

Directors' Report on Operations 2021

attached to the Consolidated Financial Statements as of 31 December 2021 of the Company "

SEBINO S.p.A."

with registered office in Madone (BG), Via E. Mattei n. 28

Share capital: €1,328,200.00 (fully paid up).

Registered in the REA of the Chamber of Commerce of Bergamo under no. 398944.

Tax Code and registration number of the Register of Companies of Bergamo: 03678750161

STRUCTURE OF THE GROUP

As of 31 December 2021, the Group's corporate structure is as follows



The Parent Company Sebino S.p.A., founded in Bergamo in 1979, is an Italian company listed on the EGM –Euronext Growth Market organized and managed by Borsa Italiana (Euronext Group), and is active in the following sectors:

- design, development, and installation of fire-fighting systems (so-called B.U. FIRE) managed and developed by the Parent Company Sebino SpA;
- design, development, and installation of security systems (so-called B.U. Security); it should be

noted that this B.U. from the fiscal year 2022 will be managed and developed by the subsidiary Sebino Security S.r.l. This company, established in November 2021 and inactive as of 31 December 2021, received from the Parent Company on 25 February 2022 the conferral of the business unit constituting the activities of design and installation of security, video surveillance, access control, and anti-intrusion systems. Sebino Security S.r.l. will close the first financial statements as of 31 December 2022;

- maintenance of fire-fighting systems and equipment (so-called B.U. Service) managed and developed by the subsidiary Sebino Service Srl.

Through the subsidiaries Sebino Service S.r.l. and Sebino Security S.r.l., the Group distributes a service for the remote control of the operating parameters of fire and security systems called Sebino Connect®.

The subsidiary Sebino Fire Protection and Detection S.r.l. Romania is active in the design, development, and installation of fire-fighting systems.

The Group closes the year ended on 31 December 2021 with a Consolidated pre-tax profit of € 9,707,491, which amounted to € 10,207,144 as of 31 December 2020.

The positive *trend* recorded by the Group in the two-year period 2021/2022 is shown in the tables below.

Specifically, the table below shows the breakdown of the contribution to the Value of Production by the country for each of the periods considered.

<i>Paese</i>	<i>Valore della produzione 1/1- 31/12 2020</i>		<i>Valore della produzione 1/1 – 31/12 2021</i>		<i>Variazione</i>
	<i>Dati in € milioni</i>	<i>% sul totale ricavi</i>	<i>Dati in € milioni</i>	<i>% sul totale ricavi</i>	
<i>Italia^(^)</i>	43,7	87,0%	54,9	93,0%	25,6%
<i>Romania</i>	6,5	13,0%	4	7,0%	-38,5%
<i>Totale^(^)</i>	50,2	100,0%	58,9	100,0%	17,3%

(^) dato aggregato.

The following table shows the Group's main economic indicators for the years ended on 31 December 2021 and 2020.

ANDAMENTO REDDITUALE CONSOLIDATO^(^)					
<i>Data</i>	<i>Ricavi</i>	<i>Margine operativo Lordo (EBITDA)</i>	<i>Risultato operativo (EBIT)</i>	<i>Risultato Lordo (EBT)</i>	<i>Risultato netto del periodo</i>
<i>1/1 - 31/12 2020</i>	49.359	11.286	10.378	10.217	7.531
<i>1/1 - 31/12 2021</i>	58.341	10.877	9.894	9.707	7.165

*(^)*dati espressi in €/migliaia

During the report, we will present the main consolidated economic and financial data relating to the Parent Company Sebino S.p.A. and the subsidiaries Sebino Fire Protection and Detection S.r.l. – Romania, Sebino Service S.r.l.

The data relating to the newly established Sebino Security S.r.l. are not reported as the company as of 31 December 2021 is inactive.

The balance sheet data of the Romanian subsidiary were converted into euros at the exchange rate of RON 4.949 for 1 Euro as of 31.12.2021 (source *Bank of Italy*). An average exchange rate of RON 4.915 per 1 Euro (source *Bank of Italy*) was applied to the economic data.

This report has been prepared in compliance with the provisions of Article 40 of Legislative Decree no. 127/1991, to supplement the Consolidated Financial Statements as of 31 December 2021 of Sebino S.p.A. (hereinafter also "Parent Company" or the "Company") and the Subsidiaries Sebino Fire Protection and Detection S.r.l. Romania, Sebino Service S.r.l., and Sebino Security S.r.l., in order to provide all the additional and useful information for a better and clearer understanding of the performance of the Group and the companies that are part of it or that are not deductible from the Parent Company's Financial Statements as of 31 December 2021.

In particular, the consolidated financial statements show the consolidated data for the fiscal year ended on 31 December 2020 as comparative data.

Information on the Group's revenues, marginality, balance sheet and financial position at the consolidated level for the same period of the previous fiscal year is included below in this report on operations. Comparisons are also made with some management data that have not been periodically audited.

We believe that, based on the economic performance and sound financial position, the Parent Company and its subsidiaries have the ability to continue their operations in the near future and have prepared this Report as of 31 December 2021, based on the business continuity assumption.

In this report, the sums and percentages have been calculated on values in thousands of Euro unless otherwise specified and, therefore, any differences found in some tables are due to roundings.

International macroeconomic framework and Italian reference

(Source: Economic Bulletin of the Bank of Italy)

The recovery has strengthened in the United States and other advanced countries...

After a widespread slowdown in economic activity in the third quarter, signs emerged at the end of

last year of a return to a more sustained recovery in the United States and other advanced countries, against a prolonged weakness in emerging economies. However, the resurgence of the pandemic and persistent supply-side bottlenecks pose downside risks to growth. Inflation has risen further almost everywhere, mainly due to increases in energy prices, intermediate inputs, and the recovery in domestic demand. The Federal Reserve and the Bank of England have started the process of monetary policy normalization.

...while slowing down in the euro area.

In the euro area, on the other hand, output decelerated significantly at the turn of the year, as a result of rising contagion and continuing tensions in supply chains that hinder manufacturing production. Inflation has reached its highest level since the start of the monetary union, due to the exceptional increases in the energy component, in particular gas, which in Europe is also affected by geopolitical factors. According to the Eurosystem staff projections, inflation is projected to decline gradually in 2022, reaching 3.2% of this year's average and 1.8% in the two-year period 2023-24.

The Governing Council of the European Central Bank considers that the progress of the economic recovery and toward the medium-term inflation target allow a gradual reduction in the pace of purchases of financial assets. The Council also reaffirmed that the monetary policy stance will remain expansive and its conduct flexible and open to different options in relation to the evolution of the macroeconomic framework.

Also in Italy, the GDP has sharply decelerated.

Growth in Italy remained high in the third quarter of 2021, supported by the expansion of household consumption. Subsequently, output slowed down: based on the Bank of Italy's models, GDP would have grown by around half a percentage point in the fourth quarter. The increase in value-added has weakened both in industry and in the service sector.

The rise in infections increases consumer caution.

The increase in infections and the consequent worsening of the climate of confidence have mainly penalized spending on services. According to surveys carried out between November and December, companies expect investment to decelerate this year.

Export dynamics remain strong...

In the third quarter, Italian exports continued to grow, supported by the recovery of international tourism. The current account surplus remains at high levels despite the worsening of the energy balance; the net external credit position has widened.

