

Companies Register no. 01527100620  
REA (Economic Administrative Index) no. CH - 189160



## **PARCO EOLICO CASALDUNI HOUSE S.R.L.**

Registered office in VIALE ABRUZZO 410  
66100 CHIETI (CH)

Share capital € 40,000.00 fully paid up

Single-member company

Company subject to the management and coordination of TOTO Holding S.p.A.

## **Financial Statements as at 31 December 2020**

## Corporate bodies

### Sole director

**In office until the approval of the 2021 financial statements - Appointed on 09 December 2020**

Paolo TOTO<sup>1</sup>

### Statutory auditor

**In office until the approval of the 2022 financial statements – Appointed on 25 June 2020**

PricewaterhouseCoopers S.p.A.      Independent auditors

<sup>1</sup> The sole director Paolo Toto was appointed by the shareholders on the shareholders' meeting held on 9 December 2020 and replaced the resigned sole director Lino Bergonzi. The term of office of the sole director will expire upon the natural end of the term of office of the resigning Board of Directors, namely with the approval of the financial statements for the year ended December 31 2021.

**FINANCIAL STATEMENTS EEC DIRECTIVE IV**

<b>BALANCE SHEET ASSETS</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>A) Share capital proceeds to be received</b>	<b>0</b>	<b>0</b>
<b>B) Fixed assets</b>		
Intangible fixed assets		
<b>Total intangible fixed assets</b>	<b>0</b>	<b>0</b>
Tangible fixed assets		
4) other assets	788	0
5) Assets under construction and payments on account	13,309,813	12,246,078
<b>Total tangible fixed assets</b>	<b>13,310,601</b>	<b>12,246,078</b>
Financial fixed assets		
2) Financial receivables		
c) from parents	84,471	0
<b>Total financial fixed assets</b>	<b>84,471</b>	<b>0</b>
<b>TOTAL FIXED ASSETS</b>	<b>13,395,072</b>	<b>12,246,078</b>
<b>C) Current assets</b>		
I - Inventory		
<b>Total inventory</b>	<b>0</b>	<b>0</b>
II - Receivables		
4) due from parents	56,642	94,791
5-bis) tax receivables	2,373,311	2,284,688
5-ter) deferred tax assets	54,328	43,710
5-quater) from others	2,059	718
<b>Total receivables</b>	<b>2,486,340</b>	<b>2,423,907</b>
IV - Financial assets not held as fixed assets		
<b>Total financial assets not held as fixed assets</b>	<b>0</b>	<b>0</b>
IV - Liquid funds		
1) bank and postal accounts	48,980,313	86,218
3) cash-in-hand and cash equivalents	1,109	971
<b>Total liquid funds</b>	<b>48,981,422</b>	<b>87,189</b>
<b>TOTAL CURRENT ASSETS</b>	<b>51,467,762</b>	<b>2,511,096</b>
<b>D) Accruals and deferrals</b>		

(Translation from the Italian original which remains the definitive version)

Prepayments and accrued income	485,996	2,394
<b>TOTAL PREPAYMENTS AND ACCRUED INCOME</b>	<b>485,996</b>	<b>2,394</b>
<b>BALANCE SHEET ASSETS</b>	<b>65,348,830</b>	<b>14,759,568</b>
<b>BALANCE SHEET LIABILITIES</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>A) Net equity</b>		
I - Capital	40,000	40,000
II - Share premium reserve	0	0
III - Revaluation reserve	0	0
IV - Legal reserve	0	0
V - Statutory reserves	0	0
VI - Other reserves	1,583,149	1,583,149
<i>Contributions for future capital increases</i>	<i>233,149</i>	<i>233,149</i>
<i>Extraordinary Reserve</i>	<i>1,350,000</i>	<i>1,350,000</i>
VII - Hedging reserve	0	0
VII - Profit (loss) carried forward	(1,050,979)	(125,813)
Profit (loss) for the year	(204,784)	(925,167)
<b>TOTAL NET EQUITY</b>	<b>367,386</b>	<b>572,169</b>
<b>B) Provisions for risks and charges</b>		
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>0</b>	<b>0</b>
<b>C) Employee severance indemnities</b>		
<b>EMPLOYEE SEVERANCE INDEMNITIES</b>	<b>0</b>	<b>0</b>
<b>D) Payables</b>		
1) Bonds		
- due within one year	50,751	0
- due after one year	46,953,132	0
	47,003,883	0
3) Shareholder loans		
- due within one year	15,171,069	12,294,855
- due after one year	0	0
	15,171,069	12,294,855
4) Bank loans and borrowings		
- due within one year	147	0
- due after one year	0	0
	147	0
7) Trade payables		
- due within one year	2,611,159	130,109

(Translation from the Italian original which remains the definitive version)

- due after one year	0	0
	2,611,159	130,109
11) Payables to parents		
- due within one year	169,484	177,753
- due after one year	0	0
	169,484	177,753
11-bis) Payables to subsidiaries of parents		
- due within one year	0	1,584,500
- due after one year	0	0
	0	1,584,500
12) Tax payables		
- due within one year	24,926	182
- due after one year	0	0
	24,926	182
13) Social security charges payable		
- due within one year	3	0
- due after one year	0	0
	3	0
14) Other payables		
- due within one year	175	0
- due after one year	0	0
	175	0

<b>TOTAL PAYABLES</b>	<b>64,980,846</b>	<b>14,187,399</b>
-----------------------	-------------------	-------------------

<b>E) Accrued expenses and deferred income</b>	<b>598</b>	<b>0</b>
--	------------	----------

<b>BALANCE SHEET LIABILITIES</b>	<b>65,348,830</b>	<b>14,759,568</b>
----------------------------------	-------------------	-------------------

<b>PROFIT AND LOSS ACCOUNT</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
--------------------------------	-------------------	-------------------

<b>A) Production revenues</b>
-------------------------------

1) Turnover from sales and services	0	9,503,091
2) Change in work in progress, semi-finished products, and finished goods	0	0
3) Change in contract work in progress	0	(7,711,360)
4) Internal work capitalised	546,945	281,272
5) Other revenues and income	18,294	0

<b>TOTAL PRODUCTION REVENUES</b>	<b>565,239</b>	<b>2,073,003</b>
----------------------------------	----------------	------------------

