



## *Half-yearly financial report as at 30 June 2022*

**PLC S.p.A.**

*Registered office in Milan - Via Lanzone, 31*

*Share capital fully paid-up Euro 27,026,480.35*

*Tax code and VAT number 05346630964*



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## 1 GENERAL INFORMATION



## 1.1 CORPORATE BODIES

### BOARD OF DIRECTORS<sup>1</sup>

Francesco Esposito	- Chairman
Diego Percopo (***)	- Managing Director
Chiara Esposito	- Director
Andrea Sassi (***)	- Director
Claudia Crivelli (*) (**)	- Independent Director
Marina D'Artibale (*) (**)	- Independent Director
Graziano Gianmichele Visentin (*) (**)	- Independent Director

### BOARD OF STATUTORY AUDITORS<sup>2</sup>

Massimo Invernizzi	- Chairman
Claudio Sottoriva	- Standing auditor
Maria Francesca Talamonti	- Standing auditor

### INDEPENDENT AUDITORS<sup>3</sup>

EY S.p.A.  
Via Meravigli, 12  
20123 Milan

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<sup>1</sup> appointed by the Shareholders' Meeting of 30 April 2021

<sup>2</sup> appointed by the Shareholders' Meeting of 30 June 2021

<sup>3</sup> appointed by the Shareholders' Meeting of 23 June 2015

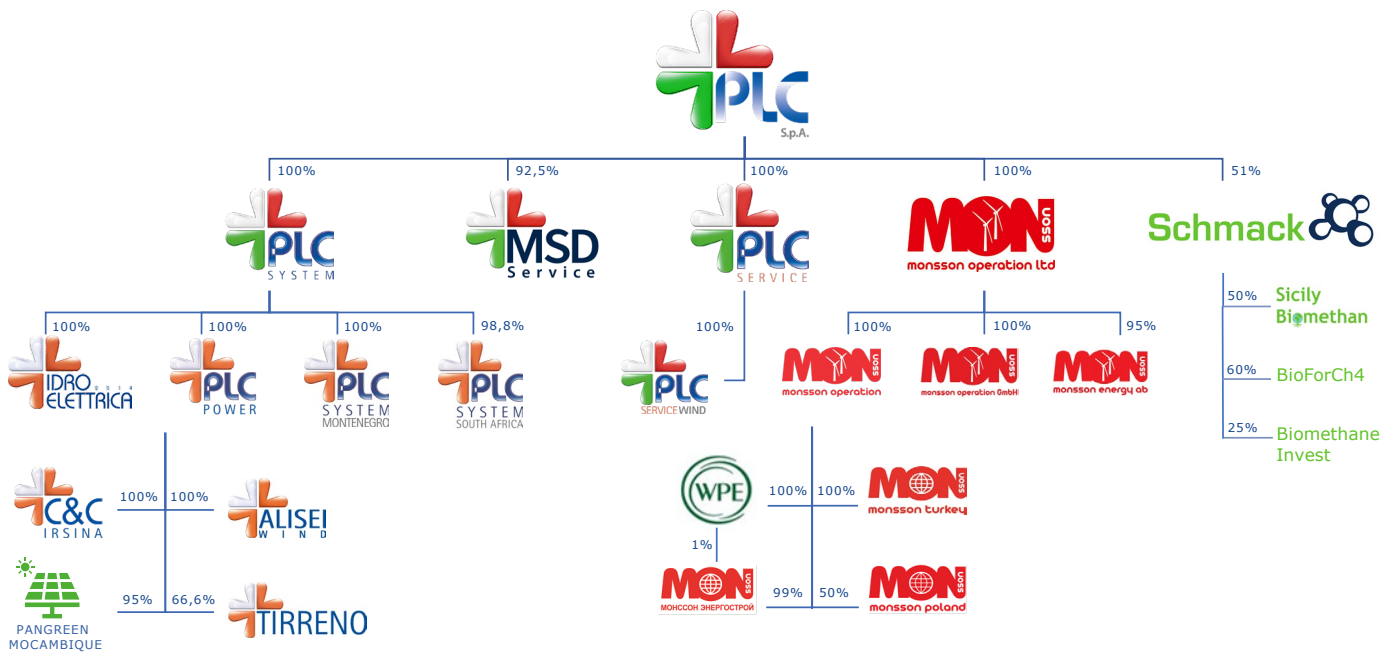
(\*) members of the Control, Risks and Sustainability Committee

(\*\*) members of the Appointments, Remuneration and Stock Option Plans Committee

(\*\*\*) appointed via co-option by the Board of Directors on 23 June 2022



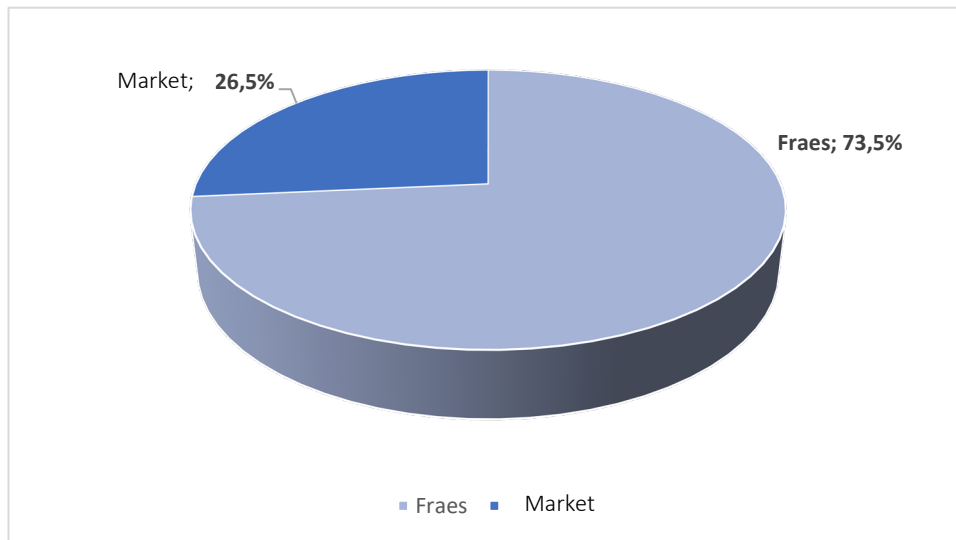
## 1.2 OWNERSHIP STRUCTURE OF THE PLC GROUP





### 1.3 SHAREHOLDERS

The situation regarding the shareholding structure of PLC S.p.A. (“**Company**” or “**Parent Company**” or “**Issuer**”) at the date of approval of the Half-Yearly Financial Report at 30 June 2022 is as follows<sup>4</sup>. 73.5% is held by FRAES S.r.l. and the remaining 26.5% is floating on the market.



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<sup>4</sup> Source: Corporate and Consob data.



## 2 PLC GROUP MANAGEMENT REPORT



## 2.1 ANALYSIS OF THE OPERATING PERFORMANCE AND OUTLOOK

The PLC Group operates in the renewable energies market with particular reference to the photovoltaic, wind, biomethane and biogas sectors, as well as high and medium voltage electricity infrastructures serving renewable energy plants in which it carries out engineering, procurement, construction of new electricity infrastructures and new power generation plants (“Construction Segment”), as well as testing, monitoring, installation, assembly and ordinary and extraordinary maintenance of electricity infrastructures, wind turbines, wind and photovoltaic farms, biogas and biomethane power plants (“Services Segment”).

### The market context

The first half of 2022 was characterised by a particularly unfavourable global scenario, burdened not only by the continuing pandemic, but also by the geopolitical crisis generated by the Russia-Ukraine conflict.