...and increase employment and workforce.

Since the summer, the recovery in labor demand has resulted in an increase in hours worked, a reduction in the use of wage integration instruments, and a recovery in permanent recruitment. The removal of the redundancy blockade in all sectors had no significant impact. The stagnation of the unemployment rate reflects the progressive recovery of the job offer, which is approaching pre-pandemic values. The dynamics of contract renewals do not predict significant accelerations in wages in 2022.

Inflation is driven by increases in energy prices.

Inflation rose to high levels (4.2% in December), driven by energy prices. Excluding volatile components, the annual change in prices remains moderate. Increases in production costs have so far been transmitted only to a modest extent on retail prices.

The pandemic and expectations about monetary policy have influenced market developments.

Financial market developments have been affected by concerns about rising global contagion, uncertainty about the severity of the Omicron variant with its impact on economic recovery and expectations about monetary policy stance. Market volatility and investor risk aversion have increased, leading to a widening of the sovereign spread over German government bonds for Italy.

Businesses' demand for credit remains low.

In the autumn, the growth of loans to non-financial corporations remained weak, reflecting the low demand for new financing, also due to the large cash and cash equivalents set aside in the last two years. The expansion of credit to households continues at a steady pace. The terms of the offer remain unchanged. The rates of deterioration of bank assets, although slightly increasing, remain at very low levels and the share of performing loans for which banks have recorded a significant increase in credit risk has decreased; in the first nine months of last year the profitability of intermediaries has improved, especially as a result of the reduction in depreciation on loans.

Expansive public finance interventions are also planned for the three-year period 2022-24.

The preliminary information available for 2021 would indicate a significant improvement in the net indebtedness of general government compared to the previous year. The debt-to-product ratio would also decrease, resulting in the order of 150 percent (against a level of about 155 in 2020 and almost 135 in 2019). For the three-year period 2022-24, the budgetary manoeuvre approved by Parliament last December increases the deficit by an average of 1.3% of GDP per year compared to the current legislative framework.

The projections for Italy assume a gradual improvement of the health framework.

This Bulletin presents the macroeconomic projections for Italy for the three-year period 2022-24, updating those released in December. The scenario is based on the assumption that the recent rise in infections will have a negative impact in the short term on mobility and consumer behavior but does not require a severe tightening of the restrictive measures. It is assumed that from spring the spread of the epidemic will diminish.

GDP would return to the pre-pandemic level in mid-2022...

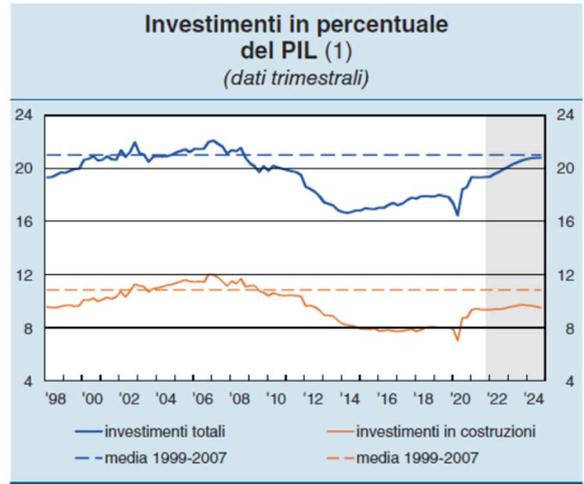
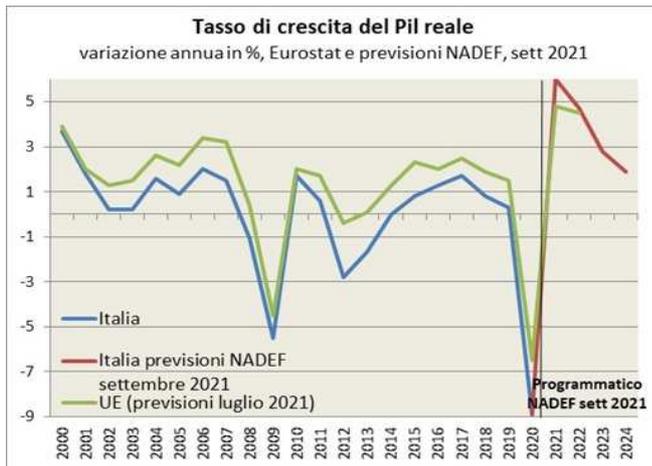
GDP, which at the end of last summer was 1.3 percentage points below pre-pandemic levels, would recover around the middle of this year. The expansion of activity would then continue at a robust pace, although less intense than those observed following the reopenings in the central part of 2021. On average, GDP would increase by 3.8% in 2022, 2.5% in 2023, and 1.7% in 2024. The number of employed would grow more gradually and return to pre-crisis levels by the end of 2022.

...and inflation would ease over the year, returning moderate in the next two years.

Consumer prices would rise by 3.5% on average this year, 1.6% in 2023, and 1.7% in 2024. The underlying component would be 1.0% this year and would increase progressively to 1.6% in 2024, supported by reduced unused capacity margins and wage trends.

However, uncertainty is high with downside-oriented growth risks

Growth prospects are subject to multiple risks, mainly downward oriented. In the short term, the uncertainty surrounding the forecast picture is linked to health conditions and supply-side tensions, which could prove to be more persistent than expected and show a higher degree of transmission to the real economy. In the medium term, the projections remain conditional on the full implementation of the expenditure programmes included in the budgetary maneuver and on the full and timely implementation of the interventions provided for in the PNRR (National Recovery and Resilience Plan). Below are some summary tables of the Italian macroeconomic framework (Source Department for Economic Policy Planning and Coordination)



Fonte: elaborazioni su dati Banca d'Italia e Istat.
(1) Dati destagionalizzati e corretti per le giornate lavorative.

1.1 Source: Processing by DIPE on Eurostat, ISTAT,
1.2 European Commission and for Italy on the programmatic data of the NADEF of September 2021.
Explanatory note: The figure refers to the growth rate of Gross domestic product (GDP) of Italy and the average GDP of the European Union. For 2021-2024, the programmatic data provided by the NADEF is indicated for September 2021 and the European Commission's forecast for July 2021.

International macroeconomic scenario

PAESI	Crescita del PIL e inflazione (variazioni percentuali)			
	Crescita del PIL			Inflazione (1)
	2020	2021 2° trim. (2)	2021 3° trim. (2)	2021 dicembre (3)
Paesi avanzati				
Giappone	-4,5	2,0	-3,6	0,6
Regno Unito	-9,7	23,9	4,3	5,4
Stati Uniti	-3,4	6,7	2,3	7,0
Paesi emergenti				
Brasile	-3,9	12,3	4,0	10,1
Cina	2,2	7,9	4,9	1,5
India	-7,0	20,1	8,4	5,6
Russia	-3,0	10,5	4,3	8,4

Fonte: statistiche nazionali.
(1) Variazione tendenziale dell'indice dei prezzi al consumo. – (2) Per i paesi avanzati, variazioni sul periodo precedente, in ragione d'anno e al netto dei fattori stagionali; per i paesi emergenti, variazioni sul periodo corrispondente dell'anno precedente. – (3) Per il Giappone, novembre 2021.