<b>B) Production costs</b>
----------------------------

6) raw materials, consumables, supplies and goods	0	646
7) services	56,280	2,640,801
8) use of third-party assets	7,227	4,400
10) amortisation/depreciation and write-downs:		
a) amortisation of intangible fixed assets	0	1,083

(Translation from the Italian original which remains the definitive version)

b) depreciation of tangible fixed assets	88	0
c) other write-downs of fixed assets	0	0
d) write-downs of current assets	0	0
	88	1,083
14) other operating charges	3,009	2,169
<b>TOTAL PRODUCTION COST</b>	<b>66,604</b>	<b>2,649,099</b>
<b>Operating profit (loss) (A-B)</b>	<b>498,635</b>	<b>(576,096)</b>
<b>C) Financial income and charges</b>		
16) other financial income:		
d) other income	0	0
- from others	1	0
	1	0
17) interest and other financial charges:		
- from subsidiaries	0	0
- from associates	(499,687)	(281,272)
- from parents	(162,633)	(200,562)
- from others	(73,245)	(856)
	(735,565)	(482,690)
17-bis) net exchange rate gains (losses)	0	0
<b>NET FINANCIAL INCOME AND CHARGES</b>	<b>(735,564)</b>	<b>(482,690)</b>
<b>D) Adjustments to financial assets</b>	<b>0</b>	<b>0</b>
<b>Pre-tax profit (loss) (A-B + - C + - D + - E)</b>	<b>(236,929)</b>	<b>(1,058,786)</b>
22) Income taxes, current and deferred		
a) Current	24,795	0
b) Deferred (prepaid)	0	(39,036)
d) (income) charges from participation in the tax consolidation scheme	(298)	208
e) Prior year taxes	(56,642)	(94,791)
	(32,145)	(133,619)
<b>Profit (loss) for the year</b>	<b>(204,784)</b>	<b>(925,167)</b>

**Chieti, 21 June 2021**

**Sole director**  
**Paolo Toto**

## Cash flow statement

### Cash flows from operating activities (indirect method)

Cash flow statement	31/12/2020	31/12/2019
<b>A. Cash flows from operations (indirect method)</b>		
<b>Net profit (loss) for the period</b>	<b>(204,784)</b>	<b>(925,167)</b>
Income taxes	(32,145)	(133,619)
Interest expense/(interest income)	735,564	482,690
(Dividends)		
(Gains)/losses on the sale of assets		
<b>1. Profit (loss) for the period before income taxes, interest, dividends, and gains/losses on sales</b>	<b>498,635</b>	<b>(576,096)</b>
<i>Adjustments for non-monetary items with no balancing entry in net working capital</i>		
Provisions to funds		
Amortisation/depreciation	88	1,083
Impairment losses		
Other adjustments for non-monetary items	0	0
<b>2. Cash flows before changes in net working capital</b>	<b>498,723</b>	<b>(575,013)</b>
<i>Changes in net working capital</i>		
Decrease/(increase) in inventory	0	7,711,360
Decrease/(increase) in trade receivables	0	0
Increase/(decrease) in trade payables	2,481,050	(458,125)
Decrease/(increase) in prepayments and accrued income	(483,602)	(621)
Increase/(decrease) in accrued expenses and deferred income	598	0
Other changes in net working capital	(2,333,697)	(6,438,715)
<b>3. Cash flows after changes in NWC capital</b>	<b>163,072</b>	<b>238,886</b>
<i>Other adjustments</i>		
<b>4. Cash flows after other adjustments</b>	<b>163,072</b>	<b>238,886</b>
<b>Cash flows used in operating activities (A)</b>	<b>163,072</b>	<b>238,886</b>
<b>B. Cash flows from investment activities</b>		
<i>Tangible fixed assets</i>		
Investments	(1,064,611)	(11,491,954)
Proceeds from disinvestments		
<i>Intangible fixed assets</i>		
Investments	0	0
<i>Financial fixed assets</i>		
(Tax consolidation management)	(84,471)	
<b>Cash flows used in investment activities (B)</b>	<b>(1,149,082)</b>	<b>(11,491,954)</b>
<b>C. Cash flows from financing activities</b>		
<i>Third-party funds</i>		
Increase (decrease) in short-term bank loans and borrowings	147	
<i>Loans taken out</i>		
Increase for the issue of debt securities	47,003,883	
<i>Own funds</i>		
Share capital increase against consideration / Shareholder's waiver of receivable		
<i>Issues of shareholder loans</i>	<i>2,876,214</i>	<i>11,339,039</i>
Sale (purchase) of treasury shares		
<i>Dividends paid</i>		
<b>Cash flows from (used in) financing activities (B)</b>	<b>49,880,244</b>	<b>11,339,039</b>
<i>Increase (decrease) in liquid funds (A ± B ± C)</i>	<i>48,894,234</i>	<i>85,971</i>
<b>Liquid funds opening balance</b>	<b>87,188</b>	<b>1,217</b>
<b>Liquid funds closing balance</b>	<b>48,981,422</b>	<b>87,188</b>

Chieti, 21 June 2021

**Sole director**  
**Paolo Toto**

**(Page intentionally left blank)**

## Foreword

Dear Shareholders,

these Financial Statements, submitted for your approval, show a loss for the year of € 204,784, mainly attributable to financial income. The latter has a negative impact totalling € 735,564 and erodes the positive margins of the positive core business totalling € 498,635.

### Key events during the previous years

Parco Eolico Casalduni House S.r.l. (hereinafter the “**Company**” or “**PECH**”) was purchased by the Toto Group through its sub-holding company in the renewable energy sector (Renexia S.p.A.) on November 17 2016. The Company operates in the renewable energy sector through the study, design, implementation, management, and maintenance of renewable energy electricity plants.

The Company is constructing a wind farm with a total capacity of 36 MW (the “**Wind Farm**”) that will be supported, according to the initial project, by 12 wind turbines with a capacity of 3MW in the municipality of Casalduni (Benevento).

The authorisation process ended upon the issue of the Single Authorisation ratified by Executive Decree no. 28 of 22/03/2016 and subsequently rectified by Executive Decree no. 10 of 22/02/2017.

On May 18 2017, under this authorization for the construction and operation of the wind farm in the municipality of Casalduni and related works, the construction of the 150 kV power line, with a total length of approximately 22 km, was contracted out to the company Renexia Services S.r.l. The power line will ensure a high voltage electrical connection at the future wind farm located at substation of Pontelandolfo (Benevento).