After witnessing a gradual recovery of economic growth in the second half of 2021, in the early months of 2022, factors such as the significant rise in market prices of gas, coal and electricity, the consequent increase in inflation across the entire commodities and materials sector, as well as the tightening of monetary policies with sharply rising interest rates, significantly impacted supply and production chains, leading to a revision of the macroeconomic scenario.

Nonetheless, the renewable energy sector remains a booming market as an essential element in achieving the European bloc’s energy transition and energy independence goals. The context of policies and instruments made available to foster the development of innovative renewable technologies, both at European and national level, demonstrate the strategic nature of the sector.

In the immediate future, however, the unstable political situation both nationally and globally has inevitably led to a slowdown in regulatory developments, with reference to both traditional renewables and biogas and biomethane, where the lack of implementing decrees has generated a wait-and-see attitude by the investors. There are also well-known issues related to the authorisation environment concerning difficulties in governance, local authority competencies and structural problems, which have a direct impact on the development of new initiatives.

### PLC group

The results of the PLC Group, in the first half of 2022, with revenues of €30,724 thousand, negative EBITDA of €2,891 thousand and an overall loss for the period of €4,041 thousand, were negatively impacted by the effects of the macroeconomic scenario on the supply chain, with impacts mainly on the Construction Segment (with an impact mainly concentrated on some PLC System orders). The increase in the cost of raw materials,



and consequently of the main supplies, together with a lengthening of procurement times, caused both an increase in production costs and a delay in the execution of works, with a consequent increase in construction costs, which can only partly be charged back to the end customers. The backlog review of some projects in the portfolio therefore resulted in a significant decrease in whole-life margins with a consequent effect on the Group's economic results.

As for the variance from the same period of the previous year, it must also be considered that the Development Segment had contributed a capital gain of €3,797 thousand from the sale of C&C Tre Energy S.r.l., which was realised in the first half of 2021.

On the other hand, the Services Segment confirmed its growth trend in the Italian O&M sector in 2022, both in traditional renewables and in biogas and biomethane, confirming its greater stability with respect to external exogenous factors. The figures for the Monsson Operation Perimeter, on the other hand, were affected by a still sub-optimal performance of the E&I component resulting from prolonged stand-by periods of direct personnel due to both the adverse weather conditions in the early months of the year and the incomplete finalisation of the customer base expansion process, thus generating volumes that were still below the set targets.

The negative economic results recorded in the half-year, including non-monetary items, did not have any effect on the Group's financial position at this time; the net financial position improved from €(2,795) thousand at 31 December 2021 to €(1,859) thousand at 30 June 2022.

### **Business outlook**

Also for the second half of the year, an extremely uncertain and volatile macroeconomic environment is expected, still characterised by difficulties in the procurement of raw materials, resulting in a further increase in the price of electricity and significant inflationary pressure. Considering the adverse environment, as well as the negative impacts already recorded, the Board of Directors revised the closing economic forecasts for the financial year 2022 with expected values significantly lower than the previously communicated 2022 guidance. The negative results of the first half-year are, however, limited to some Group companies, with reference to plant construction activities. The reasons that contributed to the shaping of these results also appear to be of a transitory and exceptional nature, just as the effects of the penalising regulatory environment are expected to be temporary. Therefore, there are no critical issues regarding the Group's outlook, also in consideration of the fact that the renewable energy and electricity infrastructure market is confirmed to be booming, as an essential driver to achieve the energy transition and the targets set by the European Union, aimed at pursuing climate objectives and greater energy independence and security. In this sense, the regulatory context can



only prove favourable for the development of renewable energy sources, and thus for the environment in which the company operates.

Considering the results of the first half of 2022, and in order to take into account the external context characterised by elements of uncertainty and volatility, but with a greatly expanding reference market, the Board of Directors also decided to prepare a new business plan.

### **Construction Segment**

The PLC Group carries out **Engineering, Procurement and Construction (EPC)** activities mainly through PLC System S.r.l., which acts as a *general contractor* in the construction of renewable energy power plants, as well as electricity infrastructure, and Schmack Biogas S.r.l., which carries out the same activities in the biogas and biomethane sector. The PLC Group is also involved in the construction of highly specialised industrial plants and, by “Special Purpose Vehicles” (SPVs), in the construction of “turnkey” plants for the production of electricity from renewable sources, with the aim of transferring, through the sale of SPVs, its assets to investors, utilities, or Independent Power Producers according to the **Built, Operate and Transfer (BOT)** model. The half-year figures of the Construction Segment were affected, as mentioned above, by a significant increase in whole-life costs recorded on certain orders of PLC System S.r.l. relating to the construction of wind farms, which, being only partly chargeable back to the final customers, generated a negative economic impact. On the other hand, the other orders, mainly related to the construction of substations, show margins in line with expectations. The increase in raw material costs, coupled with regulatory uncertainty, also led to a slowdown in the process of acquiring and launching new orders, which nonetheless saw, in the first half of 2022, the contracting of four projects for the construction of substations, with an increase in the order backlog of about €7,000 thousand. The limited nature of the events that negatively affected the 2022 financial year, together with the transitional nature of the regulatory environment (the biogas and biomethane implementing decree was published on 16 September 2022 and the RES Decree 2 is currently being approved) and the favourable market for renewables, nevertheless point to a gradual recovery of the Construction Segment.

### **Development Segment**

The PLC Group, through its subsidiary PLC Power S.r.l. and through special-purpose vehicles (SPVs), carries out the development of new plants for energy production from renewable sources, until authorisations are obtained, to be offered to the market according to the BOT business model, while maintaining, in-house, both the implementation of the Balance of Plant of the plants themselves and the subsequent management and operation through multi-year service contracts. In this way, with a modest increase in its risk profile, the PLC



Group has integrated the typical EPC value chain downstream, directly entering the end investor market and maximising the value of its expertise.

These activities contribute to the constitution of the so-called 'pipeline' of new plants, which currently highlights the following projects at various stages of permitting progress as major assets in the wind and photovoltaic sectors:

- a 16 MW wind power plant in the Basilicata region;
- a 15 MWp photovoltaic plant in the Sicily region;
- two wind power plants totalling 120 MW in the Campania region.

After 30 June 2022, there is also an important pathway for the development of photovoltaic plants based on the new provisions of DL 17/2022 (Energy Decree Law) concerning the 'solar belt' with the short-term goal of rebalancing the pipeline between the two technologies, wind and photovoltaics.

Regarding development in the biogas and biomethane sector, the Group has four 500 Sm<sup>3</sup>/h anaerobic digestion plants, again at various stages of permitting.

However, the PLC Group remains committed to expanding its project pipeline, paying attention to both greenfield and brownfield initiatives. It should be noted, in fact, that there is an increasing interest on the part of the market in the development of new initiatives in line with the energy transition process, which, with reference to the Italian market alone, according to the agenda of the Ministry of Energy Transition envisages the installation by 2030 of 12 GW of new wind power plants and 41 GW of new photovoltaic plants.

### **Services Segment**

The PLC Group offers a wide range of services in the field of renewable energy sources in the wind, photovoltaic, and biogas and biomethane sectors, as well as high and medium voltage electrical infrastructures serving RES plants, through PLC Service S.r.l., PLC Service Wind S.r.l., Schmack Biogas S.r.l. and the companies belonging to the Monsson Operation Perimeter.