PAESI	Crescita del PIL e inflazione nell'area dell'euro (variazioni percentuali)			
	Crescita del PIL			Inflazione
	2020	2021 2° trim. (1)	2021 3° trim. (1)	2021 dicembre (2)
Francia	-7,9	1,3	3,0	3,4
Germania	-4,6	2,0	1,7	5,7
Italia	-8,9	2,7	2,6	4,2
Spagna	-10,8	1,2	2,6	6,6
Area dell'euro	-6,4	2,2	2,3	5,0

Fonte: elaborazioni su statistiche nazionali e su dati Eurostat.
(1) Dati trimestrali destagionalizzati e corretti per i giorni lavorativi; variazioni sul periodo precedente. – (2) Variazione sul periodo corrispondente dell'indice armonizzato dei prezzi al consumo (IPCA).

	Scenario macroeconomico (variazioni percentuali sull'anno precedente, salvo diversa indicazione)				
	VOCI	2021	2022	2023	2024
PIL (1)		6,3	3,8	2,5	1,7
Consumi delle famiglie		5,1	4,4	2,2	1,5
Consumi collettivi		1,2	1,2	0,2	-0,5
Investimenti fissi lordi		15,7	5,3	5,9	3,5
di cui: investimenti in beni strumentali		11,4	7,2	6,9	5,3
Esportazioni totali		12,4	4,8	6,0	3,5
Importazioni totali		12,7	5,1	6,3	3,4
Variazione delle scorte (2)		0,0	-0,1	0,0	0,0
per memoria: PIL (dati grezzi) (3)		6,3	3,7	2,4	1,8
Prezzi (IPCA)		1,9	3,5	1,6	1,7
IPCA al netto dei beni alimentari ed energetici		0,8	1,0	1,4	1,6
Deflatore del PIL		1,1	2,5	1,5	1,8
Occupazione (ore lavorate)		7,0	3,4	1,9	1,4
Occupazione (numero di occupati)		0,5	1,7	0,9	1,0
Tasso di disoccupazione (4)		9,4	9,0	8,9	8,7
Competitività all'export (5)		0,8	2,5	0,0	-0,2
Saldo del conto corrente della bilancia dei pagamenti (6)		3,8	3,1	2,9	2,9

Fonte: elaborazioni su dati Banca d'Italia e Istat.
(1) Per il PIL e le sue componenti: quantità a prezzi concatenati; variazioni stimate sulla base di dati trimestrali destagionalizzati e corretti per il numero di giornate lavorative. – (2) Include gli oggetti di valore. Contributi alla crescita del PIL; valori percentuali. – (3) Non corretto per le giornate lavorative. – (4) Medie annue; valori percentuali. – (5) Calcolata confrontando il prezzo dei manufatti esteri con il deflatore delle esportazioni italiane di beni (esclusi quelli energetici e agricoli); valori positivi indicano guadagni di competitività. – (6) In percentuale del PIL.

Management information relating to the Parent Company Sebino S.p.A.

The year ended on 31 December 2021 was substantially in line with the previous year; the main economic indicators compared with the previous year are as follows:

- **Revenues from sales of € 41,583.7 thousand**, an increase of 7.1% over the previous year when they amounted to € 38,817.9 thousand;
- **Net profit of € 6,197.7 thousand**, a decrease of 1% over the previous year when it amounted to € 6,228.6 thousand;
- **Gross Operating Margin (EBITDA) equal to € 9,324.6 thousand**, a decrease of 1% over the previous year when it was equal to € 9,431.9 thousand;
- **Operating result (EBIT) of € 8,578.9 thousand**, a decrease of 1% over the previous year when it amounted to € 8,688.3 thousand.

The reasons for this slight decrease in margins lie, as widely described in the macroeconomic scenario for 2021, in the increase in prices of raw materials, energy, and transport. As announced to the market on 22 November 2021, the Parent Company also undergone this abnormal market condition, which made it difficult to apply the immediate transfer of said increases in prices charged to our customers in relation to the extinguishing system sector during the year ended on 31 December 2021, where, by practice, there is a period between the time when the value of the order is negotiated and fixed with the customer and that in which the construction site is started and the relative component procurement phase. The Parent Company has worked to mitigate this phenomenon of negative hysteresis to keep its marginality as unchanged as possible, but, despite this, due to the intensity and suddenness of the increases in raw material prices, we are witnessing a decrease in order margins for 2021. On the other hand, it should also be noted that the Group has not undergone any particular deficiencies or delays in the supply of materials, which would otherwise have slowed down the execution of the works with further cost increases. This has been possible thanks to the long-standing relationships with our suppliers, combined with the financial strength of the Sebino Group which has allowed us to always guarantee favorable payment conditions. The Parent Company, seeking to limit the impact of the expected growth in the price of raw materials also for the first months of the financial year 2022, prudently increased the stocks of products destined for construction sites for work in progress with an investment of approximately € 3 million, recorded in the balance sheet with regard to the item inventories – work-in-progress products and semi-finished products. The Parent Company, where possible and in particular on the most recent orders, has managed to maintain the historical levels of

marginality of the plant business, reversing in the prices of the offers the further expected increases in the short-medium term in the prices of materials.

The market conditions observed during the 2021 fiscal year, starting from the second half of 2020, are considered an event that is difficult to repeat, net of further geopolitical and military events such as the current Russian-Ukraine war, both for its magnitude, and for what preceded it, or an unprecedented health emergency. It is therefore not excluded that, with a reversal of the trend in the price of raw materials, to date, moreover, not in progress, it is possible to recover what was left on the ground in the current year, benefiting from the reverse phenomenon of positive hysteresis.

The attention is again drawn to the sustained interest in the logistics sector, in relation to the plant engineering activity, considered stable and not only connected to the exponential increase in e-commerce resulting from the Covid-19 pandemic that began in 2020 and continued in 2021; the logistics platform construction sector (so-called *logistic hub*), in fact, a sector that sees the Parent Company among the primary actors thanks to its ability to build fire-fighting systems on very large surfaces in a short time, is currently in great turmoil, as demonstrated by the origins of the orders of which the Parent Company is the assignee. This is a direct result of factors such as :

- the *reshoring* of industrial activities from Asia to Europe to counter risks of supply chain disruptions from those countries;
- the redefinition of minimum storage levels and technological characteristics of warehouses;
- the reduction of distances, the consequent transport costs, and the dynamics related to the global supply chain with strong regional relocation.

The tendency to relocate to closer nations is becoming increasingly important; for example, companies such as Hugo Boss, Ikea, and Benetton consider Turkey to reduce dependence on Southeast Asia. Others consider the move to the Balkans, Romania, Slovenia, and Croatia to be appropriate.

The Group intends to continue its strategy of dimensional growth, but also of rebalancing the areas of business activity in this case specifically in the plant engineering of security systems - *Business Unit Security*, which deals with the design and construction of anti-intrusion systems, access control, video surveillance and smoke detection, also focusing on "*merger and acquisition*" operations for the consolidation and development of its market share, also selecting small targets, mainly due to a highly fragmented reference market in this area of activity.