On August 8 2017, an agreement was signed with Terna – Rete Elettrica Nazionale S.p.A. (hereinafter “**Terna**”) to connect the 36-MW renewable energy power plant (wind power) constructed by Parco Eolico Casalduni House S.r.l. located in the municipality of Casalduni (Benevento) to the national power grid. The agreement governs the procedures for the works and the payment of the fees pursuant to the transfer to Terna of the 150-kV power line mentioned in the previous section.

In March 2019, the Company was invited to the service meeting to obtain the necessary variant for the authorisation of the Casalduni (Benevento) wind farm, bringing the project from twelve 3-MW wind turbines (producing a total of 36 MW) to ten 3.465-MW wind turbines (producing a total of 34.65 MW) while increasing the production of MWh fed into the grid.

In November 2019, after completing construction work, PECH transferred the 150-kV power line to Terna, which paid the fees due.

For the construction of the wind farm for which PECH holds the Sole Authorization, the Group has instead created a corporate structure that is attractive to new investors interested in the PECH project by:

- (i) setting up a new company (Renexia Pech S.p.A.);
- (ii) transferring the equity investment in the Company, held until June 2019 by Renexia S.p.A., to Renexia Pech S.p.A.

As a result, as of June 2019, the sole shareholder is no longer Renexia S.p.A. but Renexia PECH S.p.A. This reorganisation made it possible to obtain financial resources from outside the Group, which ensured that the Company could receive additional loans from the shareholder. At the end of the year, the loans received from the parent company totalled € 15.1 million (including interest). These loans were secured to ensure that the Company is supplied with the necessary resources to build the wind farm as part of a project financing. Indeed, the construction and implementation of the wind farm involves the use of a structured loan in the form of a ten-year bond with typical project financing features without the need to resort to the shareholder that totals more than forty-nine million euro for a duration of nine years.

### **Activities carried out and main events during the year**

On September 23 2020, at the end of the tender procedure announced by GSE, the plant being built by PECH was added among those included in the power quota that were awarded an incentive tariff with the tender published on 20 May 2020, which pertained to on-shore wind and photovoltaic plants.

Indeed, on 23 December 2020, the Company completed the issue of a debenture loan totalling € 49.1 million listed on the ExtraMot Pro3 of Borsa Italiana, fully subscribed by international funds specialised in the sector. The bond was issued to finance the construction of the wind farm and all related works according to the agreed schedule. According to usual practices for this kind of transaction, guarantees were issued on the shares of the subsidiary by the shareholder Renexia Pech S.p.A. and on the property rights and assets of the company by PECH, in particular on the wind farm under construction.

### **Business outlook**

The Company, in compliance with the agreed schedule shared with the lenders, is proceeding with the construction. The wind farm is expected to be built on schedule.

## Group membership

The key figures of the parent Toto Holding S.p.A. shown in the summary statement pursuant to art. 2497-bis of the Italian Civil Code have been extracted from the corresponding financial statements for the year ended 31 December 2019. For an adequate and complete understanding of the financial position of Toto Holding S.p.A. as at 31 December 2019, as well as the financial performance of the company for the year then ended on that date, please refer to the financial statements, together with the independent auditors' report, available in due legal form.

Description	2019	2018
<b>BALANCE SHEET</b>		
<b>ASSETS</b>		
A) Share capital proceeds to be received		
B) Fixed assets	421,101,994	373,998,350
C) Current assets	14,038,574	23,795,902
D) Accruals and deferrals	251,741	162,735
<b>Total assets</b>	<b>435,392,309</b>	<b>397,956,987</b>
<b>LIABILITIES:</b>		
A) Net equity:		
Share capital	334,559,809	285,566,383
Reserves	100,000,000	100,000,000
Profit (loss) carried forward	262,445,954	262,445,954
Profit (loss) for the period	(76,879,571)	(65,367,396)
	48,993,426	(11,512,175)
B) Provisions for risks and charges	740,480	7,012,849
C) Employees' severance indemnities	404,679	391,806
D) Payables	99,666,064	104,674,065
E) Accruals and deferrals	21,277	311,884
<b>Total liabilities</b>	<b>435,392,309</b>	<b>397,956,987</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
A) Production revenues	5,092,237	4,876,893
B) Production costs	29,007,991	16,421,511
C) Financial income and charges	69,423,941	10,282,732
D) Value adjustments to financial assets	(1,450,154)	(10,408,236)
Income taxes for the year	(4,935,393)	(157,947)
<b>Profit (loss) for the year</b>	<b>48,993,426</b>	<b>(11,512,175)</b>

## Name and registered office of the company that prepares the consolidated financial statements

Toto Holding S.p.A., with registered office in Viale Abruzzo 410, Chieti, prepares the consolidated financial statements of the Group of which it is part pursuant to art. 2427, point 22-quinquies and 22-sexies of the Italian Civil Code. These consolidated financial statements are available at Toto Holding S.p.A.'s registered office in accordance with the terms and conditions governing the filing of financial statements.

## Extension of time limits

In accordance with the provisions of the “Cure Italy” (“*Cura Italia*”) Decree-Law (no. 18 of 17 March 2020 – the “Decree-Law”) converted into Law no. 26 of 24 April 2020 (Italian Official Journal no. 110 of 29 April 2020), extended by the so-called “One thousand extensions” (“*Milleproroghe*”) Decree-Law (no. 183 of December 31 2020) converted into Law no. 21 of 26 February 2021 (Official Journal no. 51 of 1 March 2021), the directors took advantage of the longer deadline to convene the shareholders’ meeting to approve the financial statements for the year then ended on 31 December 2020. Article 106(1) of said Decree-law, on “Rules governing shareholders’ meetings”, envisages, among other things, the possibility of convening the meeting to approve the financial statements within 180 days of the end of the year, in derogation from the provisions of article 2364(2) or the provisions of the articles of association (article 25 of the articles of association in force).

## Basis of preparation

The financial statements for the year ended 31 December 2019 have been prepared in accordance with the provisions of the Italian Civil Code on financial statements as amended by Legislative Decree no. 139/15 implementing EU Directive no. 2013/34.

These financial statements have been prepared in a condensed format as the requirements specified by article 2435 bis(1) of the Italian Civil Code have been met. Therefore, no directors’ report was prepared.