As an **Operation & Maintenance (O&M)** provider, the PLC Group provides periodic monitoring of the plants to ensure their maximum efficiency and oversees their 'full service' or 'customised' maintenance, both ordinary and extraordinary as well as predictive. An extensive range of services is offered and differs according to the type of end customer. To guarantee performance levels, the plants are monitored 24 hours a day by special control rooms and the end customer is informed monthly about the performance of the plants through special reports. In particular, there are currently two control rooms, one at the Acerra (NA) site, for the coverage of the national market, and one at the Romanian site in Constanta, for covering the other European markets, where the PLC Group offers its maintenance activities. The main logistical centres through which the service activities are provided are in Italy in Acerra (NA), San Pietro Vernotico (BR), Lentini (SR), Borgo Montello (LT),



Monreale (PA), Castel di Iudica (CT), Bolzano and Verona, and abroad in Constanta (Romania). In line with the digitisation 4.0 strategy, a dedicated division that will take the PLC Group into the new area of maintenance through augmented and virtual reality systems has been created.

The PLC Group also carries out the assembly and installation of wind turbines (**Erection & Installation - E&I**).

The Services Segment contributed positively to the consolidated results, even in an unfavourable market environment and despite the persistence of critical issues related to the Monsson Operation Perimeter, that have not yet been definitively resolved.

The Services Segment therefore confirms the capacity of its recurring component to generate positive results capable of stabilising overall profitability, guaranteeing the objectives set and creating value for the Group, while ensuring adequate capital strengthening.

The forecasts for the second half of the year remain positive with regard to the Italian Perimeter, while the targets for the Monsson Perimeter have been further revised downwards to take into account, among other things, the actual figures recorded in the first half of the year.

### **Trading Segment**

During the first half of 2022, the PLC Group continued its activities in the field of dispatching services and trading of electricity from renewable sources through its subsidiary MSD Service S.r.l., which currently operates only one plant but plays an increasingly strategic role in disseminating knowledge within the Group of the new trends in the electricity market, with the aim of developing and expanding the range of services offered.

## **2.2 SIGNIFICANT EVENTS OCCURRING AFTER 30 JUNE 2022**

### ***Effectiveness of the intra-group demergers of PLC System S.r.l. and PLC Service S.r.l.***

On 14 July 2022, the deeds of partial demerger of PLC Service S.r.l. and PLC System S.r.l. were signed in favour of the parent company PLC S.p.A. (the 'Beneficiary' or the 'Company'). As a result of the above deeds of demerger, the share representing the entire share capital of PLC Service Wind S.r.l. held by PLC Service S.r.l. and the share representing the entire share capital of PLC Power S.r.l. held by PLC System S.r.l. were assigned to the Beneficiary. The demergers are part of the broader framework of corporate reorganisation aimed at a better and more coherent segregation of the various business segments of the corporate group subject to management and coordination by the Company. Demergers have no effect at the consolidated level.



#### ***Idroelettrica 2014 S.r.l.***

On 15 September 2022, the hydroelectric plant owned by the subsidiary Idroelettrica 2014 S.r.l., located in the Brotano district in the municipality of Pergola (PU) and San Lorenzo in Campo (PU), suffered extensive damage due to the rainstorm that affected the Marche region, causing the Cesano River to flood. The relevant local authorities were promptly alerted and a claim was opened with the insurance company that covers the plant from damage caused by such external phenomena. Expert appraisal operations are currently under way to quantify the damage caused by the natural phenomenon needed for the subsequent definition of the compensation due. It is hoped that the power plant will be back in operation by the end of the year; in this regard, it should be noted that the insurance policy provides, among other things, coverage for business interruption for six months to cover the loss of production during the plant's downtime.

#### ***Information on the Impacts of Coronavirus (Covid-19)***

There are currently several risk factors at play, arising from Covid-19 and related to new variants of the virus. In the first half of 2022, the PLC Group continued to constantly monitor the health emergency due to the continuous evolution of the phenomenon and the possible effects in terms of (i) evolution of the reference regulatory frameworks, (ii) management of relations with customers and partners, (iii) management of active and passive contracts (specific clauses were introduced, where possible, to mitigate the possible negative effects of the pandemic) and (iv) impacts on project execution activities and performance levels. In addition, the PLC Group continued to take all necessary measures to ensure the health of its employees on the one hand and business continuity on the other.

#### ***Information on the impact of the war in Ukraine on the market environment and on the economic, equity and financial results of the PLC Group***

The protracted war in Ukraine, which started in February 2022, has led to severe economic consequences in all industries, impacting the global economy. Although the PLC Group does not have significant direct exposure to the affected markets, as described above, the first half of 2022 was nevertheless significantly impacted by indirect supply chain effects. Looking ahead, one cannot exclude possible further negative consequences resulting from the development of the conflict between Russia and Ukraine, with as yet unforeseeable effects on business.



## 2.3 ANALYSIS OF THE ECONOMIC, EQUITY AND FINANCIAL RESULTS OF THE GROUP AT 30 JUNE 2022

### RECLASSIFIED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	01.01.2022 30.06.2022	01.01.2021 30.06.2021
<b>Revenues from ordinary operations</b>	<b>29.770</b>	<b>27.360</b>
Other operating revenues	954	4.514
<b>Total revenue</b>	<b>30.724</b>	<b>31.874</b>
Operating costs	(31.212)	(26.103)
Other operating costs	(2.403)	(2.325)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>(2.891)</b>	<b>3.446</b>
Amortisation, depreciation and write-downs	(1.689)	(1.381)
<b>OPERATING RESULT (EBIT)</b>	<b>(4.580)</b>	<b>2.065</b>
Net financial income (charges)	(136)	(292)
Income from (Charges on) equity investments	(6)	1
Income taxes	287	(441)
<b>Profit (loss) for the period from continuing operations</b>	<b>(4.435)</b>	<b>1.333</b>
Profit (loss) for the period from discontinued operations	-	-
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>(4.435)</b>	<b>1.333</b>
Total other components of comprehensive income	394	218
<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>(4.041)</b>	<b>1.551</b>

The consolidated financial results at 30 June 2022, compared to the comparative period, were significantly impacted by the negative effects of the macroeconomic scenario on the supply chain, with particular impact on the Construction Segment, and the non-contribution of the Development Segment to which, in 2021, the capital gain of €3,797 thousand from the sale of C&C Tre Energy S.r.l. contributed.

The Services Segment confirmed its growth trend, despite the still negative contribution of the Monsson Operation Perimeter caused by a still sub-optimal performance of the E&I segment.

Revenues as at 30 June 2022 amounted to a total of €30,724 thousand, while EBITDA was negative for €2,891 thousand.

The statement of comprehensive income, negative for €4,041 thousand, also includes the partial write-down of goodwill related to the Monsson Operation Perimeter for €239 thousand, resulting from the impairment test performed at 30 June 2022.

The breakdown of EBITDA by operating segment is shown below.



RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	Construction	Services	Holding	Trading	Other	01.01.2022 30.06.2022
<b>Revenues from ordinary operations</b>	<b>11.060</b>	<b>15.080</b>	-	<b>3.630</b>	-	<b>29.770</b>
Other operating revenues	325	520	109	-	-	954
<b>Total revenue</b>	<b>11.385</b>	<b>15.600</b>	<b>109</b>	<b>3.630</b>	-	<b>30.724</b>
Operating costs	(12.175)	(13.768)	(1.655)	(3.614)	-	(31.212)
Other operating costs	(1.219)	(1.100)	(83)	(2)	-	(2.403)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>(2.009)</b>	<b>733</b>	<b>(1.629)</b>	<b>14</b>	-	<b>(2.891)</b>
<b>EBITDA %</b>	<b>n.a.</b>	<b>5%</b>	<b>n.a.</b>	<b>0%</b>	-	<b>n.a.</b>