In relation to this, in November 2021 the company Sebino Security S.r.l. was established, 100%

controlled, in which the Parent Company conferred on 25 February 2022, through a public deed, the business unit representing the *Security Business Unit*.

The development of these activities will take place from now on through this new entity equipped with the resources, staff, and skills necessary for this purpose.

The new company will close its first financial statements at the end of the current year 2022.

The following table shows the main economic indicators of the Parent Company for the years ended on 31 December 2021 and 2020.

ANDAMENTO RENDIMENTI REDDITUALI(^)

Anno	Ricavi	Reddito operativo	Risultato ante imposte	Risultato d'esercizio
2020	39.255	8.688	8.559	6.229
2021	45.111	8.579	8.420	6.198

(^)*dati espressi in €/migliaia*

KPIs (TABLE 2)

KPI	31/12/2021	31/12/2020
<i>Attivo Fisso (a)</i>	6.857	7.240
<i>Attivo Corrente (b)</i>	46.542	32.794
Capitale Investito (c=a+b)	53.399	40.035
<i>Mezzi propri (d)</i>	22.869	16.462
<i>Passività correnti (e)</i>	17.569	15.074
<i>Passività consolidate (f)</i>	12.961	8.499
Capitale di finanziamento (g=d+e+f)	53.399	40.035

(^)*dati espressi in €/migliaia*

In order to better understand the Parent Company's economic and financial situation, the reclassified statements of the Balance Sheet and Income Statement of Sebino S.p.A. as of 31 December 2021 are provided below.

STATO PATRIMONIALE SEBINO S.P.A	31/12/2021	31/12/2020
(DATI IN EURO)		
Crediti verso soci	0	0
Immobilizzazioni Immateriali	1.290.377	1.522.280
Immobilizzazioni Materiali	3.339.492	3.318.729
Immobilizzazioni Finanziarie	2.223.260	2.120.321
Attivo Fisso Netto	6.853.129	6.961.330
Rimanenze	4.362.576	1.063.523
Crediti commerciali	19.821.217	18.957.062
Debiti commerciali	-11.265.453	-10.749.949
Capitale Circolante Commerciale	12.918.340	9.270.636
Altre attività correnti	96.193	111.184
Altre passività correnti	-1.992.814	-1.146.364
Crediti e debiti tributari	1.987.155	1.192.512
Ratei e risconti netti	-114.927	-181.870
Capitale Circolante Netto	12.893.947	9.246.098
Fondi Rischi e Oneri	-765.202	-947.086
TFR	-744.662	-559.121
Capitale Investito Netto (Impieghi)	18.237.212	14.701.221
Debiti v.banche b.t.	3.042.615	636.118
Debiti v.banche e altri finan.m/l termine	12.214.645	7.938.080
Debiti per dividendi	0	0
Totale debiti finanziari	15.257.260	8.574.198
Disponibilità liquide e altre attività finanziarie correnti	-19.888.799	-10.334.761
Crediti per dividendi	0	0
Posizione Finanziaria Netta	-4.631.539	-1.760.563
Capitale sociale	1.337.277	1.328.200
Riserve	15.333.813	8.904.995
Risultato d'esercizio	6.197.661	6.228.589
Patrimonio Netto (Mezzi Propri)	22.868.750	16.461.784
Totale Fonti	18.237.212	14.701.221

CONTO ECONOMICO SEBINO S.P.A	1/1 - 31/12 2021	1/1 - 31/12 2020
(DATI IN EURO)		
Ricavi dalle vendite	41.583.682	38.817.987
Variazione rimanenze	2.955.557	-5.728
Altri ricavi	572.000	443.068
Totale valore della produzione	45.111.239	39.255.327
Costi delle materie prime, sussidiarie e di merci	-17.581.061	-13.861.765
Costi per servizi	-13.416.118	-11.054.294
Costi per godimento beni di terzi	-479.364	-553.679
Costo del personale	-4.166.481	-3.961.642
Oneri diversi di gestione	-143.608	-392.007
Margine operativo lordo (EBITDA)	9.324.607	9.431.940
Ammortamenti e svalutazioni	-745.656	-743.625
Risultato operativo (EBIT)	8.578.951	8.688.315
Proventi (oneri) finanziari	-158.776	-129.186
Risultato lordo (EBT)	8.420.175	8.559.129
Imposte sul reddito	-2.222.514	-2.330.541
Risultato d'esercizio	6.197.661	6.228.589

Management information relating to the subsidiary Sebino Service S.r.l.

The subsidiary Sebino Service S.r.l. deals with maintenance activities - *B.U. Service*. The totality of the Company's shares, located in Casale Monferrato, was acquired by the transferring company Riccardi S.r.l., a historical company in the field of maintenance of fire-fighting systems and equipment, on 2 July 2020.

Following the above, the Financial Statements as of 31 December 2021 are the first 12 months of the fiscal year of the subsidiary.

For this reason, the income statement data as of 31 December 2021 are not comparable with the economic data for the 2020 fiscal year.

During 2021, the company began distributing the remote control service of the operating parameters of the fire and safety systems through a property control room. The service called Sebino Connect®, therefore, becomes an integral part of the security-related services commercialized by the Group. It should be noted that the Sebino Connect® brand remains the property of the Parent Company Sebino SpA, a brand that granted free use to the subsidiary until 31 March 2022 to facilitate the launch period. In addition to the headquarters of Casale Monferrato, the Subsidiary has local units in Madone (BG), Cagliari, Cadoneghe (PD), Guidonia Montecelio (Rome) and Bergamo.

The year ended on 31 December 2021 closed positively with a **net profit of € 823.8 thousand**, compared to € 317.1 thousand on 31 December 2020, after allocating amortization for € 168.3 thousand (€ 81.3 thousand in 2020) and taxes for € 282.7 thousand (€ 162.4 thousand in 2020).

The **value of production is equal to € 9,854.1 thousand** (€ 4,420.0 thousand on 31 December 2020) and **EBITDA is equal to € 1,296.7 thousand**.

The **Net Financial Debt was negative and equal to € 425.5 thousand**, the same was negative and equal to € 942.9 thousand on 31 December 2020.

The benefits were tangible, even if not yet fully exploited from a commercial point of view, relating to the leadership position in the plant engineering held by the parent company Sebino S.p.a. on the group of customers that, strategically, wants to develop Sebino Service Srl or those that need coverage and assistance at a national level.

The company has undergone limited negative effects caused by the pandemic in 2021, such as slowdowns in customer collections, postponements of maintenance interventions commissioned by the same, and inflationary phenomena related to the increase in raw materials.

In order to better understand the Company's balance sheet and financial position, a reclassified statement of the Balance Sheet as of 31 December 2021 is provided below with the same data as of 31 December 2020.