Pursuant to art. 2428, points 3 and 4 of the Italian Civil Code, there are no own shares or shares or quotas of parents held by the company or through trustees or nominees and no own shares or shares or quotas of parents were purchased and/or sold by the company during the year, including through trustees or nominees.

The financial statements consist of:

- a balance sheet;
- a profit and loss account;
- a cash flow statement;
- these explanatory notes.

These notes describe, analyse and, in some cases, supplement the figures in the financial statements and provide the information required by art. 2427 of the Italian Civil Code. These reflect the changes to the law introduced by Legislative Decree no. 139/15 and are in line with the accounting standards issued by the Italian Accounting Standards Board (*Organismo Italiano di Contabilità* - OIC).

The cash flow statement has been prepared using the indirect method.

The balance sheet, profit and loss account and the cash flow statement have been drawn up in euro units, while the figures in these notes are presented in thousands of euros unless otherwise stated. The euro is the Company’s functional and presentation currency.

## Measurement criteria

(see art. 2427(1), no. 1 of the Italian Civil Code)

The measurement criteria applied to the preparation of these financial statements at 31 December 2019 are unchanged from those used in the previous year.

Items are measured according to the general principle of prudence, assuming that the Company will continue as a going concern.

Items are recognised and presented in accordance with the principle of substance over form.

Profits are only recognised when realised before the reporting date. Furthermore, income and expenses are booked on an accrual basis, irrespective of actual collection or payment dates, and risks and losses for the year are taken into account, even when they only become known after the reporting date.

Heterogeneous entries included in the single items have been measured separately.

In accordance with the principle of materiality, the Company did not comply with the obligations applicable to recognition, measurement, presentation, and disclosure when the effects of compliance therewith were irrelevant for the purposes of giving a true and fair view.

The measurement criteria cannot be changed from one year to the next. Each balance sheet and profit and loss account item is accompanied by the corresponding prior year balance. When no comparison is possible, prior year items are adjusted. Any lack of comparability, any adjustment or non-adjustment are disclosed and described in the relevant notes.

If the information required by specific legal provisions is not enough to give a true and fair view, all the additional information necessary for that purpose has been provided.

## Waivers

(see art. 2423(4) of the Italian Civil Code and art. 2423 bis(1) no. 6 of the Italian Civil Code)

There were no exceptional cases requiring the company to make use of any of the exemptions under article 2423(5) of the Italian Civil Code.

The measurement criteria adopted in preparing the financial statements are as follows.

## Fixed assets

### *Intangible fixed assets*

These are recognised at their historical purchase cost and are shown net of accumulated amortisation, which is directly charged to the individual items.

Industrial patents (software) are amortised over 3 years.

In the event of an impairment loss, regardless of the amortisation already recognised, the fixed asset is written down accordingly. Should the reasons for the write-down no longer apply in the following years, the original value is reinstated adjusted by amortisation only.

#### *Tangible fixed assets*

The Company only holds fixed assets under construction at the reporting date.

These are recognised at purchase cost.

The carrying amount takes into account ancillary charges, less any relevant material trade or cash discounts.

In the event of an impairment loss, regardless of the amortisation already recognised, the fixed asset is written down accordingly. If, in following years, the reasons for the write-down no longer apply, the original value is reinstated adjusted by depreciation only.

#### *Tangible fixed assets*

These are recognised at purchase cost and adjusted by the corresponding accumulated depreciation.

The carrying amount takes into account ancillary charges and costs incurred for using the asset, less any relevant material trade or cash discounts.

The depreciation charges, taken to the profit and loss account, are calculated according to the use, allocation and expected useful life of the assets. The following depreciation rates are believed to reflect the effective useful life of the assets and are unchanged from the previous year. They are halved in the year in which the asset comes into use. The rates applied are:

- Other assets (office and electronic equipment, etc.): 20%.

These are recognised at purchase cost and adjusted by the corresponding accumulated depreciation.

The carrying amount takes into account ancillary charges, less any relevant material trade or cash discounts.

In the event of an impairment loss, regardless of the amortisation already recognised, the fixed asset is written down accordingly. If, in following years, the reasons for the write-down no longer apply, the original value is reinstated adjusted by depreciation only.

## **Receivables**

Receivables are recognised at amortised cost, considering the time value of money. In particular, the opening carrying amount is the nominal amount of the receivable, net of all premiums, discounts, and allowances and inclusive of any costs directly attributable to the

transaction that generated the receivable. The transaction costs, any commission income or expense and any difference between the initial amount and the nominal amount upon maturity are included in the calculation of the amortised cost, using the effective interest method.

The amortised cost and discounting methods are not applied when their effects are irrelevant pursuant to art. 2423(4) of the Italian Civil Code. This is usually the case for current receivables (i.e. those due within one year) or when transaction costs, commissions, and any other difference between the original and recoverable amounts at the due date are insignificant. In this case, receivables are initially recognised at their nominal amount, net of bonuses, discounts, and allowances contractually provided for or, in any case, granted. Transaction costs are recognised under prepayments in section D of balance sheet assets. If needed, a specific bad debt provision is established to cover possible insolvency risks. Its adequacy with respect to the doubtful debt amount is checked periodically and, in any case, at each reporting date, considering existing or probable bad debts and the general economic and sector conditions.

## **Liquid funds**

These are recognised at their nominal amount, whereas bank and postal accounts are recognised at their estimated realisable value which, in this case, is the same as their nominal amount.

## **Payables**

Payables are recognised at amortised cost, considering the time value of money. In particular, the opening carrying amount is the nominal amount of the payable, net of transaction costs and all bonuses, discounts and allowances derived directly from the transaction that generated the payable. The transaction costs, any commission income or expense and any difference between the initial amount and the nominal amount upon maturity are included in the calculation of the amortised cost, using the effective interest method.

The amortised cost and discounting methods are not applied when their effects are irrelevant pursuant to article 2423(4) of the Italian Civil Code. This is usually the case for current payables (i.e. those due within one year) or when transaction costs, commissions and any other difference between the original and recoverable amounts at the due date are insignificant. In this case, payables are initially recognised at their nominal amount, net of bonuses, discounts and allowances contractually provided for or, in any case, granted. Transaction costs are recognised under prepayments in section D of balance sheet assets.

## **Accruals and deferrals**

These are determined on an accrual basis.