Figures are shown net of intra-group balances

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	Construction	Services	Holding	Trading	Other	01.01.2021 30.06.2021
<b>Revenues from ordinary operations</b>	<b>10.944</b>	<b>15.419</b>	-	<b>997</b>	-	<b>27.360</b>
Other operating revenues	4.129	385	-	-	-	4.514
<b>Total revenue</b>	<b>15.073</b>	<b>15.804</b>	-	<b>997</b>	-	<b>31.874</b>
Operating costs	(10.578)	(12.899)	(1.644)	(982)	-	(26.103)
Other operating costs	(263)	(2.026)	(36)	-	-	(2.325)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>4.232</b>	<b>879</b>	<b>(1.680)</b>	<b>15</b>	-	<b>3.446</b>
<b>EBITDA %</b>	<b>28%</b>	<b>6%</b>	<b>n.a.</b>	<b>2%</b>	-	<b>11%</b>

Figures are shown net of intra-group balances

### Construction Segment

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	01.01.2022 30.06.2022	01.01.2021 30.06.2021
<b>Revenues from ordinary operations</b>	<b>11.060</b>	<b>10.944</b>
Other operating revenues	325	4.129
<b>Total revenue</b>	<b>11.385</b>	<b>15.073</b>
Operating costs	(12.175)	(10.578)
Other operating costs	(1.219)	(263)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>(2.009)</b>	<b>4.232</b>

Figures are shown net of intra-group balances

Excluding the effects of the economic environment, estimated at about €3,000 thousand, and the acyclical contribution of the Development Segment, which in 2021 contributed about €3,800 thousand to EBITDA, even considering the delayed start-up of some projects, the Segment would have achieved results substantially in line with the comparative period. Schmack's return to a positive contribution (already recorded in the second half of 2021) is noted due to the acquisition and realisation of the San Rocco, Marsala, Geer and other minor orders.



### Construction - Breakdown by perimeter

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	PLC System S.r.l. (*)	Schmack Biogas S.r.l.	01.01.2022 30.06.2022
<b>Revenues from ordinary operations</b>	<b>6.537</b>	<b>4.523</b>	<b>11.060</b>
Other operating revenues	270	55	325
<b>Total revenue</b>	<b>6.807</b>	<b>4.578</b>	<b>11.385</b>
Operating costs	(8.054)	(4.121)	(12.175)
Other operating costs	(1.177)	(42)	(1.219)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>(2.424)</b>	<b>415</b>	<b>(2.009)</b>
<b>EBITDA %</b>	<b>n.a.</b>	<b>9%</b>	<b>n.a.</b>

(\*) PLC System S.r.l. together with its subsidiaries

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	PLC System S.r.l. (*)	Schmack Biogas S.r.l.	01.01.2021 30.06.2021
<b>Revenues from ordinary operations</b>	<b>8.980</b>	<b>1.964</b>	<b>10.944</b>
Other operating revenues	4.072	57	4.129
<b>Total revenue</b>	<b>13.052</b>	<b>2.021</b>	<b>15.073</b>
Operating costs	(8.159)	(2.419)	(10.578)
Other operating costs	(174)	(89)	(263)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>4.719</b>	<b>(487)</b>	<b>4.232</b>
<b>EBITDA %</b>	<b>36%</b>	<b>n.a.</b>	<b>28%</b>

(\*) PLC System S.r.l. together with its subsidiaries

As mentioned above, the figures of PLC System S.r.l. are affected by the increase in whole-life costs recorded on some orders related to the construction of wind farms, as well as by the non-contribution of the Development Segment.

These effects, which will also characterise, albeit to a more limited extent, the second half of the year, are of a temporary and limited nature; a gradual recovery of the sector is therefore expected as early as the end of the year, driven by the favourable context of the renewables market.



### Services Segment

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	01.01.2022 30.06.2022	01.01.2021 30.06.2021
<b>Revenues from ordinary operations</b>	<b>15.080</b>	<b>15.419</b>
Other operating revenues	520	385
<b>Total revenue</b>	<b>15.600</b>	<b>15.804</b>
Operating costs	(13.768)	(12.899)
Other operating costs	(1.100)	(2.026)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>733</b>	<b>879</b>

Figures are shown net of intra-group balances

In the first half of 2022, the Services Segment generated revenues of €15,600 thousand and EBITDA of €733 thousand, both slightly lower than the comparable figure.

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	Perimeter Italy	Monsson Operation Perimeter	01.01.2022 30.06.2022
<b>Revenues from ordinary operations</b>	<b>11.496</b>	<b>3.584</b>	<b>15.080</b>
Other operating revenues	248	272	520
<b>Total revenue</b>	<b>11.744</b>	<b>3.856</b>	<b>15.600</b>
Operating costs	(9.215)	(4.553)	(13.768)
Other operating costs	(546)	(554)	(1.100)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>1.984</b>	<b>(1.251)</b>	<b>733</b>
<b>EBITDA %</b>	<b>17%</b>	<b>n.a.</b>	<b>5%</b>

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	Perimeter Italy	Monsson Operation Perimeter	01.01.2021 30.06.2021
<b>Revenues from ordinary operations</b>	<b>9.217</b>	<b>6.202</b>	<b>15.419</b>
Other operating revenues	256	129	385
<b>Total revenue</b>	<b>9.473</b>	<b>6.331</b>	<b>15.804</b>
Operating costs	(7.091)	(5.808)	(12.899)
Other operating costs	(437)	(1.589)	(2.026)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>1.945</b>	<b>(1.066)</b>	<b>879</b>
<b>EBITDA %</b>	<b>21%</b>	<b>n.a.</b>	<b>6%</b>

The Italian Segment confirmed its growth trend in terms of revenue (+24%), albeit with a lower % profit margin compared to the comparative period, linked to the evolution of the service mix, with an increase in revamping activities in 2022.

The Monsson Operation Perimeter contribution is still negative for 2022 as a result of the still sub-optimal performance of E&I services, which incurred high stand-by costs due to both adverse weather conditions and the still ongoing process of expanding the customer base.



### Trading Segment

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	01.01.2022 30.06.2022	01.01.2021 30.06.2021
<b>Revenues from ordinary operations</b>	<b>3.630</b>	<b>997</b>
Other operating revenues	-	-
<b>Total revenue</b>	<b>3.630</b>	<b>997</b>
Operating costs	(3.614)	(982)
Other operating costs	(2)	-
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>14</b>	<b>15</b>

Figures are shown net of intra-group balances

The Trading Segment includes the dispatching activities performed by the subsidiary MSD Service S.r.l. The increase in revenue and corresponding operating costs compared to the comparative period is related to the increase in energy prices.

### Holding Segment

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	01.01.2022 30.06.2022	01.01.2021 30.06.2021
<b>Revenues from ordinary operations</b>	<b>-</b>	<b>-</b>
Other operating revenues	109	-
<b>Total revenue</b>	<b>109</b>	<b>-</b>
Operating costs	(1.655)	(1.644)
Other operating costs	(83)	(36)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>(1.629)</b>	<b>(1.680)</b>

Figures are shown net of intra-group balances

The Holding Segment essentially includes the structural costs of the Parent Company, which centrally carries out the activities of: Administration, Finance and Control (AFC), Secretariat, Information Technology (IT), Quality, Safety and the Environment (QSE), Personnel (HR) and Legal and Corporate Affairs.

The Segment results are broadly in line with the comparative period.



## RECLASSIFIED CONSOLIDATED FINANCIAL POSITION STATEMENT

RECLASSIFIED STATEMENT OF FINANCIAL POSITION (figures in thousands of Euros)	Notes	30.06.2022	31.12.2021
Net tangible assets	A	9.044	8.511
Net intangible assets	B, C	12.578	12.530
Equity investments	D, E	19	19
Other non-current assets	F, G, H	2.341	2.103
<b>Fixed assets</b>		<b>23.982</b>	<b>23.163</b>
Net working capital	I, J, K, L, O P, Q, R, S, T	2.190	8.020
Assets held for disposal		-	-
<b>NET INVESTED CAPITAL</b>		<b>26.172</b>	<b>31.183</b>
Net financial position	N	(1.859)	(2.795)
Net financial position relating to assets and liabilities held for disposal		-	-
<b>NET FINANCIAL POSITION</b>	<b>N</b>	<b>(1.859)</b>	<b>(2.795)</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>M</b>	<b>24.313</b>	<b>28.388</b>

The consolidated financial position statement at 30 June 2022 has been reclassified by aggregating assets and liabilities according to the criterion of functionality to the management of the company considered, conventionally broken down into the three basic functions: investment, operation and financing.