STATO PATRIMONIALE SEBINO SERVICE S.R.L.	31/12/2021	31/12/2020
(DATI IN EURO)		
<i>Immobilizzazioni Immateriali</i>	200.341	255.953
<i>Immobilizzazioni Materiali</i>	283.461	127.847
<i>Immobilizzazioni Finanziarie</i>		0
Attivo Fisso Netto	483.803	383.800
<i>Rimanenze</i>	354.304	309.896
<i>Crediti commerciali</i>	4.421.200	4.519.623
<i>Debiti commerciali</i>	-1.397.051	-1.320.124
<i>Capitale Circolante Commerciale</i>	3.378.452	3.509.394
<i>Altre attività correnti</i>	28.314	114.564
<i>Altre passività correnti</i>	-902.099	-750.238
<i>Crediti e debiti tributari</i>	416.707	-221.001
<i>Ratei e risconti netti</i>	20.666	67.192
Capitale Circolante Netto	2.938.616	2.719.912
<i>Fondi Rischi e Oneri</i>		-55.000
<i>TFR</i>	-744.420	-687.153
Capitale Investito Netto (Impieghi)	2.681.424	2.361.558
<i>Debiti v.banche b.t.</i>	216.044	283.604
<i>Debiti v.banche e altri finan.m/l termine</i>	1.669.201	1.303.575
<i>Debiti per dividendi</i>		0
Totale debiti finanziari	1.885.245	1.587.179
<i>Disponibilità liquide</i>	-1.459.737	-644.283
Posizione Finanziaria Netta	425.508	942.896
<i>Capitale sociale</i>	100.000	100.000
<i>Riserve</i>	1.332.086	1.001.528
<i>Risultato d'esercizio</i>	823.831	317.134
Patrimonio Netto (Mezzi Propri)	2.255.917	1.418.662
Totale Fonti	2.681.425	2.361.558

For a better understanding of the result of the company's operations, a reclassified statement of the Income Statement as of 31 December 2021 is provided below, compared with the same data as of 31 December 2020, the latter of only 6 months.

CONTO ECONOMICO SEBINO SERVICE S.R.L.	31/12/2021	31/12/2020
(DATI IN EURO)		
<i>Ricavi dalle vendite</i>	9.715.064	4.400.901
<i>Variazione rimanenze</i>	41.528	0
<i>Altri ricavi</i>	97.471	18.656
Totale valore della produzione	9.854.064	4.419.557
<i>Costi delle materie prime, sussidiarie e di merci</i>	-1.742.517	-714.061
<i>Costi per servizi</i>	-2.160.715	-1.174.329
<i>Costi per godimento beni di terzi</i>	-392.890	-139.606
<i>Costo del personale</i>	-4.189.164	-1.759.893
<i>Oneri diversi di gestione</i>	-72.031	-59.163
Margine operativo lordo (EBITDA)	1.296.744	572.504
<i>Ammortamenti e svalutazioni</i>	-168.331	-81.288
Risultato operativo (EBIT)	1.128.414	491.217
<i>Proventi (oneri) finanziari</i>	-21.849	-11.669
Risultato lordo (EBT)	1.106.565	479.548
<i>Imposte sul reddito</i>	-282.734	-162.414
Risultato d'esercizio	823.831	317.134

Information relating to the subsidiary Sebino FIRE Protection and Detection S.r.l. Romania

ROMANIAN MACROECONOMIC REFERENCE FRAMEWORK (Source: Romanian National Institute of Statistics and Italian Government Economic Observatory – February 2021 update)

In the fourth quarter of 2021, compared to the same period of 2020, Romania recorded an expansion of 2.7%, after an increase of 7.6% between July and September 2021.

According to data published on Tuesday, 15 February 2022 by the National Institute of Statistics (INS), the Romanian economy grew by 5.9% last year, and in the last quarter of 2021 GDP increased by 2.2% compared to the same period of 2020, but decreased by 0.5% compared to the previous quarter.

Following the latest macroeconomic forecasts for Romania, the European Commission in the interim forecasts updating GDP and inflation data in winter published the report on 10 February 2022.

Main economic indicators of Romania

Principali indicatori economici (ROMANIA)							
	2016	2017	2018	2019	2020	2021	2022
PIL (mld € a prezzi correnti)	170	187,4	204,5	223,2	221,1	241,8	240,7
Tasso di crescita del PIL a prezzi costanti (variazioni %)	4,7	7,3	4,5	4,2	-3,9	6,5	4,4
PIL pro capite a prezzi correnti (US\$)	9.503	10.771	12.378	12.904	12.929	14.633	15.237
Indice dei prezzi al consumo (variazioni %)	-1,6	1,3	4,6	3,8	2,6	5	6,1
Tasso di disoccupazione (%)	7,2	6,1	5,2	4,9	6,1	5,4	5
Popolazione (milioni)	19,8	19,7	19,5	19,4	19,2	19,1	19
Indebitamento netto (% sul PIL)	-2,4	-2,8	-2,9	-4,6	-9,7	-6,7	-5,8
Debito Pubblico (% sul PIL)	37,3	35,1	34,7	35,3	47,4	49,6	50,7
Volume export totale (mld €)	57,4	62,6	67,8	69	64	77	78,8
Volume import totale (mld €)	67,4	75,7	82,8	86,3	83	99,3	100,2
Saldo bilancia commerciale(3) (mld €)	-9,6	-12,9	-15,3	-17,8	-19,3	-22,7	-21,9
Export beni & servizi (% sul PIL)	41,8	42	41,9	40,4	37,3	40,8	41,9
Import beni & servizi (% sul PIL)	42,8	44,5	45,3	44,5	41,7	46,3	47,3
Saldo di conto corrente (mld US\$)	-3	-6,6	-11,1	-12,2	-12,6	-18,3	-18,4
Quote di mercato su export mondiale (%)	0,4	0,4	0,4	0,4	0,4	0,4	0,4

(1) Dati del 2021 : Stime (2) Dati del 2022 : Previsioni (3) In tale voce, sia Import che Export sono considerati FOB

Fonte: elaborazioni Osservatorio Economico MAECI su dati Economist Intelligence Unit e Fondo Monetario Internazionale

Sebino's activity in Romania for 2021 starts from a positive result at the end of 2020 with sales of approximately € 6.5 million and a pre-tax result of approximately € 1.2 million. The order book at the beginning of 2021 was about € 6.2 million. During the 2021 year, work was carried out for a turnover of approximately € 4.0 million, which led to a net profit of approximately € 187.0 thousand

The sharp reduction compared to the previous year that affected in particular the first half of 2021 is attributable to the health emergency that has hit the country hard, causing a shift in the work in progress and the postponement of new projects.

The situation normalized in the second half of last year, as also evidenced by the order book at the end of 2021, amounting to approximately Euro 7.0 million, and consequent good operating conditions for 2022.

The company has worked on average with 14 employees for an average monthly company cost of about € 30,000 each.

The organization appears to be adequately sized and structured to face the projects planned for 2022, for an estimated value substantially increasing compared to 2021 for the reasons set out above.

Below are the main economic/ equity data of the Romanian subsidiary.