For those of a long-term nature, the conditions which led to them being initially recognised have been checked and changes made as needed.

## **Revenue and cost recognition**

Revenues of a financial nature and those deriving from the provision of services are recognised on an accrual basis.

Revenues and income, costs and charges relating to transactions in foreign currency are calculated at the exchange rate ruling on the date the relevant transaction is completed.

Costs for the purchase of materials are recognised upon transfer of title, which generally takes place at the time of delivery or shipment.

Costs of a financial nature and those deriving from the purchasing of services are recognised on an accrual basis.

## **Income taxes**

Taxes are provided for on an accrual basis; therefore, they reflect:

- provisions for taxes paid or to be paid during the period, calculated in accordance with applicable rates and laws;
- the deferred tax assets and liabilities on the temporary differences which arose or were eliminated during the year;
- adjustments to the deferred tax balances to reflect the changes in rates.

Deferred tax assets are recognised when it is reasonably certain that the Company will report a taxable profit in future years against which the temporary differences reverse.

Deferred tax assets and liabilities are calculated at the tax rate that will be applicable in the year in which the temporary differences reverse, in accordance with the tax regulations ruling at the reporting date.

Starting from this year, the Company, as a consolidated entity, has opted to participate in the national tax consolidation scheme—which allows for IRES (corporate income tax) to be calculated using a taxable base corresponding to the total of positive and negative taxable amounts of the individual participating companies—together with TOTO HOLDING S.p.A., which acts as the consolidating parent company. Financial transactions, liabilities and mutual obligations between the consolidating company and the consolidated companies are set out in the Consolidation Regulations for group companies signed on 31 October 2019.

## Workforce

The company has no employees.

**Assets****B) Fixed assets****II. Tangible fixed assets**

Balance at 31/12/2020	Balance at 31/12/2019	Change
13,310,601	12,246,078	1,064,523

Description	Balance at 31/12/2019	Increase of the year	Decrease of the year	Balance at 31/12/2020
Other Assets	0	875	(87)	788
Assets under construction and payments on account	12,246,078	1,063,735		13,309,813
<b>Total</b>	<b>12,246,078</b>	<b>1,064,610</b>	<b>(87)</b>	<b>13,310,601</b>

**Other Assets**

Description	Amount
<b>Balance at 31/12/2019</b>	<b>0</b>
Purchases in the period	875
Amortisation/depreciation in the period	(87)
<b>Balance at 31/12/2020</b>	<b>788</b>

The increase of € 875 for the year consists of the purchase of IT equipment for the construction of the wind farm.

**Assets under construction and payments on account**

Description	Amount
<b>Balance at 31/12/2019</b>	<b>12,246,078</b>
Increases of the year	1,063,735
Decreases	0
Write-downs	
<b>Balance at 31/12/2020</b>	<b>13,309,813</b>

The increase for the year (€ 1,064 thousand) consists of investments made in the wind farm for which the Company holds a Single Authorisation in 2020. The increase includes services provided by other Group companies (€ 113 thousand) for the construction of the wind farm and the capitalisation of financial charges on the loans received (€ 547 thousand).

As already mentioned in the section “Activities carried out and main events during the year”, the wind farms under construction are the subject of a special lien granted to lenders as part of the debenture bond issued.

**III. Financial fixed assets**

Balance at 31/12/2020	Balance at 31/12/2019	Change
84,471	0	84,471

Description	Balance at 31/12/2019	Increase of the year	Decrease of the year	Balance at 31/12/2020
Receivables due from the parent	0	84,471	0	84,471
<b>Total</b>	<b>0</b>	<b>84,471</b>	<b>0</b>	<b>84,471</b>

The increase for the year (€ 84 thousand) consists of receivables from the tax consolidation scheme due from the company Toto Holding S.p.A., acting as the tax consolidating company, and accrued during the settlement of taxes for 2019.

**C) Current assets****II. Receivables**

Balance at 31/12/2020	Balance at 31/12/2019	Change
2,486,340	2,423,907	62,433

Description	Balance at 31/12/2020	Balance at 31/12/2019	Change
Receivables due from the parent	56,642	94,791	(38,149)
Tax receivables	2,373,311	2,284,688	88,623
Receivables for prepaid taxes	54,328	43,710	10,618
Receivables due from others	2,059	718	1,341
<b>Total</b>	<b>2,486,340</b>	<b>2,423,907</b>	<b>62,433</b>

Description	Due within one year	Due between 12 months and 5 years	Due after 5 years	Total
Receivables due from the parent	56,642			56,642
Tax receivables	2,373,311			2,373,311
Receivables for prepaid taxes	54,328			54,328
Receivables due from others	1,470	589		2,059
<b>Total</b>	<b>2,485,751</b>	<b>589</b>	<b>0</b>	<b>2,486,340</b>

The item "Receivables due from the parent" (€ 57 thousand) includes the receivable due from the Toto Holding Company S.p.A. for the economic benefit transferred to the parent resulting from the tax loss recognised as at 31 December 2020 used by the parent to reduce the corresponding taxable income resulting from the tax consolidation under the National Tax Consolidation agreement.

Tax receivables (€ 2,373 thousand) mainly consist of the VAT credit accrued on the reporting date.

Receivables for prepaid taxes (€ 54 thousand) are detailed below:

Description	Balance at 31/12/2020	Balance at 31/12/2019	Change
Prepaid taxes calculated on tax losses	43,710	43,710	0
Prepaid taxes on interest not deducted	10,618	0	10,618
<b>Total</b>	<b>54,328</b>	<b>43,710</b>	<b>10,618</b>

The item includes the receivable for prepaid taxes calculated on the tax losses incurred, calculated using tax rates in force in the tax periods in which they will carry over. The recognition of deferred tax assets is based on the assumption that, based on the estimated future profits, it is reasonably certain that these will be recovered with the future taxable profits generated from operations to the extent set by current law.

The following table shows an analysis of the temporary differences in taxable income that led to the recognition of prepaid taxes, as well as the other information required by art. 2427, no. 14 of the Italian Civil Code.