Net invested capital at 30 June 2022 amounted to €26,172 thousand compared to €31,183 thousand at 31 December 2021. The negative change of €5,011 thousand was mainly due to the negative change in net working capital of €5,830 thousand, which was mainly attributable to a significant decrease in contractual assets and related trade payables, primarily as a result of the contraction of the Construction Segment activities, as well as the Monsson Operation Perimeter.

## CONSOLIDATED NET FINANCIAL POSITION

CONSOLIDATED NET FINANCIAL POSITION (figures in thousands of Euros)	30.06.2022	31.12.2021
Cash and cash equivalents	10.251	10.729
Current financial debt	(4.816)	(4.666)
Non-current financial debt	(5.980)	(7.516)
<b>Net financial position before IFRS16</b>	<b>(545)</b>	<b>(1.453)</b>
Financial liabilities IFRS 16	(1.314)	(1.342)
<b>NET FINANCIAL POSITION</b>	<b>(1.859)</b>	<b>(2.795)</b>



The PLC Group's net financial position as of 30 June 2022 is negative for €1,859 thousand (negative for €545 thousand net of financial payables recognised in application of IFRS 16) and recorded a positive variation of €936 thousand compared to 31 December 2021.

The total amount of financial indebtedness decreased by €1,386 thousand due to repayments made in accordance with the amortisation schedules, net of new financing disbursed.

In the first half of 2022, the subsidiary PLC Service S.r.l. signed a new loan with Banca Nazionale del Lavoro S.p.A. for €250 thousand, maturing on 31 March 2028, used for the purchase of a property located in Casalbore for the creation of a technical hub.

## **2.4 RESEARCH AND DEVELOPMENT ACTIVITIES**

The PLC Group has always been involved in research and development activities focused on improving the quality of the service offered to its customers and optimising its organisation in the 'Industry 4.0' sphere.

In fact, the Special Projects division's objective is to guide the PLC Group through the industrial revolution process that will substantially change the way everyone works, project the company towards an internalised management of specialised know-how, enhance the value of expert personnel and train technicians in the use of technologies in line with Industry 4.0, in order to react quickly to the technological change under way.

The use of technologies such as Augmented Reality (AR), Virtual Reality (VR), Artificial Intelligence (AI), and Machine Learning will enable the realisation of an integrated system aimed at optimising the core business of the PLC Group. The ultimate goal is to further improve the quality and professionalism of the service provided to customers, with a strategy aimed at increasing the volume of business related to 'full service' contracts.

### **PLC Service S.r.l. - PON MISE M4.0 project - Augmented reality and artificial intelligence for advanced maintenance of renewable generation plants**

During 2018, PLC Service S.r.l. initiated, in collaboration with an external partner, a research and development programme in the area of 'Industry 4.0', with the aim of implementing innovative technological solutions in the O&M services of renewable energy (RES) plants, the company's core business.

This path towards optimising the services offered to customers is based on the use of Information and Communication Technologies (ICT), with a special focus on the use of Augmented Reality (AR), Artificial Intelligence (AI) and the Industrial Internet of Things (IIoT).

The project, which was admitted for subsidies with concession decree no. 0002655 of 15 July 2020, received subsidised financing in the amount of €404 thousand (of which €280 thousand pertaining to PLC Service S.r.l.)



against a total project cost of €2,018 thousand and a non-repayable contribution of €790 thousand (of which €420 thousand pertaining to PLC Service S.r.l.).

The project ended on 31 August 2022, with the completion of the research activities related to:

- current scenario analysis - type of installations, Control Rooms, failure cases and intervention procedures;
- future scenario definition - identification of 'core' model integrated with IOT, AI, AR technology;
- definition of requirements (functional and non-functional) in AR/IOT/AI;
- AR platform customisation for planned applications;
- experimenting, scouting and selecting innovative technologies;

as well as the following development activities:

- implementation of development platforms and AR hardware for 'pilot' plants;
- implementation of IoT solutions to be integrated into the system for 'Pilot' installations;
- testing of development platforms for the AI model;
- field tests on the use of AR devices for video-assisted calling;
- development of technical tutorials in VR (virtual reality) mode.

### **Other projects in development**

Against this backdrop, the Special Projects division has launched a series of integrative projects to optimise O&M processes, reduce operating costs and maximise margins, for which it is expected to be able to access subsidised financing, such as the 'Bonus Formazione 4.0' and subsidised measures such as tax credits for investments in Southern Italy.

In particular, the following additions should be noted:

- ongoing implementation of a Control Centre, i.e. a highly competent technology centre where specialised know-how to support all functions of the PLC Group will be centralised. When fully operational, activities related to advanced monitoring systems, "service and operation" engineering, technical assistance in AR and R&D on potential future scenarios will be managed;
- realisation, by July 2023, of a new evolved Control Room (SCADA 4.0) for the optimised management of remote control installations and resources;
- preliminary analysis of the project aimed at the creation of a training centre (PLC Academy), to be launched in 2023; a technical training centre that will project the company towards an internalised management of specialised know-how, enhance the value of expert personnel and train technicians in the use of technologies



in step with Industry 4.0. In a second phase, the possibility of providing specialised training courses to third-party customers will also be considered.

- support the 'new ERP' project for the introduction of a new Field Service (Work Force Management) module, which will enable organisational performance to be improved strategically by including human resource management, performance and training management, data collection, budgeting and forecasting, planning and analysis;

It is believed that these closely interlinked projects can contribute significantly to the development of the Services Segment, reflecting the company's vision to position itself in the market as an Independent Service Provider (ISP).

Overall, development costs incurred in the first half of 2022 amounted to €835 thousand, which were fully capitalised.

## **2.5 BRANCH OFFICES**

PLC S.p.A. declares that it has two local units both located in Acerra (NA) ASI area Pantano district, in via delle Industrie 100 and via delle Industrie 272/274 respectively.

## **2.6 TREASURY SHARES**

At 30 June 2022, PLC S.p.A. did not hold any of its treasury shares, nor did it buy or sell them during the year.

## **2.7 TRANSACTIONS WITH RELATED PARTIES AND INTRA-GROUP TRANSACTIONS**

In compliance with the requirements of Consob communications, it should be noted that no transactions with related parties of an atypical and/or unusual nature were carried out, outside the normal management of the company, or as such to prejudice the economic, equity and financial situation of the Group. Transactions with related parties are carried out on an arm's length basis.

The Procedure for Related Party Transactions, drafted also in order to adapt it to the provisions of Consob Regulation No. 17221 of 12 March 2010, as last amended by Consob Resolution No. 21624 of 2020, was approved by the Board of Directors on 28 June 2021 and is available to the public on the Company's website [www.plc-spa.com](http://www.plc-spa.com).

In relation to the requirements of IAS 24 (revised) on "Related party disclosures" and the additional information required by Consob Communication no. 6064293 of 28 July 2006, reference should be made to paragraph 3.2.4 .



## 2.8 MAIN RISKS AND UNCERTAINTIES

In general terms, the equity and economic-financial situation of the PLC Group is influenced by a series of risk factors specific to the renewable energy production sector in which it operates. The Group is also subject to financial risks.