STATO PATRIMONIALE SEBINO FIRE PROTECTION AND DETECTION S.R.L.	31/12/2021	31/12/2020
(DATI IN EURO)		
<i>Immobilizzazioni Immateriali</i>	8.871	15.815
<i>Immobilizzazioni Materiali</i>	3.712	2.740
<i>Immobilizzazioni Finanziarie</i>	0	0
Attivo Fisso Netto	12.584	18.555
<i>Rimanenze</i>	173.876	10.876
<i>Crediti commerciali</i>	3.524.905	1.470.505
<i>Debiti commerciali</i>	-2.318.522	-455.329
<i>Capitale Circolante Commerciale</i>	1.380.258	1.026.052
<i>Altre attività correnti</i>	525	0
<i>Altre passività correnti</i>	0	-45.616
<i>Crediti e debiti tributari</i>	-160.830	-3.408
<i>Ratei e risconti netti</i>	10.317	10.488
Capitale Circolante Netto	1.230.270	987.516
<i>Fondi Rischi e Oneri</i>	-423	0
<i>TFR</i>	0	0
Capitale Investito Netto (Impieghi)	1.242.431	1.006.071
<i>Debiti v.banche b.f.</i>	0	0
<i>Debiti v.banche e altri finan.m/l termine</i>	0	0
<i>Debiti per dividendi</i>	0	0
Totale debiti finanziari	0	0
<i>Disponibilità liquide</i>	-728.836	-823.063
Posizione Finanziaria Netta	-728.836	-823.063
<i>Capitale sociale</i>	264.862	269.252
<i>Riserve</i>	1.519.409	545.038
<i>Risultato d'esercizio</i>	186.996	1.014.844
Patrimonio Netto (Mezzi Propri)	1.971.266	1.829.134
Totale Fonti	1.242.431	1.006.071

CONTO ECONOMICO SEBINO FIRE PROTECTION AND DETECTION S.R.L. 1/1 - 31/12 2021 1/1 - 31/12 2020
(DATI IN EURO)

Ricavi dalle vendite	4.017.916	6.458.766
Variazione rimanenze	0	0
Altri ricavi	4,23	3.285
Totale valore della produzione	4.017.921	6.462.050
Costi delle materie prime, sussidiarie e di merci	-2.307.419	-3.213.632
Costi per servizi	-867.625	-1.210.777
Costi per godimento beni di terzi	-240.509	-308.825
Costo del personale	-346.320	-384.758
Oneri diversi di gestione	0	-69.584
Margine operativo lordo (EBITDA)	256.048	1.274.473
Ammortamenti e svalutazioni	-26.292	-40.347
Risultato operativo (EBIT)	229.756	1.234.126
Proventi (oneri) finanziari	-5.548	-19.588
Risultato lordo (EBT)	224.208	1.214.538
Imposte sul reddito	-37.212	-193.396
Risultato d'esercizio	186.996	1.021.141

CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE OF THE GROUP

The income statement results for 2021 are compared with the same period of the previous year in which the subsidiary Sebino Service Srl operated in the Group for only 6 months as all the shares were acquired by the Parent Company on 2 July 2020.

The year ended on 31 December 2021 ends with a **Consolidated Gross Profit Before Taxes equal to € 9,707.5 thousand.**

To supplement the description of the operating performance, the tables below illustrate the reclassified consolidated balance sheet and income statement as of 31 December 2021 compared with that of 31 December 2020.

CONTO ECONOMICO CONSOLIDATO	1/1 - 31/12 2021	1/1 - 31/12 2020
(DATI IN EURO)		
Ricavi dalle vendite	54.752.979	48.905.429
Variazione rimanenze	2.955.557	-5.728
Altri ricavi	632.222	459.007
Totale valore della produzione	58.340.758	49.358.708
Costi delle materie prime, sussidiarie e di merci	-21.394.556	-17.393.001
Costi per servizi	-16.075.988	-13.056.555
Costi per godimento beni di terzi	-1.075.553	-996.110
Costo del personale	-8.701.965	-6.106.293
Oneri diversi di gestione	-215.603	-520.754
Margine operativo lordo (EBITDA)	10.877.093	11.285.994
Ammortamenti e svalutazioni	-983.429	-908.408
Risultato operativo (EBIT)	9.893.664	10.377.587
Proventi (oneri) finanziari	-186.173	-160.443
Risultato lordo (EBT)	9.707.491	10.217.144
Imposte sul reddito	-2.542.459	-2.686.351
Risultato d'esercizio	7.165.032	7.530.793



**STATO PATRIMONIALE CONSOLIDATO
(DATI IN EURO)**

31/12/2021

31/12/2020

Crediti verso soci	0	0
Immobilizzazioni Immateriali	1.827.913	2.165.520
Immobilizzazioni Materiali	3.626.666	3.449.316
Immobilizzazioni Finanziarie	104.589	1.650
Attivo Fisso Netto	5.559.168	5.616.486
Rimanenze	4.890.755	1.384.294
Crediti commerciali	26.208.745	24.333.612
Debiti commerciali	-13.980.036	-11.911.814
Capitale Circolante Commerciale	17.119.463	13.806.092
Altre attività correnti	1.248.120	225.748
Altre passività correnti	-3.460.433	-1.942.217
Crediti e debiti tributari	2.243.032	968.103
Ratei e risconti netti	-83.945	-104.189
Capitale Circolante Netto	17.066.238	12.953.537
Fondi Rischi e Oneri	-765.624	-1.002.086
TFR	-1.489.082	-1.246.274
Capitale Investito Netto (Impieghi)	20.370.700	16.321.663
Debiti v.banche b.t.	117.110	919.723
Debiti v.banche e altri finan.m/l termine	17.029.692	9.241.656
Debiti per dividendi	0	0
Totale debiti finanziari	17.146.802	10.161.379
Disponibilità liquide e altre attività finanziarie correnti	-22.081.669	-11.802.107
Posizione Finanziaria Netta	-4.934.867	-1.640.728
Capitale sociale	1.337.276	1.328.200
Riserve	16.803.258	9.103.398
Risultato d'esercizio	7.165.032	7.530.793
Patrimonio Netto (Mezzi Propri)	25.305.567	17.962.391
Totale Fonti	20.370.700	16.321.663



Below is the Net Financial Debt on 31 December 2021 and 2020 calculated following the provisions of Consob Communication no. 6064293 of 28 July 2006 and following ESMA Recommendations/2013/319 and with the new guidelines published on 4 March 2021 on disclosure requirements deriving from Regulation 1129, Regulation 980, and Regulation 979.

INDEBITAMENTO FINANZIARIO NETTO(^)	31/12/2021	31/12/2020	Variazioni 2021 vs 2020	Var % 2021 vs 2020
<i>(DATI EURO)</i>				
A. Disponibilità liquide	-21.708	-11.452 -	10.256	90%
B. Mezzi equivalenti alle disponibilità liquide	-374	-350 -	24	7%
C. Altre attività finanziarie correnti	-	-	-	0%
D. Liquidità (A)+(B)+(C)	-22.082	-11.802 -	10.280	87%
(E) Debito finanziario corrente	117	920 -	803	-87%
(F) Parte corrente dell'indebitamento non corrente	3.146	62	3.084	4974%
(G) Indebitamento finanziario corrente (E)+(F)	3.263	981	2.282	233%
(H) Indebitamento finanziario corrente netto (G)-(D)	-18.819	-10.821 -	7.998	74%
(I) Debito finanziario non corrente (esclusi la parte corrente e gli strumenti di debito)	13.884	9.180	4.704	51%
(J) Strumenti di debito	-	-	-	0%
(K) Debiti commerciali e altri debiti non correnti	-	-	-	0%
(L) Indebitamento finanziario non corrente (I)+(J)+(K)	13.884	9.180	4.704	51%
(M) Totale indebitamento finanziario (H)+(L)	-4.935	-1.641 -	3.294	201%