Description	Balance at 31/12/2020			Balance at 31/12/2019		
IRES-19 Impact	Temporary differences	Prepaid tax receivables	Prepaid taxes	Temporary differences	Prepaid tax receivables	Prepaid taxes
Tax losses not used by the consolidating company	182,127	43,710	0	182,127	43,710	43,710
Realignment from previous years	44,242	10,618	10,618			0
<b>Total</b>	<b>226,369</b>	<b>54,328</b>	<b>10,618</b>	<b>182,127</b>	<b>43,710</b>	<b>43,710</b>

Changes during the year in the item relating to receivables for prepaid taxes are shown below:

Description	Prepaid tax Receivables
<b>balance as at 31/12/2019</b>	<b>43,710</b>
Uses in the year	0
Realignment from previous years	10,618
Provision for tax losses	
<b>balance as at 31/12/2020</b>	<b>54,328</b>

Receivables due from others (€ 2 thousand) include security deposits paid to several authorities to proceed with the requests necessary for the projects.

#### IV. Liquid funds

Balance at 31/12/2020	Balance at 31/12/2019	Changes in the year
48,981,422	87,189	48,894,233

Description	Balance at 31/12/2020	Balance at 31/12/2019	Changes in the period
Bank and postal accounts	48,980,313	86,218	48,894,095
Cash-in-hand and cash equivalents	1,109	971	138
<b>Total</b>	<b>48,981,422</b>	<b>87,189</b>	<b>48,894,233</b>

The balance represents liquid funds and cash equivalents at the reporting date. The increase for the year (€ 48,494 thousand) consists of the collection of the debenture loan issued on 23 December 2020. As previously mentioned in the section “Activities carried out and main events during the year”, the current account balances in the Company's name are subject to a pledge in favour of the bondholders.

## D) Accruals and deferrals

Balance at 31/12/2020	Balance at 31/12/2019	Changes in the year
485,996	2,394	483,602

Description	Balance at 31/12/2020	Balance at 31/12/2019	Changes in the period
Prepayments	485,996	2,394	483,602
<b>Total</b>	<b>485,996</b>	<b>2,394</b>	<b>483,602</b>

This item reflects income and expenses pertaining to previous or future years with respect to the related payment or collection. These are recognised regardless of the date of payment or receipt of the respective income and expenses, which relate to two or more years and can be allocated over time. The increase for the year (€ 483 thousand) consists of the insurance contracts signed in 2020 for the construction of the wind farm.

## Liabilities

### A) Net equity

(see art. 2427(1), nos. 4, 7 and 7-bis of the Italian Civil Code)

Balance at 31/12/2020	Balance at 31/12/2019	Changes in the year
367,386	572,169	(204,783)

Changes in net equity may be analysed as follows.

Description	Share capital	Contributions for future capital increases	Capital contributions	Retained earnings and losses carried forward	Net profit (loss) for the year	Total
<b>Prior year opening balance</b>	<b>40,000</b>	<b>233,149</b>	<b>0</b>	<b>(27,378)</b>	<b>(98,435)</b>	<b>147,336</b>
Allocation of profit (loss) for the year				(98,435)	98,435	0
Payments for future share capital increases			1,350,000			1,350,000
Net profit (loss) for the current year					(925,167)	(925,167)
<b>Prior year closing balance</b>	<b>40,000</b>	<b>233,149</b>	<b>1,350,000</b>	<b>(125,813)</b>	<b>(925,167)</b>	<b>572,169</b>
Allocation of profit (loss) for the year				(925,167)	925,167	0
Rounding				1		1
Net profit (loss) for the current year					(204,784)	(204,784)
<b>Closing balance for the current year</b>	<b>40,000</b>	<b>233,149</b>	<b>1,350,000</b>	<b>(1,050,979)</b>	<b>(204,784)</b>	<b>367,386</b>

The breakdown of the company's net equity changed due to the loss of € 205 thousand for the year. The losses of the previous year (€ 925 thousand) are outlined below pursuant to the resolution passed by the shareholders' meeting on 25 June 2020.

The share capital is broken down as follows (art. 2427(1), nos. 17 and 18 of the Italian Civil Code).

Shares/Quotas	No.	Nominal amount in euros
Quotas	1	40,000
<b>Total</b>	<b>1</b>	

Net equity items are broken down as follows by origin, possible use, distribution, and use in the previous three years.

Type / Description	Amount	Possible use (*)	Available portion	Use in the past 3 years for other reasons
Capital	40,000			
Contributions for future capital increases	233,149	A, B, C	233,149	
Capital contributions	1,350,000	A, B, C	1,350,000	
<b>Total</b>	<b>273,149</b>		<b>1,583,149</b>	-
Non-distributable amount			1,255,763	
Residual distributable amount			327,386	

(\*) A: for capital increase; B: to cover losses; C: dividends to shareholders

**D) Payables**

Balance at 31/12/2020	Balance at 31/12/2019	Change
64,980,846	14,187,399	50,793,447

Description	Balance at 31/12/2020	Balance at 31/12/2019	Change
Bonds	47,003,883	0	47,003,883
Amounts due to shareholders for loans	15,171,069	12,294,855	2,876,214
Amounts owed to credit institutions	147	0	147
Trade payables	2,611,159	130,109	2,481,050
Payables to parents	169,484	177,753	(8,269)
Payables to subsidiaries of parents	0	1,584,500	(1,584,500)
Tax payables	24,926	182	24,744
Social security charges payable	3	0	3
Other payables	175	0	175
<b>Total</b>	<b>64,980,846</b>	<b>14,187,399</b>	<b>50,793,447</b>

Payables are measured at their nominal amount and are broken down as follows:

Description	Due within one year	Due between 12 months and 5 years	Due after 5 years	Total
Bonds	50,751	5,200,581	41,752,551	47,003,883
Amounts due to shareholders for loans	15,171,069			15,171,069
Amounts owed to credit institutions	147			147
Trade payables	2,611,159			2,611,159
Payables to parents	169,484			169,484
Payables to subsidiaries of parents	0			0
Tax payables	24,926			24,926
Social security charges payable	3			3
Other payables	175			175
<b>Total</b>	<b>18,027,714</b>	<b>5,200,581</b>	<b>41,752,551</b>	<b>64,980,846</b>

The item “Bonds” (€ 47,004 thousand) includes the payable due to the bondholders that subscribed the loan issued on 23 December 2020, as outlined in the section “Activities carried out and main events during the year”. The payable includes interest accrued on 31 December 2020 (€ 51 thousand) to be paid in 2021.

