269
Total	**6,314**	**6,583**	**269**

This heading totaled EUR 6,583 thousand, an increase by EUR 269 thousand 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.

20) Provisions for risks and charges

They totaled EUR 4,287 thousand, showing a decrease by EUR 299 thousand compared to the preceding period.

It is believed that, in total, this item represented an adequate hedge against the Libyan "country" risk and the outstanding litigations as defendants.

21) Employee benefits

The indicated value, determined according to the criteria established by IAS 19, amounted to EUR 2,765 thousand. It showed a decrease by EUR 205 thousand compared to the preceding period.

Value 12/31/21	Set asides 2022 2022	Financ. expenses	Other changes	Uses	Value 12/31/22
2,970		7	-44	-168	2,765
2,970		**7**	**-44**	**-168**	**2,765**

This item represented the liability related to benefits recognized to employees and that will be 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 3.57%;
    - Employee Severance Fund increase rate of 3.225%;
    - inflation rate of 2.3%.

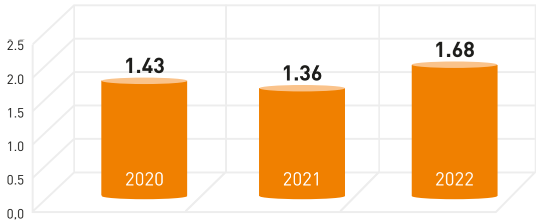
The use of discounting back rates referred to European bonds with AA rating would not generate actuarial losses greater than those indicated in the remarks to item 14 f).
The data of the employed personnel are listed in the table below.

	12/31/21	12/31/22	Average 2021	Average 2022
Executives	24	28	25	28
Employees and Manag.	451	428	435	464
Workers	474	270	420	349
Total	**949**	**726**	**880**	**841**

Out of the total of 726 active employees as of December 31, 2022, 448 were employed in Italy.

In addition to these resources, it should also be underlined that the Group employs 1,142 people abroad within the framework of temporary contracts. The total workforce is therefore close to 2,000 people.

NFP/EBITDAR



CURRENT LIABILITIES

As of December 31, 2022, current liabilities totaled EUR 422,745 thousand, an increase by EUR 49,043 thousand compared to December 31, 2021. This item included:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Bonds	11,919	10,752	-1,167
Bank loans	70,807	106,257	35,450
Payables due to other lenders	6,889	5,676	-1,213
Payables for financial leases	2,087	1,436	-651
Liabilities from rights of use	1,701	1,255	-446
Trade payables to suppliers	199,112	223,972	24,860
Payables to affiliates and parent companies	6,505	6,802	297
Contractual liabilities and other liabilities	74,682	66,595	-8,087
Total	**373,702**	**422,745**	**49,043**

22) Bonds
This item, which amounted to EUR 10,752 thousand, decreased by EUR 1,167 thousand and referred to the portion of bonds maturing in the next period.

16) Bank loans
This item, which totaled EUR 106,257 thousand and increased by EUR 35,450 thousand compared to the preceding period, consisted of the reclassification mentioned under item 16 (EUR 15,433 thousand), installments of the syndicated loan due in the period (EUR 10,289 thousand), instalments of the loans due in the next period (EUR 16,648 thousand), and finally of signature financing in euro (EUR 63,887 thousand) 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.

24) Payables to other lenders
This item, which amounting to EUR 5,676 thousand, included advances on the pro-solvendo assignment of receivables to factoring companies.

25) Payables for financial leases

Payables for financial leases totaled EUR 1,436 thousand, a decrease of EUR 651 thousand compared to the preceding year. They referred to the portion of principal maturing in the next accounting period.

26) Liabilities from rights of use

This heading, referred to the IFRS 16 accounting standard, which totaled EUR 1,255 thousand, showed a decrease by EUR 446 thousand 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".

27) Trade payables

Trade payables totaled EUR 223,972 thousand. This item increased compared to the previous period by EUR 24,860 thousand, i.e. by 12.5%, against an increase in the value of production of 31%. As for EUR 72,577 thousand it referred to accounts payable to foreign suppliers.

28) Current payables to affiliates and parent companies

This heading, which overall totaled EUR 6,802 thousand, showed an increase by EUR 297 thousand 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 items related to Malco S.c.a r.l. as for EUR 1,298 thousand, and Tavi S.c. a r.l. as for EUR 2,334 thousand.