### *Risks associated with the reference market and the reference regulatory framework*

The sector relating to the production of electricity from renewable sources is linked to the applicable legal and regulatory provisions, including (i) the regulations relating to authorisation processes for the location and installation of renewable energy generation plants and (ii) incentive systems. The PLC Group is therefore exposed to the risks deriving from changes in the reference legal and regulatory context which could have a possible detrimental effect, including significant, on the profitability of the Group's future investments and consequently on its equity, economic and financial situation. In this situation, the management constantly monitors the evolution of the reference legal and regulatory framework in order to identify possible risks or opportunities to maximise the profitability of the Group.

In 1997, with the signing of the Kyoto Protocol of the Convention on Climate Change, for the first time, the European Union developed an energy strategy targeted at promoting the use of renewable energy sources, and established binding commitments for the reduction of greenhouse gases in industrialised countries, in order to combat global warming through the establishment and strengthening of national emission reduction policies and the development of cooperation between the contracting parties. Subsequent EU directives have set increasingly challenging targets to increase the share of energy produced from renewable sources, to reduce energy consumption by increasing energy efficiency and to reduce net greenhouse gas emissions, initiating what is now the process of 'phasing out' of traditional forms of electricity.

In 2022, the conflict between Russia and Ukraine further increased awareness of the risk of the European bloc's energy dependence on non-European raw materials, accelerating the process of research and development of renewable and sustainable sources, through which the European Union aims to achieve energy independence.

### *Significant regulatory and institutional updates during the year*

#### ▪ *European Union - REpowerEU Packages*

Following the war in Ukraine, in March 2022 the European Commission proposed the 'REpowerEU' plan to make Europe independent from Russian fossil fuels well before 2030. The main measures and actions proposed for renewable energy include raising European targets in 2030 from 40 per cent to 45 per cent, a photovoltaic installation target of 320GW by 2025 and almost 600GW by 2030.



European guidelines are also envisaged to shorten and simplify authorisation procedures for both renewable energy plants and grid infrastructures within low environmental risk ‘go-to areas’ with halved authorisation times.

- *European Commission - New Guidelines on State Aid for Energy and Environment*

In December 2021, the European Commission approved new guidelines on State aid for energy and the environment (CEEAG). The new guidelines will apply to all economic support decisions taken by Member States as of January 2022; however, it is necessary to adjust the adopted support instruments to the new guidelines - where materially applicable - by 2023.

- *Italy - D.L. implementing the PNRR (National Recovery and Resilience Plan) and conversion law No 233/2021*

In December 2021, Law No. 233/2021 converting Decree-Law No. 152/2021 for the implementation of the PNRR was published. The main provision foresees the possibility of participation in future GSE auctions for complete reconstruction (i.e. repowering) projects together with greenfield projects, within the same quota.

- *Italy - Legislative Decree No. 199 of 8 November 2021*

Decree No 199/2021 lays down provisions on energy from renewable sources, consistent with the European objectives of decarbonisation of the energy system by 2030 and full decarbonisation by 2050. For these purposes, the decree defines the instruments, mechanisms, incentives and the institutional, financial and legal framework necessary to achieve the targets for increasing the share of energy from renewable sources by 2030, in implementation of Directive (EU) 2018/2001 and in compliance with the criteria set out in Law no. 53 of 22 April 2021, as well as the provisions necessary for the implementation of the measures of the PNRR in accordance with the PNIEC (National Integrated Energy and Climate Plan). As regards the main provisions, the possibility of support for electricity production from renewable sources is confirmed, which, for plants with a capacity of more than 1MW, is realised through descending auctions, aimed at the award of two-way contracts for difference and planned for at least five years. For the quotas not awarded through the tenders under M.D. 4/7/2019 (RES M.D. 1), further auction sessions are planned beyond 2021, until the available capacity is taken up. ‘Suitable areas’ for the installation of renewable energy plants are introduced, understood as areas with ‘high potential’ for renewable energy, identified by the regions through regional laws on the basis of implementation criteria defined by the government. Areas where repowering projects are qualified as ‘non-substantial’ according to Decree Law Simplifications 2021 are considered eligible. In these areas, the



authorisation simplification of renewable energy projects is implemented, including the mandatory but non-binding expression of Superintendencies and the Ministry of Culture for the environmental impact assessment.

▪ *Italy - Biogas and Biomethane Decree*

On 16 September 2022, the Minister of Ecological Transition signed the decree providing new incentives for biomethane, a measure that regulates the allocation of €1.7 billion of funds from the National Recovery and Resilience Plan (PNRR). The decree was sent to the Court of Auditors for registration but has not yet been published. Production incentives will be allocated on the basis of annual power quotas by means of public descending auctions. The adoption of the decree, which will only come into force after its publication in the Official Journal, will allow the first procedures to begin by the end of 2022.

▪ *Italy - RES Decree 2*

On 13 September 2022, the text of RES Decree 2 was sent to the Unified Conference for the expression of an opinion. The RES Decree 2, where adopted, provides for the granting of subsidies aimed at increasing the production of energy from renewable sources as well as the achievement of decarbonisation targets for 2030. Access to the subsidies will be through participation in competitive public procedures, announced by the GSE in the period from 2022 to 2026.

*The incentive framework in Italy*

The incentive for electricity production from renewable sources is composed of several mechanisms that apply depending on (i) the date of commissioning of the plant, (ii) the type of renewable source and (iii) the power of the plant.

The mechanisms currently in place and pertaining to the Group's business can be identified with:

- feed-in tariffs (former Green Certificates) for renewable plants with the exception of solar energy;
- the Conto Energia (Energy Account) for solar photovoltaic systems;
- the incentive under RES Decree 1 for both onshore photovoltaic and wind power plants
- CICs - Certificates of Release for Consumption

▪ *Feed-in tariffs (former Green Certificates)*

As provided for in the Ministerial Decree of 6 July 2012, the Green Certificates mechanism was replaced in 2016 by a new form of incentive that guarantees, on the net production of energy, the payment of a tariff by the GSE in addition to the revenues from the development of energy. For the allocation of the incentive,



auction mechanisms have been defined for the construction of RES plants with a capacity of more than 5MW and registration mechanisms for plants with a capacity of less than 5MW.

Annually, the Regulatory Authority for Energy Networks and Environment (ARERA) determines the average value of the electricity transfer price for the purpose of quantifying the value of the incentives replacing Green Certificates.

- *Conto Energia for Photovoltaic Solar Installations*

The Conto Energia represents the incentive instrument for photovoltaic systems in force in Italy from 2005 to 2013 through five different programmes, each overcoming, adjusting or redefining the previous one. The Fifth Conto Energia ended on 6 July 2012 without the issuance of a new incentive scheme on the energy produced, but was replaced by tax relief on the cost of the system.

- *Incentives under RES Decree 1 (Ministerial Decree of 4 July 2019)*

The Ministerial Decree of 4 July 2019 - widely known as RES Decree 1 - is the instrument that supports the production of energy from renewable sources in order to reach the European 2030 targets defined in the PNIEC. The Decree envisages the incentivisation through auction mechanisms of (i) 5,380 MW for wind and photovoltaic plants, (ii) 385 MW for hydroelectric and geothermal plants, and (iii) 570 MW for total or partial reconstruction of any renewable source plant, divided into 7 four-monthly tenders from 30 September 2019 to 30 October 2021. The incentive is calculated as a 'two-way Contract for Difference', generating the indifference of the market price to a price level determined as a result of auction or registry procedures. In addition to these quantities, there are further quotas for plants of less than one MW, bringing the total power that can be incentivised under the decree to 8,000 MW with an estimated investment of more than €8 billion. The Italian government is currently evaluating the extension to 2026 of the incentive mechanism provided for in RES Decree 1.