(^)*dati espressi in €/migliaia*

The Group's net financial debt on 31 December 2021 was positive and equal to € 4,931 thousand, an increase of € 3,291 thousand compared to the previous year (it was positive for € 1,641 thousand on 31 December 2020). Net financial debt benefited from the generation of cash from operating activities, characteristic of the Group, equal to approximately € 9 million, the same data was equal to approximately € 7.7 million in the previous fiscal year as shown below in the extract of the Consolidated Cash Flow Statement as of 31 December 2021 and 2020.

estratto del Rendiconto Finanziario Consolidato(^)	31/12/2021	31/12/2020
<i>(DATI EURO)</i>		
Disponibilità liquide all'inizio dell'esercizio	11.452	2.450
Flusso finanziario della gestione operativa	9.029	7.712
Altre rettifiche	-5.153	-1.117
Flusso finanziario della gestione reddituale (A)	3.624	6.595
Flusso finanziario dall'attività di investimento (B)	-747	-2.164
Flusso finanziario dall'attività di finanziamento (C)	7.124	4.571
Incremento / (Decremento) delle disponibilità liquide (A+ B+C)	10.252	9.003
Disponibilità liquide alla fine dell'esercizio	21.704	11.452

(^)*dati espressi in €/migliaia*

Below is the reconciliation table between EBITDA and EBITDA Adjusted on 31 December 2021 and 2020, with the exposure of non-recurring items adjusted.

EBITDA Consolidato Adjusted

€ '000	1/1 - 31/12 2021	1/1 - 31/12 2020
Utile (perdita)	7.165	7.531
<i>Imposte</i>	2.542,46	2.686,35
<i>Risultato finanziario</i>	186	160
<i>Accantonamenti</i>	206	316
<i>Ammortamenti</i>	777	592
EBITDA	10.877	11.286
<i>% Ricavi Totali</i>	18,6%	22,9%
<i>PFN/EBITDA</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Aggiustamenti contabili:</i>		
<i>Sopravvenienze attive</i>	-365	-260
<i>Sopravvenienze passive</i>	87	204
Totale agg. Contabili	-278	-56
<i>Aggiustamenti one off:</i>		
<i>Plusvalenze</i>	-50	-
<i>Minusvalenze</i>	22	-
<i>Risarcimenti (+/-)</i>	0	39
<i>Contributi in conto esercizio</i>	-138	-53
<i>Perdite su crediti</i>		21
<i>Penalità contrattuali</i>	24	-
<i>Oneri non ricorrenti HR</i>	-	-
<i>Oneri ricorrenti AIM</i>	87	82
<i>Oneri per consulenze direzionali varie</i>	7	
<i>Soprattasse e sanzioni</i>	1	-
<i>Patto di non concorrenza</i>	-	36
Totale agg. One off	-46	125
<i>Normalizzazioni:</i>		
<i>Leasing finanziario</i>	-	-
Totale normalizzazioni	0	0
EBITDA ADJUSTED	10.553	11.355
% Ricavi Totali	18,09%	23,00%
PFN/EBITDA Adj	<i>n.a</i>	<i>n.a</i>

On 31 December 2021, the Group's Consolidated EBITDA amounted to € 10,553 thousand, compared to € 11,355 thousand in the same period of the previous year.

EBITDA Adjusted is defined as EBITDA adjusted for positive and negative components of an extraordinary and non-recurring nature and amounted to € 10,985 thousand against € 11,355 thousand in the same period of the previous year.

EBITDA/EBITDA Adjusted, otherwise defined as Alternative Performance Indicators, indicates the result before financial and extraordinary management, before taxes, amortization, provisions for risks and charges, and before the depreciation of receivables.

EBITDA/ EBITDA Adjusted are performance indicators other than those defined and specified in the

framework applicable to financial reporting and are usually derived from the indicators of the Financial Statements in accordance with the applicable regulations and adjusted by adding or subtracting amounts relating to data presented in the Financial Statements. Since the composition of EBITDA/EBITDA Adjusted is not regulated by the reference accounting standards, the determination criterion applied may not be homogeneous with that adopted by other entities and/or groups and therefore may not be comparable with that developed by the latter.

Relations with Subsidiaries, Associates. Parent companies and Related companies

As required by the AIM Italia Issuers' Regulation, the Company has adopted a "Procedure for Transactions with Related Parties".

Please refer to the Investors section of www.sebino.eu for more information.

Pursuant to Article 2428 of the Italian Civil Code, the relationships, maintained during 2021, of debit-credit and cost-revenue towards subsidiaries, associates, parent companies, and related companies have been reported in the appropriate Table below.

RAPPORTI PARTI CORRELATE

Società	Crediti commerciali	Crediti non commerciali	Debiti commerciali	Debiti non commerciali	Vendite di servizi	Vendite di merci	Vendite di beni	Acquisti di servizi	Acquisti di merci	Acquisti beni amm.li
LEO HOLDING SA (Svizzera) Capogruppo										
NEXUS I. SRL (Italia) Controllante di Sebino S.p.A.					9.426					
SEBINO FIRE PROTECTION AND DETECTION SRL (Romania) Controllata da Sebino S.p.A.	110.164					181.940				
MAYSON CLY SRL (Italia) Controllata da Nexus I. SRL			2.000							
MDM SRL (Italia) Controllata da Nexus I. SRL										
AQUALIS SRL (Italia) Controllata da Nexus I. SRL										
SYTECHNO SAGL (Svizzera) Controllata da Leo Holding SA	1.560.752						3.220.533			
SERVICE & TECNOLOGY SRL (Italia) Società facente capo a un dipendente Sebino S.p.A.			16.115			6.664		29.116		

The year ended on 31 December 2021 was characterized by strong global economic growth; *the International Monetary Fund* cut the growth estimates of the world economy for 2022. After +5.9% in 2021, GDP is expected to grow this year by 4.4%, or 0.5 percentage points less than the October forecast. For Italy, the estimate declines to +3.8%, 0.4 points less than assumed in October. In 2023, growth is estimated at 3.8%, up 0.2 points (+2.2%, up 0.6 points, for Italy). "The global economy enters a weaker position in 2022 than expected," the Fund says, noting that the downward revision for this year is linked to the cut in estimates for the two largest economies in the world, the United States and

China. Weighing on the world economy are the resurgence of Covid but also high inflation. That is intertwined with geopolitical tensions: a conflict between Russia and Ukraine risks raising energy prices for many countries and therefore could keep inflation high, as explained by IMF number two Gita Gopinath. Weighing heavily are the spread of the Omicron variant, as a result of which "countries have reimposed restrictions on mobility", and "rising prices and interruptions in energy supply" which have led to "higher and broader than expected inflation, particularly in the United States and many emerging markets and developing economies". In parallel, "the continuous downsizing of the Chinese real estate sector and also a slower than expected recovery in private consumption has limited the growth prospects". In Europe "Spain locomotive" – After a 2021 anemic growth in Germany (+2.7%) and brilliant in France (+6.7%), this year trends are expected to turn upside down with a German economy growing by 3.8%, more than 3.5% estimated for the French one. In both cases these values are lower than the October estimates: for Germany the reduction is 0.8 points while the growth of France is sheared by 0.4 points. Best of all in the Eurozone is Spain (collapsed by 11% in 2020) with an estimated 2022 growth to +5.8 and +3.8% next year (with an adjustment of -0.6 and +1.2 points respectively). Overall, the Euro area is expected to see GDP growth of 3.9% this year (-0.4% compared to October estimates) and 2.5% next year (+0.5%).