29) Contractual liabilities and other current liabilities

These totaled EUR 66,595 thousand, a decrease by EUR 8,087 thousand compared to the preceding period, consisting of:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Taxes payables	6,357	7,136	779
Payables to social security agencies	1,453	1,634	181
Contractual liabilities	36,913	36,496	-417
Other payables	20,962	18,742	-2,220
Payables to partners in consortia	8,042	1,226	-6,816
Accrued liabilities and deferred income	955	1,360	405
Total	**74,682**	**66,595**	**-8,087**

Taxes payables

They totaled EUR 7,136 thousand, an increase by EUR 779 thousand compared to the preceding period. They referred mainly to withholding taxes as for EUR 1,845 thousand, direct taxes as for EUR 579 thousand and indirect taxes as for EUR 2,870 thousand.
Concerning the tax situation it shall be underlined that the periods until 2016 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 1,634 thousand, consisted as for EUR 1,110 thousand of payables to INPS and as for EUR 524 thousand of payables to other entities.

Construction of the variant to the town of Palizzi Marina (Catanzaro)

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 36,496 thousand and decreased by EUR 417 thousand compared to the previous period due to the recovery of contractual advances by the customers.

Other payables
The involved heading, which overall totaled EUR 18,742 thousand, showed a decrease by EUR 2,220 thousand compared to the preceding period. Among the other most relevant items making up this heading there are payables to employees as for EUR 7,089 thousand, payables to insurance companies for coverages referred to the entire duration of the order as for EUR 2,074 thousand and trade payables with reference to real estate initiatives as for EUR 551 thousand.

Payables to partners in consortia
This item, which amounted to EUR 1,226 thousand, decreased by EUR 6,816 thousand compared to the preceding period, is related to the ordinary operations of consortia formed as part of groupings of companies being awarded contracts.

Accrued liabilities and deferred income
They totaled EUR 1,360 thousand and 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

30) Revenues
Overall they totaled EUR 596,164 thousand and increased in absolute value by EUR 141,988 thousand compared to the previous period (+31.26%). The item broke down as shown below:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Revenues from sales and services	408,575	563,147	154,572
Change in inventories for finished goods and goods in progress	-844	-2	842
Change in contract work in progress	45,785	32,959	-12,826
Increases in capitalization for internal work	660	60	-600
Total	**454,176**	**596,164**	**141,988**

Revenues from sales and services

Revenues from sales and services broke down as follows.

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Revenues from construction activity from buyers	373,249	505,372	132,123
Revenues from constr. activity from partners in consortia & other revenues	23,943	46,326	22,383
Revenues from manufacturing activity	10,698	11,264	566
Revenues from real estate activity	685	185	-500
Total	**408,575**	**563,147**	**154,572**

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, as well as 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 596,164 thousand, related as for EUR 366,196 thousand to orders carried out in Italy and EUR 229,968 thousand to orders carried out abroad.

Modernization of the railway line Devínska Nová Ves - Kúty state border between Slovakia and the Czech Republic

31) Operating expenses

They totaled EUR 582,386 thousand (EUR 433,315 thousand as of December 31, 2021), an absolute increase by EUR 149,071 thousand.
The table below shows the principal cost headings.

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Raw materials and consumables	**95,310**	**161,603**	**66,293**
Subcontracts	**173,328**	**251,929**	**78,601**
Technical Consultants	26,587	32,220	5,633
Compensation of Directors, Statutory Auditors, indep. auditors	1,199	1,218	19
Maintenance	1,511	2,166	655
Transportation	10,838	12,368	1,530
Insurance	6,126	3,084	-3,042
Other costs for services	10,454	19,827	9,373
Miscellaneous operating expenses	4,885	5,767	882
Other operating expenses	**61,600**	**76,650**	**15,050**
Salaries and wages	36,481	38,752	2,271
Social security contributions	6,973	7,891	918
Set-aside employee benefits	1,661	1,926	265
Other personnel costs	5,245	6,289	1,044
Personnel costs	**50,360**	**54,858**	**4,498**
Amortization of intangible long-term assets	8,297	12,342	4,045
Amortization of tangible long-term assets	9,511	8,935	-576
Rents and leases	21,299	15,941	-5,358
Amortizations of rentals	**39,107**	**37,218**	**-1,889**
Allocations to provisions	**13,610**	**128**	**-13,482**
Total	**433,315**	**582,386**	**149,071**