The establishment, by the 'Draghi' government, of the new Ministry of Ecological Transition (MiTE) is a clear sign of the Italian government's desire to accelerate the process of profound and radical transformation of the energy production fabric increasingly in favour of renewable sources and biofuels. In this regard, Minister Cingolani has already proposed to extend the RES auctions to 2030 and the subsidies for biomethane (CIC) to 2028, garnering due attention and consensus from all political parties and the public.

- *CICs - Certificates of Release for Consumption*

The Certificates of Release for Consumption are the incentive instrument for advanced biomethane production plants that come into operation by 31 December 2022. The incentive scheme provides for (i) the



recognition of the fixed value of €375 for each CIC recognised for 10 years; thereafter, one is only entitled to the issuance of CICs that can be sold to other operators and (ii) the withdrawal by the GSE, even for a partial quantity, of the advanced biomethane at a price equal to 95% of the average monthly price recorded on the spot market for natural gas or, alternatively, the sale made independently.

#### Overview of the regulatory and incentive framework in Europe

In Europe, the development of RES has been driven by the large FiT (Feed in Tariff) programmes, which in the years between 2008 and 2015 - with particular intensity between 2009 and 2012 - allowed the installation of large quantities of plants, guaranteeing revenues that minimised the risks for operators and allowed them to make abundant margins in the following years. In most countries, including Romania, these incentives have been completely cancelled and in some cases not replaced by equally effective alternatives, leading to a decline in new installations.

Since 2019, increasingly structured and effective auction tools - in application of European directives - and important developments in market parity, in particular with the instrument of corporate PPAs, are driving a particularly visible recovery.

Auctions remain the main development factor for the wind energy market; those planned in European countries for wind energy technology and according to a 'technology-neutral' approach envisage public tenders for the installation of 55.8 GW between 2020 and 2023; assuming an award factor of 66%, this would imply an increase of about 24% in installed wind power capacity compared to 2019. Since these figures only refer to officially announced auctions, the number is likely to grow in the future. The update of the National Integrated Energy and Climate Plans (PNIEC) will probably lead to the announcement of further auctions.

In 2019, a large part of the auctions were in the UK and to a lesser extent in Poland, Germany, France, Greece and the Netherlands; from 2021, major auctions are also planned in Germany, France and the Netherlands.

Photovoltaics is also the subject of auctions in many European countries, although the competitiveness of the segment has shown different trends as a result of distinct price dynamics, different market, regulatory and authorisation frameworks, and dissimilar attitudes on the part of operators. In particular, in Denmark, Germany, the Netherlands and Spain, photovoltaics proved to be successful in technology-neutral auctions.

\* \* \*

It should be noted that on 27 April 2022, the PLC Group, although not subject to the mandatory preparation of the "Consolidated non-financial statement" required by Articles No. 3 and 4 of Legislative Decree No. 254/2016, published the Consolidated Sustainability Report as at 31 December 2021, following the best



international reporting standards, defined by the Global Reporting Initiative (GRI). In fact, the PLC Group, aware of the importance of the Sustainable Development Goals of Agenda 2030 (SDGs), and considering the role it intends to play in the momentous challenge of the energy transition, given its position in the renewable energy chain, has decided to inform its stakeholders of its future economic, environmental and social objectives and how they will practically impact its business and governance model, with the aim of communicating the real value created by the entire organisation and the impact on all stakeholders.

### **Financial Risks**

The PLC Group is exposed to the following financial risks: (i) liquidity risk stemming from the possibility of not being able to source the necessary funds to meet its obligations (ii) credit risk arising from the possibility of default by a counterparty, (iii) foreign exchange risk arising from the performance of its business also in foreign markets, and (iv) interest rate risk arising from financial exposure. The management of financial risks is an integral part of the management of the activities of the Group and is carried out centrally by the parent company in order to ensure that activities involving financial risk are governed by the appropriate corporate policies and procedures, and that financial risks are identified, assessed and managed in accordance with the Group's risk appetite.

In view of the war in Ukraine that started in February 2022, management is monitoring possible critical issues and impacts with regard to financial risks.

At this stage, the PLC Group is not exposed to an increase in financial risks as a result of the conflict, also in view of the insignificant exposure in the markets concerned.

However, given the continuation of a longer-term situation of uncertainty, a potential worsening of financial stress scenarios cannot be ruled out, resulting from a further rise in interest rates, a deterioration of liquidity in general, delays in payments from customers, and the slowdown of operational activities on projects with delays in the related invoicing to customers.

For the additional information on financial risks required by IFRS 7, reference should be made to paragraph 3.2.5.

### **Legal risks**

#### **Litigation in which the company is the plaintiff**

Following a complication encountered in the construction phase of 2 of the wind farms completed in 2019, the subsidiary PLC System S.r.l. is currently involved in a dispute in which it is the plaintiff, as it had to step in as contractor to resolve the resulting issues, bearing the related cost so as not to create more damage for the clients. Following the occurrence of the above-mentioned problems, the respective client companies filed a



separate claim with the insurance company, each on its own account, and the insurance company opened two independent files under the “erection all risk” policy; however, the insurance company denied coverage for the claims for both positions.

Disagreeing with the insurance company’s position, PLC System S.r.l., as the insured party, resorted to arbitration, which was subsequently concluded with the rejection of all claims.

Subsequently, PLC System S.r.l. considered whether to initiate ordinary civil proceedings against the insurance company, challenging the arbitration award. On the sidelines of this judgement, PLC System S.r.l. also considered taking action against the construction manager, since he had endorsed the correct execution of each foundation by affixing his stamp and signature in the space reserved for “Approval to cast” on the report “foundation plinth assembly and concrete casting”. Among other things, after the casting, the construction management also authorised the ‘wind turbine assembly’, wrongly confirming that the concrete casting had been carried out in accordance with the project.

The value of the dispute against the insurance company is approximately €740 thousand, while the value of the dispute against the construction manager is approximately €940 thousand (including €200 thousand relative to the non-recognition of the acceleration fee).

The first instance case with the insurance company ended with the declaration of nullity of the arbitration award, but it rejected the claim on the merits, holding that the policy did not cover material and direct damage to third party property, as PLC lacked an interest in it. PLC System S.r.l. appealed the ruling, while the dispute with the construction manager is at the preliminary stage.

#### *Litigation filed against the company*

During the first half of 2021, Monsson Operation GmbH and Monsson Operation S.r.l. received claims for damages from a client in connection with two E&I projects carried out in Sweden and Germany. The companies therefore first carried out the appropriate checks, also with a view to assessing the possible co-responsibility of certain subcontractors, and then entered into negotiations with the client and the subcontractors in order to reach an out-of-court settlement.

In January 2022, an agreement was reached with the client for the closure of all pending disputes and with a commitment of the parties to continue the professional relationship also with the awarding of new contracts. On the other hand, two legal proceedings are still pending against Monsson Operation GmbH and Monsson Operation S.r.l. initiated by a subcontractor for the recognition of extra costs related to crane services provided within the scope of the aforementioned projects. Taking into account certain clauses contained in the subcontract agreement, as well as the co-responsibility of the subcontractor in relation to the claims for damages for delay made by the client, it is not believed that the extra costs claimed by the subcontractor,



which had already been formally contested by Monsson Operation GmbH and Monsson Operation S.r.l., can be attributed exclusively to Monsson Operation GmbH and Monsson Operation S.r.l. In consideration of the above, a provision has been recognised in the financial statements that reflects the best estimate of the possible obligations of the PLC Group with reference to the aforesaid proceedings, based on the information available to date that also takes into account (i) the valuation elements acquired from external consultants and (ii) the uncertainty that characterises any legal proceedings. The proceedings were both assigned to a single conciliating judge, as is the practice in German civil proceedings; the hearing, a single hearing for both judgements, is expected to take place in mid-November 2022.