The item “Payables due to shareholders for loans” (€ 15,171 thousand) consists of loans granted by the shareholder in accordance with the intercompany current account contract that provides for the accrual of interest equal to the Euribor plus a margin determined at market conditions.

The item “Trade payables” (€ 2,611 thousand) comprises payables for goods and services purchased during the year for normal business activities. The increase for the year (€ 2,481 thousand) mainly consists of services received from partners for the issue of the debenture loan.

Payables due to parents (€ 169 thousand) consist of trade items that are broken down as follows:

- € 44 thousand to the parent Toto Holding S.p.A.;
- € 125 thousand to the parent Renexia S.p.A.

Payables due to subsidiaries of parents total € 0. The reduction for the year mainly consists of the repayment of the loan granted by the affiliated company Renexia Service S.r.l.

The breakdown of payables as at 31 December 2020 by geographical area in accordance with art. 2427(1), no. 6 of the Italian Civil Code is shown below:

Payables by geographical area	Payables to shareholders for loans	Bonds	Bank loans and borrowings	Trade payables	Payables to parents	Tax payables	Social security charges payable	Other payables	Total
Italy	15,171,069		147	2,611,159	169,484	24,926	3	175	17,976,963
EU		32,432,679							32,432,679
Non-EU		14,571,204							14,571,204
<b>Total</b>	<b>15,171,069</b>	<b>47,003,883</b>	<b>147</b>	<b>2,611,159</b>	<b>169,484</b>	<b>24,926</b>	<b>3</b>	<b>175</b>	<b>64,980,846</b>

## E) Accruals and deferrals

Accrued expenses totalled € 598 euros as at 31 December 2020. The balance includes the fee to be paid to Borsa Italiana for listing the bond.

These are adjusting entries for the year calculated on an accrual basis. The balance as at 31 December 2020 mainly includes deferrals concerning premiums on insurance policies and deferred income related to the pre-amortisation of the loan for the purchase of a milling machine (€ 604 thousand).

## Profit and loss account

### A) Production revenues

Balance at 31/12/2020	Balance at 31/12/2019	Change
565,239	2,073,003	(1,507,764)

Description	Balance at 31/12/2020	Balance at 31/12/2019	Change
Turnover from sales and services	0	9,503,091	(9,503,091)
Contract work in progress	0	(7,711,360)	7,711,360
Internal work capitalised	546,945	281,272	265,673
Other revenues and income	18,294	0	18,294
<b>Total</b>	<b>565,239</b>	<b>2,073,003</b>	<b>(1,507,764)</b>

The value of production (€ 565 thousand) is mainly comprised of the capitalisation of financial charges on tangible assets under construction, consisting of interest expense recorded with the parent and the bondholders in relation to loans received for the construction of the wind farm (€ 546 thousand).

## B) Production costs

Balance at 31/12/2020	Balance at 31/12/2019	Change
66,604	2,649,099	(2,582,495)

Description	Balance at 31/12/2020	Balance at 31/12/2019	Change
Raw materials, auxiliaries, and consumables	0	646	(646)
Services	56,280	2,640,801	(2,584,521)
Use of third-party assets	7,227	4,400	2,827
Amortisation/depreciation and write-downs	88	1,083	(995)
Other provisions	0	0	0
Other operating charges	3,009	2,169	840
<b>Total</b>	<b>66,604</b>	<b>2,649,099</b>	<b>(2,582,495)</b>

The main costs consist of service costs (€ 56 thousand), which basically consist of operational and administration expenses of the Company, and ancillary expenses (guarantees and insurance) linked to the construction of the wind farm.

## C) Financial income and charges

Balance at 31/12/2020	Balance at 31/12/2019	Change
(735,564)	(482,690)	(252,874)

Description	Balance at 31/12/2020	Balance at 31/12/2019	Change
Other income from previous owners	1	0	1
(Interest and financial charges from parents)	(499,687)	(281,272)	(218,415)
(Interest and financial charges from companies subject to the control of the parent)	(162,633)	(200,562)	37,929
(Other interest and financial charges)	(73,245)	(856)	(72,389)
<b>Total</b>	<b>(735,564)</b>	<b>(482,690)</b>	<b>(252,874)</b>

The main financial charges include:

- interest expense recorded during the year in relation to the parent Renexia Pech S.p.A. based on the intercompany current account contract that provides for the accrual of interest according to the Euribor plus a margin determined at market conditions (€ 493 thousand);
- interest expense recorded during the year in relation to the subsidiary Renexia Services S.r.l. based on the intercompany current account contract that provides for the accrual of interest according to the Euribor plus a margin determined at market conditions (€ 163 thousand).

## Income taxes for the year

Balance at 31/12/2020	Balance at 31/12/2019	Change
(32,145)	(133,619)	101,474

The items are detailed below:

Description	Balance at 31/12/2020	Balance at 31/12/2019	Change
<b>Current taxes:</b>	<b>24,795</b>	<b>0</b>	<b>24,795</b>
IRES (corporate income tax)	0	0	0
IRAP (regional tax on production)	24,795	0	24,795
<b>Deferred (prepaid) taxes</b>	<b>0</b>	<b>(39,036)</b>	<b>39,036</b>
IRES	0	(39,036)	39,036
IRAP	0	0	0
<b>Prior year taxes</b>	<b>(298)</b>	<b>208</b>	<b>(506)</b>
<b>Expense (income) - tax consolidation scheme</b>	<b>(56,642)</b>	<b>(94,791)</b>	<b>38,149</b>
<b>Total</b>	<b>(32,145)</b>	<b>(133,619)</b>	<b>101,474</b>

The Company posted a negative tax base for IRES purposes. Having opted to participate in the Group tax consolidation scheme, its negative tax base was transferred to the consolidating company Toto Holding S.p.A., thus generating an income resulting from the tax consolidation scheme (€ 57 thousand).

Current taxes include IRAP for the year totalling € 25 thousand.