The item "Consumption of raw materials", amounting to EUR 161,603 thousand, increased by EUR 66,293 thousand compared to the previous period and referred to materials purchased and used for the production during the period. It increased compared to the previous period by 70%, against an increase in the value of production of 31%. As noted above, this higher effect appears to be largely attributable to the impact of the abnormal and extraordinary increase in raw material and energy prices, especially with reference to foreign orders in Qatar and Kenya.

Costs for subcontracts

The amount referred to subcontract represented the main item among the operating costs and totaled EUR 251,929 thousand, increasing by EUR 78,601 thousand compared to the preceding period. The increase in percentage terms is 45%, which, once again, is higher than the percentage increase in the value of production as it incorporates the effects of the strong inflationary dynamic evolution in the price of raw materials.

Other operating expenses

Other operating expenses amounted to EUR 76,650 thousand and showed an increase by EUR 15,050 thousand compared to the preceding period.
The 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 709 thousand and EUR 79 thousand, respectively; while the amount of compensations to the auditing firm for the legal auditing services performed on the financial statements totaled EUR 127 thousand.

Other costs for services

They totaled EUR 19,827 thousand, an increase by EUR 9,373 thousand compared to the preceding period. They referred to utilities, consultancies, researches, tests, analyses and other services performed by third parties.

Miscellaneous operating expenses

This heading totaled EUR 5,767 thousand, an increase by EUR 882 thousand compared to the preceding period. In detail, it consisted of:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Payment of damages	280	128	-152
Non-operating losses	705	474	-231
Duties and taxes	1,271	1,346	75
Promotional expenses	60	241	181
Office materials	266	389	123
Membership dues	52	58	6
Other	2,251	3,131	880
Total	**4,885**	**5,767**	**882**

Personnel costs

They totaled overall EUR 54,858 thousand compared to EUR 50,360 thousand of the preceding year, showing an increase by EUR 4,498 thousand, equal to 9%.
The pure costs relating to wages and salaries, social security charges and retirement provisions amounted to EUR 48,569 thousand, of which EUR 32,349 referred to Italy and EUR 16,220 to foreign countries.
The percentage impact of labor costs on the value of production appears to be declining given that the costs for the procurement of materials and services - both driven by the sharp rise in prices - have increased more than proportionally.

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".

Allocations to provisions

This item, which totaled EUR 128 thousand, referred mainly to provisions to the risks fund within the framework of a prudent assessment of the risks related to the management of disputes.

32) Suretyship charges and bank expenses

This item totaled EUR 8,649 thousand, an increase by EUR 1,519 thousand compared to the preceding period. It broke down as follows:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Charges on suretyships	3,515	3,287	-228
Financial expenses	3,615	5,362	1,747
Total	**7,130**	**8,649**	**1,519**

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".

33) Interest expense to credit institutions

They amounted to EUR 5,535 thousand, showing a decrease by EUR 102 thousand compared to the preceding period. They were booked net of interest income from banks and broke down as follows:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Interest expense on loans	2,985	2,688	-297
Interest expenses to third parties	2,652	2,847	195
Total	**5,637**	**5,535**	**-102**

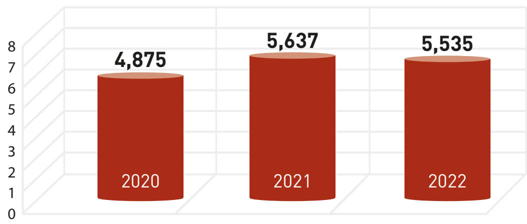
34) Interest expenses to third parties

This heading totaled EUR 3,849 thousand, an increase of EUR 493 thousand compared to the preceding period, consisting of the following:

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Interest updating employee benefits	10	7	-3
Interest expense on bond loans	1,737	1,997	260
Other	1,609	1,845	236
Total	**3,356**	**3,849**	**493**

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

FINANCIAL BANK EXPENSES (AMOUNTS IN EUR/000)



35) Gains (losses) on exchange rates
The overall impact of the management of foreign exchange items resulted in a net profit of EUR 4,094 thousand. Implicit negative exchange rate effects, on the other hand, are included in the cost items of some subsidiaries, particularly the Kenyan one, whose account currency is closely linked to the U.S. currency, which strengthened sharply against euro during 2022.
The exchange rate changes were calculated taking into account the annually accounted adjustment of assets and liabilities to the current year-end exchange rate as indicated in the chapter referring to the applied accounting policies.