Public accounts under pressure – *"Public accounts will be under pressure in the coming months and years" with public debt reaching record levels at a time when tax revenues have decreased. And higher interest rates will make the debt more expensive. Hence the Fund's call on States to proceed with "profound structural reforms", including those for a labor market shaped by the pandemic.*

First, as already indicated, we report the trend of the costs of raw materials, semi-finished products, and costs for services and external processing, compared to the value of operational production, which rose from 62.2% to 68.4% of the characteristic Revenues.

Another relevant figure, which is found in the report, is the cost of internal staff whose incidence on core revenues is equal to approx. 15.9%, up compared to the percentage of 12.5% recorded in the previous period. This increased figure has as its main justification the consolidation of the subsidiary Sebino Service Srl for 12 months, a company in which the incidence of Employees costs on characteristic revenues is approximately 43.1%.

With regard to employees, it is noted that during the year there were no serious accidents at work and such as to result in serious or very serious injuries to Employees; the books and documents provided for by the labor law regulations, in any case, reveal the total absence of accidents at work that occurred

in the past year.

During the fiscal year, concerning employees, 32 resources were hired on the Group level, compared to 17 resources who left the Group. As a result of the aforementioned trend, the Group's employees on 31 December 2021 amounted to 178 employees, 163 at the beginning of the period under review.

Environment

During 2021, the Parent Company and its subsidiaries were not fined or punished for crimes or environmental damage and there are no legal proceedings in this regard.

Research and development activities

The constant effort to prevent the evolution of the market has led in recent years to start a multi-year research project related to feasibility studies, design, and pre-industrialization of standard components for the construction of fire-fighting systems. This activity continued during 2020.

The research and development costs of our company incurred during the administrative period were charged to the operating costs of the fiscal year.

Group Locations

Last fiscal year, the Parent Company carried out its activity at the registered office in Madone (BG), Via E. Mattei 28, as well as in the local unit located in Bergamo (BG), Piazzale G. Marconi n. 4, equipped with a warehouse and a technological signal monitoring room.

The Romanian subsidiary mainly carries out its business in Timisoara and has a representative office in Bucharest.

The subsidiary Sebino Service Srl carries out its activity at its registered office in Casale Monferrato (AL) Via Turcotti 10 and in the local units located in Cagliari, Cadoneghe (PD), Guidonia (ROME), Madone (BG).

Risk management

Financial risks

The financial risks associated with the operations are constantly monitored in order to assess in advance the potential negative effects and take the appropriate actions to mitigate them.

a) Receivables risk

Receivables risk is the exposure to potential losses arising from the non-fulfillment of obligations assumed by commercial counterparties.

The company carries out periodic creditworthiness analyses in order to prevent potential solvency crises. The prudential estimate of losses is correctly presented in the financial statements. Receivables risk deemed low.

b) Liquidity risk

Liquidity risk represents the risk linked to the unavailability of financial resources necessary to meet the company's commitments and financial needs in the short term. The main factors determining the degree of liquidity are, on the one hand, the resources generated or absorbed by the operating and investment activities, on the other, the maturity and renewal terms of the credit lines granted by the banking class and by the conditions of the credit market. In this case, the Group's profitability, together with its current and historical ability to produce cash, related to an acceptable level of exposure to the banking system, minimizes the liquidity risk.

c) Market risk

This type of risk includes risks directly or indirectly related to the fluctuation of physical and financial market prices to which the Group is exposed, namely:

- exchange rate risk;
- interest rate risk;
- price risk for raw materials;
- risks related to competition.

With reference to these risk profiles, the following is specified:

Exchange rate risks: The Group is exposed in a limited way to the exchange rate risk;

Interest rate risk: the Company is exposed in a contained form to interest rate risk.

Raw material price risk: the company is substantially exposed to this risk as evidenced by the general increase in inflation and in particular in the costs of raw materials, energy, and transport during 2021 and 2022 due to the Russian-Ukrainian conflict;

Risk related to the competition: it is noted that the reference market is highly competitive, with the presence of some competitors who may be able to expand their current market share with a consequent erosion of that held by the Group. The growth strategy described in the first part of this report is also functional to contain this risk.

Non-financial risks

There are no socio-environmental risks.

Treasury shares

Pursuant to art. 2435-bis and 2428 of the Italian Civil Code, it is specified that the Parent Company, at the end of the six-month period, did not hold treasury shares

Significant events after the end of the period

By deed dated 25 February 2022, Notary Dr. Baratteri, the company has transferred to its 100% subsidiary Sebino Security Srl, the entire operating business unit, relating to the construction of smoke detection, intrusion detection, access control, and video surveillance systems (Security Division). The legal and tax effects of the transaction were deferred to 1 March 2022.

Predictable operating performance

On 31 December 2021, the Group's order backlog amounted to € 31.8 million, an increase of € 11.8 million compared to the previous year (€ 20 million on 31 December 2020), reaching levels that allow us to consider the new fiscal year with cautious optimism. The Covid-19 pandemic crisis is currently mitigated but, unfortunately, "replaced, by the Russian-Ukrainian conflict and may affect the normal course of business with a potential interruption of the supply chain with the consequent slowdown of activities or at least a possible delay of the same over time. However, as is well known, the Ukrainian-Russian conflict began at the end of February, and, although the Group did not acquire supplies, did not invest, did not carry out development activities, and does not have credit positions or sales to warring countries, at the moment it is not possible to estimate which, and for how long, this event could affect the possible availability and costs of strategic raw materials and energy carriers. This condition, moreover, transcends the sector in which the Group operates and has macroeconomic value.

From a medium-term perspective, the primary objective of management is to

- 1) maintain the leadership position in the Italian and Romanian market in all plant activities;

- 2) consolidate the Group from a dimensional and financial point of view, as the market in the future will require the presence of players of greater size than the current and more structured;
- 3) better balance the three areas of business, Fire, Security, and Service, to reduce the risks that can be caused by a specific market crisis in one of the three areas and to maximize the synergies deriving from the combined commercial and operational offer of the three areas on the market;
- 4) Increase the share of recurring revenues on the total turnover of the Group typical of the B.U. Service already strengthened by the acquisition of Sebino Service carried out in July 2020;
- 5) strengthen the marketing of the remote control system Sebino Connect® and the technological operating parameters of the extinguishing and detection systems, to ensure the optimal level of efficiency of the extinguishing and detection systems in 24/24 hours, even without the presence of human support.

Madone, March 25, 2022

The Chairman of the Board of Directors Prof. Franco

Amigoni

Signed

The undersigned Franco Amigoni, born in declaring, aware of the criminal liability provided for pursuant to art. 76 of Presidential Decree 445/2000 in the event of a false or untruthful declaration made pursuant to art. 47 of the same decree, that this document was produced by optical scanning of the analog original, and that the comparison between it and the original document pursuant to art. 4 of the Prime Ministerial Decree of 13 November 2014 was successful.