Below is the reconciliation between the tax charge in the financial statements and the theoretical tax charge (IRES):

### Reconciliation between the tax charge shown in the financial statements and the theoretical tax charge (IRES)

Description	Balance at 31/12/2020	Taxes
Profit (loss) before taxes	(236,929)	
<b>Theoretical tax charge (%)</b>	<b>24.0%</b>	<b>(56,863)</b>
Interest expense	584,714	
Other increases	920	
<b>Effective taxable income</b>	<b>348,705</b>	
	<b>24.00%</b>	<b>83,689</b>
Tax losses used by the Group	(236,008)	
<b>Income from the tax consolidation scheme</b>	<b>24.00%</b>	<b>(56,642)</b>
Losses not used by the Group	584,713	
<b>Prepaid taxes calculated on tax losses in 2020</b>	<b>24.00%</b>	<b>140,331</b>

### Calculation of IRAP (regional tax on production) tax base

Description	Balance at 31/12/2020	Taxes
Difference between value and costs of production	498,636	
Costs not relevant for IRAP purposes		
<b>Total</b>	<b>498,636</b>	
<i>Theoretical tax charge (4.97% rate)</i>		<i>24,782</i>
Other costs relevant for IRAP purposes	1,231	
Revenues not relevant for IRAP purposes		
Other decreases	(982)	
Additional deduction	(8,000)	
IRAP tax base	490,885	
<b>IRAP (regional tax on production)</b>	<b>4.97%</b>	<b>24,397</b>

## Other information

### Off-balance sheet commitments, guarantees and contingent liabilities

The company issued no guarantees pursuant to article 2427(9) of the Italian Civil Code.

### Revenue or cost components of a significant amount or unusual impact

Pursuant to art. 2427, point 13 of the Italian Civil Code, no such components were recognised during the year.

### Information about government grants received

In accordance with arts. 1(125) to 1(129) of Law no. 124/2017 (subsequently redrafted by article 35 of Decree-Law no. 34/2019), please note that the Company did not receive any government grants in 2019.

### Directors' and statutory auditors' fees

The fees paid to the directors pursuant to art. 2427, point 16 of the Italian Civil Code are listed below.

Position	Fee
Sole director	€ 5,000
Statutory auditor	€ 6,000

### Information on related party transactions

(see art. 2427(1) no. 22-bis, Italian Civil Code)

All related-party transactions were carried out at normal market conditions.

### Transactions with group companies

Company	Payments on account	Financial receivables	Receivables for the tax consolidation scheme	Financial payables	Trade payables
<b>Parent companies</b>					
Toto Holding S.p.A.		84,471	56,642		44,391
Renexia S.p.A.					125,093
Renexia Pech S.p.A.				15,171,069	
<b>Related companies</b>					
Infraengineering S.r.l.					0
Renexia Services S.r.l.	10,954,320			0	
<b>Total</b>	<b>10,954,320</b>	<b>84,471</b>	<b>56,642</b>	<b>15,171,069</b>	<b>169,484</b>

Company	Costs	Financial charges
<b>Parent companies</b>		
Toto Holding S.p.A.	36,851	6,473
Renexia S.p.A.	112,616	
Renexia Pech S.p.A.		493,214
<b>Related companies</b>		
Infraengineering S.r.l.		
Renexia Services S.r.l.		162,633
<b>Total</b>	<b>149,467</b>	<b>662,320</b>

Transactions with companies of the TOTO Group of a financial and commercial nature took place under normal market conditions and do not include atypical and/or unusual transactions.

### Information on the fair value of derivatives

(see art. 2427-bis(1), no. 1 of the Italian Civil Code)

The Company does not have any derivatives.

### Financial instruments issued by the Company

(see art. 2427(1) nos. 18 and 19 of the Italian Civil Code)

Pursuant to art. 2427(1), nos. 18 and 19 of the Italian Civil Code, Parco Eolico Casalduni House S.r.l. issued a debenture loan towards institutional investors for a principal totalling € 49.1 million. The debenture loan comprises dematerialised securities listed on the ExtraMot Pro trading facility managed by Borsa Italian S.p.A. Bonds were issued at a price equal to 100% of their nominal amount. The securities comprising the debenture loan will be redeemed as from 31 December 2022 with an initial amount totalling € 786 thousand and subsequent half-year repayments (maturing on 31 December and 30 June) for varying amounts until 30 June 2029. The remaining balance (€ 35.5 million) will be paid in one tranche on 31 December 2029. The securities will pay coupons at a 4.95% yearly rate for 75% of the total, while the remaining 25% is paid at a rate that is equivalent to the six-month Euribor (with a 0% floor), plus a margin of 4.75%. Interest is payable in arrears on a half-yearly basis starting from 31 June 2021. The debenture loan was issued in one tranche on 24 December 2020.

### Off-balance sheet arrangements

(see art. 2427(1), no. 22-ter of the Italian Civil Code)

The Company has no off-balance sheet arrangements.

---

## **Proposed allocation of the net profit or cover of the net loss**

We propose to the shareholder's meeting to allocate the loss of € 204,784 to the following year.

As required by law, this document will be filed under the double filing mechanism. These notes to the financial statements will thus be prepared using the so-called "XBRL taxonomy" to enable digital processing (as required by the Register of Companies managed by the Chambers of Commerce in compliance with art. 5(4) of Prime Ministerial Decree no. 304 of 10 December 2008). The double filing mechanism is necessary since the notes to the financial statements prepared under the "XBRL taxonomy" are not sufficient to present the company's position in accordance with the principles of clarity, fairness and truthfulness as set forth under art. 2423 of the Italian Civil Code.

These financial statements, consisting of the Balance Sheet, Profit and Loss Account and Explanatory Notes, give a true and fair representation of the assets and liabilities and of the financial position for the year and are consistent with the accounting records.

Thank you for your trust and I invite you to approve the financial statements as they are presented.

**Chieti, 21 June 2021**

**Sole director**

**Paolo Toto**

**(Page intentionally left blank)**



**INDEPENDENT AUDITOR'S REPORT**

**PARCO EOLICO CASALDUNI HOUSE SRL**

**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020**



## ***Independent auditor's report***

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010*

To the quotaholder of Parco Eolico Casalduni House Srl

---

### ***Report on the Audit of the Financial Statements***

---

#### ***Opinion***

We have audited the financial statements of Parco Eolico Casalduni House Srl (the Company), which comprise the balance sheet as of 31 December 2020, the income statement for the year then ended and related notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2020, and of the result of its operations for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

#### ***Basis for Opinion***

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 Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements***

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the

---

#### ***PricewaterhouseCoopers SpA***

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311



Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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 the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;
- We obtained 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 Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' 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 Company'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 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 Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated 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 identified during our audit.



Pescara, 13 July 2021

PricewaterhouseCoopers SpA

*Signed by*

Stefano Amicone  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report.*