36) Adjustments to the value of the financial assets
This item amounted to EUR 56 thousand and included adjustments recorded in the financial year relating to investments.

37) Income taxes for the period

(amounts in EUR/000)	12/31/21	12/31/22	Delta
Current taxes	-2,691	-4,566	-1,875
Deferred taxes	4,814	-326	-5,140
Total	**2,123**	**- 4,892**	**-7,015**

The negative balance of EUR 4,892 thousand was the result of current taxes amounting to EUR 4,566 thousand and prepaid and deferred taxes as for EUR 326 thousand.
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.

TRANSPARENCY OBLIGATIONS PURSUANT TO ITALIAN LAW NO. 124 OF 2017 (ANNUAL MARKET AND COMPETITION LAW)

The tax credits and facilities that the companies belonging to the Group and included in the scope of consolidation took advantage of in the period 2022 are outlined below:

ICM S.p.A.

- Tax credit for investments in tangible capital goods 4.0 amounting to EUR 61,094.16
- Tax Exoneration for the Southern Regions ("Decontribuzione Sud") amounting to EUR 279,950.51

Jonicastrade S.c. a r.l

- Tax credit for investments in tangible capital goods 4.0 amounting to EUR 56,707.56
- Tax Exoneration for the Southern Regions amounting to EUR 80,533.69

Sipe S.p.A.

- Tax credit for the purchase of energy products amounting to EUR 24,226.60

Integra Concessioni S.r.l.

- Tax credit for the purchase of energy products amounting to EUR 173,849.30

Integra S.r.l.

- Tax credit for the purchase of energy products amounting to EUR 29,614.74

In order to comply with the disclosure requirements established by Article 3 quater, paragraph 2, of the Italian Decree-Law 135/2018 qualifying as State Aid, refer shall be made to the National Register, the findings of which can be found on the website https://www.rna.gov.it.

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 520,382 thousand, broken down as follows:

- bid, performance, advance and retention guarantees for a total of EUR 448,737 thousand, of which EUR 177,867 thousand were bank guarantees, EUR 226,532 thousand were insurance guarantees and EUR 44,338 thousand 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 71,645 thousand, of which EUR 24,344 thousand bank guarantees, EUR 18,245 thousand insurance guarantees and EUR 29,056 thousand corporate guarantees.

The most significant positions related to the contracts: High-Speed Cepav 2 (EUR 134,768 thousand), Kenya Konza (EUR 64,716 thousand), and Qatar (EUR 70,317 thousand).
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.

INFORMATION ON RISK MANAGEMENT (IFRS 7 FINANCIAL RISK DISCLOSURE)

IFRS 7 requires the 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 trends of and the access to the credit market to support the operating activities on time, as well as to the performance of the financial management of contracts in the cases where the same acquires a different form than the one planned by the Group on the basis of available information;
- 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, 2022 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 1,668 thousand (positive by EUR 1,668 thousand).

MEDIUM AND LONG-TERM BORROWINGS (Amounts in Euro/000)						
	Loans and borrowings	**Bonds**	**Total**	**Inter.**	**1.0%**	**-1.0%**
2021	84,026	29,711	**113,737**	**4,389**	5,011	3,768
2022	66,266	31,795	**98,061**	**4,843**	5,450	4,237
SHORT TERM BORROWINGS						
	Loans and borrowings	**Bonds**	**Total**	**Inter.**	**1.0%**	**-1.0%**
2021	77,696	11,919	**89,615**	**3,003**	3,796	2,209
2022	111,933	10,752	**122,685**	**2,689**	3,750	1,627
CASH AND CASH EQUIVALENTS						
			Total	**Inter.**	**1.0%**	**-1.0%**
2021			**- 89,741**			
2022			**- 91,591**			
NET POSITION						
			Total	**Inter.**	**1.0%**	**-1.0%**
2021			**113,611**	**7,392**	**8,807**	**5,977**
2022			**129,155**	**7,532**	**9,200**	**5,864**
Improvement/worsening 2021					**1,415**	**- 1,415**
Improvement/worsening 2022					**1,668**	**- 1,668**

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, 2022 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 1,333 thousand, 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 1,333 thousand, always after taxes.

Financial instrument	Counter-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	30/06/2025	5,077		107		-107
IRS amortizing	BPM	30/06/2025	2,901		61		-61
IRS amortizing	BPM	30/06/2025	1,024		22		-22
IRS amortizing	Unicredit	30/06/2025	5,077		107		-107
IRS amortizing	Unicredit	30/06/2025	2,901		61		-61
IRS amortizing	Unicredit	30/06/2025	1,025		22		-22
IRS amortizing	Intesa	30/06/2025	4,352		92		-92
IRS amortizing	Intesa	30/06/2025	2,487		52		-52
IRS amortizing	Intesa	30/06/2025	878		19		-19
IRS amortizing	BPM	31/03/2025	2,400		32		-32
IRS amortizing	BPM	30/09/2028	15,000		509		-509
IRS amortizing	MPS	30/09/2026	18,750		398		-398
Tax effect(tax rate 27.5%)					-149		149
GROUP TOTAL			**61,872**		**1,333**		**-1,333**

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	Expired			Total	Gross total	Allow. for doubt.	Net total
		0 to 6 months	6 to 12 months	beyond 12 months				
12/31/2021	93,636	2,515	2,368	17,790	22,673	116,309	-6,186	110,123
12/31/2022	83,817	10,925	2,533	17,840	31,298	115,115	-6,090	109,025

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, from which the collection of the credit with reference to the principal amount and the awarding of the payment of financial and legal expenses are expected.

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		8,578	
Derivative instruments		2,698	
Total		**11,276**	

In 2022, there were no transfers from Level 1 to Level 2 or Level 3.

Next events

Regarding subsequent events and the foreseeable development of the activity see the section "Evolution of the management" described in the Report on Operations, where these circumstances are discussed in detail.

Vicenza, June 8, 2023

The President
Mr. Gianfranco Simonetto

Naples subway, Line 1,
Completion of "Centro Direzionale" Station

INDEPENDENT AUDITOR'S REPORT

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

To the Shareholders 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, 2022, 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, 2022, 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 years ended December 31, 2017 and December 31, 2021, the parent company ICM S.p.A. has signed agreements that envisaged that a third party would take part in subsidiaries' capital increase for amounts of, respectively, Euro 8.5 million and Euro 4 million.

Considering the requirements of the accounting standards applicable in the circumstances, given the specific contractual conditions that govern the remuneration and repayment of the capital invested, the amounts paid by the third party ought to have been recognised by entering a current liability under "Payables due to other lenders" by Euro 8.5 million and a non-current liability under "Payables due to other lenders" by Euro 4 million. In the Group's consolidated financial statements, these transactions have been recognised as an increase in "Minority interests", resulting in a corresponding increase in "Total net equity" of approximately Euro 12.5 million; for this reason, we expressed a qualified opinion also on the consolidated financial statements as at December 31, 2021.

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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 39/2010

The Directors of ICM S.p.A. are responsible for the preparation of the report on operation of ICM Group as at December 31, 2022, 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, 2022 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, 2022 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/2010, 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
July 24, 2023

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Infrastructure development for the first phase of the Konza Smart City, Kenya

CONSOLIDATED COMPANIES

ICM S.p.A.

ICM S.p.A., the Group's operating holding company, has gained many years of experience both in public and private construction through the construction of large residential, office and commercial complexes, and in infrastructure such as road works in general, viaducts in reinforced concrete and metal structure, airports and railway works, tunnels, special foundations, hydraulic works, aqueducts, sewers, dams and maritime works.
Among the top companies qualified in the execution of public works by SOAs, in whose attestation it has 37 category entries, of which 16 are of unlimited amount, it is a member of construction industry associations and bodies such as ANCE (National Association of Building Constructors). The company has since 2002 acquired Quality Management System certification in accordance with UNI EN ISO 9001 and later Environmental Management System certification in accordance with UNI EN ISO 14001 and Health and Safety Management System certification in accordance with ISO 45001. Since January 2021, the company has acquired UNI ISO 39001 certification regarding Traffic Management System and then ISO 37001 certification regarding Management Systems for Prevention of Corruption and SA 8000 regarding Social Responsibility.

The company has a system of adherence to the principles of legality at the basis of which is placed 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 Management Organization and Control Model inspired by it implements its principles by translating them into a procedural system that constitutes a strict code of conduct to be observed by all persons operating in the interest of the company, thus ensuring the effective maintenance of a system preventing the commission of crimes in accordance with D. Legislative. 231/2001 and international best practices.

ASSETS SITUATION (AMOUNTS IN EUR/000)

	12/31/21	12/31/22
Tangible long-term assets and assets from rights of use	20,535	17,608
Intangible long-term assets	1,860	1,728
Contract costs	24,599	20,257
Investments	51,628	51,605
Total Long-term assets (A)	**98,622**	**91,198**
Inventories	40,598	44,810
Contractual assets	130,786	176,486
Trade receivables	102,093	90,543
Intergroup trade receivables	23,330	15,213
Other assets	78,537	76,830
Subtotal	**375,344**	**403,882**
Trade payables	-173,181	-176,830
Intergroup liabilities	-36,357	-50,988
Other liabilities	-72,166	-65,992
Subtotal	**-281,704**	**-293,810**
Operating working capital (B)	**93,640**	**110,072**
Deferred tax liabilities	-4,781	-4,231
Employee benefits	-2,065	-1,804
Provisions for risks and charges	-4,535	-4,262
Total funds (C)	**-11,381**	**-10,297**
Net invested capital (D) = (A)+(B)+(C)	**180,881**	**190,973**
Cash and cash equivalents	65,020	75,761
Current financial receivables	16,999	18,528
Current financial liabilities	-75,034	-90,443
Non-current financial liabilities	-80,356	-60,448
Bonds	-41,630	-42,547
Net financial position (E)	**-115,001**	**-99,149**
Net Equity (F) = (D) + (E)	**65,880**	**91,824**

INCOME STATEMENT (AMOUNTS IN EUR/000)

	12/31/21	12/31/22
Revenues	**410,312**	**539,205**
Raw materials and consumables	-67,597	-103,634
Subcontracts	-199,523	-282,260
Other operating expenses	-45,491	-57,925
Personnel costs	-35,392	-39,581
EBITDAR	**62,309**	**55,805**
Rents and leases	-19,924	-13,287
EBITDA	**42,385**	**42,518**
Non-recurring expenses		-16,427
Amortizations and set-asides	-24,807	-14,385
EBIT	**17,578**	**11,706**
Suretyship charges and bank expenses	-6,873	-8,192
Financial income and expenses	-8,471	-6,592
Profit and (losses) on exchange rates	-3,815	3,143
Total financial income and expenses	**-19,159**	**-11,641**
EBT	**-1,581**	**65**
Taxes	3,182	-4,170
Profit (Loss) for the year	**1,601**	**-4,105**

The Board of Directors

Gianfranco Simonetto *President*
Giovanni Dolcetta Capuzzo *Vice President*
Francesco Simonetto *Vice President*
Darik Gastaldello *Managing Director*
Bettina Campedelli
Silvia Cantele
Mauro Gestri
Vincenzo Panza
Alberto Regazzo
Catia Tomasetti

Vicenza, June 8, 2023

SIPE S.p.A.

S.I.P.E. - Società Industriale Prefabbricati Edili - S.p.A., established in 1963, operates in the field of industrialized construction 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 on advanced technological processes for the use of prefabrication in seismic zones.
S.I.P.E. S.p.A. occupies a prominent position in its target market (Northern Italy) thanks in part to the significant investments made in the construction of the new plant (which covers an area of more than 115,000 square meters) and the new production lines in Almisano.

Prefabs supplied by SIPE S.p.A. for industrial building located in Schio, Vicenza

ASSETS SITUATION (AMOUNTS IN EUR/000)

	12/31/21	12/31/22
Intangible long-term assets	20	25
Tangible long-term assets	21,392	20,839
Investments	398	399
Other net fixed assets	160	160
Total Long-term assets (A)	**21,970**	**21,413**
Inventories	7,898	8,384
Work in progress	12,614	15,833
Trade receivables	565	1,047
Intergroup trade receivables	3,615	
Other assets	153	88
Advances from principals	-10,624	-7,608
Subtotal	**14,221**	**17,744**
Trade payables	-4,605	-7,279
Intergroup liabilities	-30	
Other liabilities	-921	-1,127
Subtotal	**-5,556**	**-8,406**
Operating working capital (B)	**8,665**	**9,338**
Employee benefits	-346	-277
Provisions for risks and charges	-51	-25
Total funds (C)	**-397**	**-302**
Net invested capital (D) = (A)+(B)+(C)	**30,238**	**30,449**
Cash and cash equivalents	861	89
Current financial receivables	3,529	5,216
Current financial liabilities	-1,841	-4,787
Non-current financial liabilities	-3,362	-2,538
Net financial position (E)	**-813**	**-2,020**
Net Equity (F) = (D) + (E)	**29,425**	**28,429**

INCOME STATEMENT (AMOUNTS IN EUR/000)

	12/31/21	12/31/22
Revenues	**17,973**	**23,105**
Production costs	-13,530	-18,428
Personnel costs	-3,584	-3,721
EBITDAR	**859**	**956**
Depreciation, leasing, rental	-791	-836
EBIT	**68**	**120**
Net financial income and expense	-31	-76
Profit (Loss) before taxes	**37**	**44**
Taxes	-20	-39
Profit (Loss) for the year	**17**	**5**

The Board of Directors

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

Vicenza, March 29, 2023

INTEGRA S.r.l.

Integra S.r.l. has been in the field of services and facilities for environmental protection and natural resource conservation since 1983. In this area, it is able to design, build and operate water purification/potabilization plants and liquid waste treatment and disposal facilities, carry out environmental remediation and implement the securing of contaminated sites and provide waste brokerage as well as have an accredited analytical laboratory.
Integra has its own liquid waste treatment platform, authorized under normal conditions, with a total capacity of 45,000 tons per year.


Purification plant built by Integra S.r.l. on behalf of Viacqua S.p.A. in
Grisignano, Vicenza

ASSETS SITUATION
(AMOUNTS IN EUR/000)

	12/31/21	12/31/22
Intangible long-term assets	6	13
Tangible long-term assets	5,829	5,640
Investments	1,746	1,746
Total Long-term assets (A)	**7,581**	**7,399**
Inventories	25	18
Work in progress	415	735
Trade receivables	2,968	4,346
Intergroup trade receivables	1,989	3,419
Other assets	670	704
Advances from principals	-10	-164
Subtotal	**6,057**	**9,058**
Trade payables	-2,237	-4,152
Intergroup liabilities	-2,786	-1,689
Other liabilities	-878	-886
Subtotal	**-5,901**	**-6,727**
Operating working capital (B)	**156**	**2,331**
Employee benefits	-343	-367
Total funds (C)	**-343**	**-367**
Net invested capital (D) = (A)+(B)+(C)	**7,394**	**9,363**
Cash and cash equivalents	174	397
Current financial liabilities	-964	-3,500
Non-current financial liabilities	-1,046	-933
Net financial position (E)	**-1,836**	**-4,034**
Net Equity (F) = (D) + (E)	**5,558**	**5,329**

INCOME STATEMENT (AMOUNTS IN EUR/000)

	12/31/21	12/31/22
Revenues	**9,444**	**9,765**
Production costs	-6,709	-7,992
Personnel costs	-1,281	-1,352
EBITDAR	**1,454**	**421**
Depreciation, leasing, rental	-530	-493
EBIT	**924**	**-72**
Net financial income and expense	-227	-198
Profit (Loss) before taxes	**697**	**-270**
Taxes	-236	41
Profit (Loss) for the year	**461**	**-229**

The Board of Directors

Alessandro Caviezel *President*
Gianalberto Balasso
Giovanni Dolcetta Capuzzo
Francesco Simonetto

Vicenza, March 29, 2023

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Naples subway, Alifana 2, natural tunnel of the 2nd lot

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