## **2.9 INFORMATION PURSUANT TO LAW 124/17**

In accordance with the provisions of Law No. 124 of 4 August 2017, Article 1, paragraph 125, it should be noted that during the first half of the year the Group did not receive any grants from public administrations.



## 2.10 GLOSSARY

### Financial Terms

**Cash Generating Unit (CGU)** corresponds, in the context of performing the impairment test, to the smallest identifiable group of assets that generates cash inflows and/or outflows, deriving from the continuous use of assets, largely independent of the cash inflows and/or outflows generated by other assets or groups of assets.

**EBIT** (Earnings Before Interest and Taxes) indicates the operating result.

**EBITDA** (Earnings Before Interest, Taxes, Depreciation and Amortisation) means the gross operating margin.

**Headroom (Impairment Loss)** means the positive (or negative) excess of the recoverable amount of a CGU over its book value.

**International Financial Reporting Standards (IFRS)** means the international accounting standards issued by the International Accounting Standards Board (IASB) and adopted by the European Commission. They include International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the Standing Interpretations Committee (SIC) adopted by the IASB. The name International Financial Reporting Standards (IFRS) was adopted by the IASB for standards issued after May 2003. Previously issued standards have retained the name IAS.

**Weighted Average Cost of Capital (WACC)** is calculated as the weighted average of the company's cost of debt capital and cost of risk capital, defined on the basis of the Capital Asset Pricing Model (CAPM) methodology, consistent with the specific risk of the PLC Group's business.

**Guidance** indicates the forecast data, with particular reference to those included in the 2021-2024 Business Plan approved by the Board of Directors on 31 March 2021 and disclosed to the market.



### Operational Activities

**Build-Operate-Transfer (BOT)** means the contractual form whereby the owner (PLC Group) receives the assignment from a financing party (utilities, IPPs and/or investment funds) of a contract to finance, design, construct, and operate a power generation plant that will be transferred to the financing party.

**Balance of Plant (BOP)** means the executive and construction design, supply of components and/or equipment and their accessories, constituting all elements necessary for the operation of the plant with the exception of the generation component, and in general civil works, electromechanical works, supervision and control systems.

**Balancing Service Provider (BSP)** means the operator and/or “Aggregator” of the UVA “Enabled Virtual Units” holding these aggregations. Aggregators are entitled to offer in MSDs (Dispatching Services Markets) and are responsible for communicating with Terna and executing dispatching orders received following market sessions.

**RES DECREE 1** means the Ministerial Decree 04/07/2019 signed by the Ministry of Economic Development and the Ministry of the Environment, which aims to support the production of energy from renewable sources in order to achieve the European 2030 targets defined in the National Integrated Energy and Climate Plan (PNIEC).

**Erection and Installation (E&I)** refers to the activity of lifting by specific lifting and assembly devices for the installation of wind turbines, including mechanical, electrical and testing assemblies up to the commissioning of the same.

**Engineering, Procurement, Construction (EPC)** refers to the typical contract in the Construction Segment for the construction of facilities in which the service provider performs the engineering, material procurement and construction activities. A ‘turnkey contract’ is when the plant is delivered ready for start-up or already started up.

**RES** means renewable energy sources

**Energy Services Manager (GSE, Gestore Servizi Energetici)** is a company whose sole shareholder is the Ministry of Economy and Finance and whose mission is to promote sustainable development and the rational use of energy.



**High Voltage Direct Current (HVDC)** in electrical engineering is a direct current electrical power transmission system, typically used for long-distance connections, such as cross-border and/or submarine connections.

**Levelised Cost Of Energy (LCOE)** indicates the levelled cost of energy and is an index of the competitiveness of different power generation technologies, diversified by type of energy source and average plant lifetime.

**European Green Deal** means the set of legislative and non-legislative initiatives undertaken by the European Commission with the overall goal of achieving climate neutrality in Europe by 2050.

**Operation and Maintenance (O&M)** means the operation and maintenance activities during the life of an energy production plant in order to maintain its full functionality and maximum profitability.

**Power to Gas (PTG)** refers to a system that uses methanation (or Sabatier chemical process) to obtain methane from a mixture of gases such as hydrogen (coming, in the case illustrated, from the electrolysis of water) and carbon dioxide (produced by biomass conversion processes such as anaerobic digestion and/or pyrolysis).

**Shelter** means a metal enclosure container intended for housing medium and low voltage electrical and electronic equipment installed in electrical substations.

**Virtual Unit Enabled Mixed (UVAM)** means an aggregation of peripheral production, consumption and storage units that supply the grid with reserve power.



### 3 CONSOLIDATED FINANCIAL STATEMENTS



### 3.1 CONSOLIDATED FINANCIAL STATEMENTS

#### 3.1.1 FINANCIAL POSITION STATEMENT

STATEMENT OF FINANCIAL POSITION (figures in thousands of Euros)	Notes	30.06.2022	of which from related parties	31.12.2021	of which from related parties
<b>Non-current assets</b>					
Tangible assets	A	9.044	-	8.511	-
Goodwill	B	7.951	-	8.190	-
Intangible assets	C	4.627	-	4.340	-
Equity investments accounted for using the equity method	D	7	-	7	-
Equity investments in other companies	E	12	-	12	-
Deferred tax assets	F	472	-	188	-
Receivables and other non-current assets	G	1.790	213	1.899	176
Other non-current financial assets		-	-	-	-
Non-current derivative instruments	H	79	-	17	-
<b>Total non-current assets</b>		<b>23.982</b>		<b>23.164</b>	
<b>Current assets</b>					
Inventories	I	4.798	-	4.508	-
Contract assets	I	8.937	-	16.028	-
Trade receivables	J	17.540	20	20.264	20
Financial receivables	K	113	18	120	26
Other receivables	L	4.195	-	3.865	3
Cash and cash equivalents	N	10.251	-	10.729	-
Other current financial assets		-	-	-	-
Current derivative instruments		-	-	-	-
<b>Total current assets</b>		<b>45.834</b>		<b>55.514</b>	
<b>Non-current assets held for sale / disposal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>69.816</b>		<b>78.678</b>	



STATEMENT OF FINANCIAL POSITION (figures in thousands of Euros)	Notes	30.06.2022	of which from related parties	31.12.2021	of which from related parties
Share capital and reserves		28.351	-	24.826	-
Profit (loss) for the period attributable to the Group		(4.041)	-	3.553	-
<b>Group shareholders' equity</b>		<b>24.310</b>		<b>28.379</b>	
Minority interests in shareholders' equity		3	-	9	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	M	<b>24.313</b>		<b>28.388</b>	
<b>Non-current liabilities</b>					
Non-current financial liabilities	N	6.875	203	8.474	211
Provisions for non-current risks and charges	O	1.899	-	988	-
Employee severance indemnity	P	2.584	-	2.828	-
Deferred tax liabilities and other non-current taxes	Q	555	-	607	-
Payables and other non-current liabilities		-	-	-	-
Non-current derivative instruments		-	-	-	-
<b>Total non-current liabilities</b>		<b>11.913</b>		<b>12.897</b>	
<b>Current liabilities</b>					
Current financial liabilities	N	5.235	-	5.050	-
Provisions for current risks and charges		-	-	-	-
Trade payables	R	20.198	27	24.615	150
Contractual liabilities	S	1.280	-	1.217	-
Other payables	T	6.877	59	6.511	-
Current derivative instruments		-	-	-	-
<b>Total current liabilities</b>		<b>33.590</b>		<b>37.393</b>	
<b>Non-current liabilities held for sale / disposal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>69.816</b>		<b>78.678</b>	



### 3.1.2 INCOME STATEMENT

INCOME STATEMENT (figures in thousands of Euros)	Notes	01.01.2022 30.06.2022	of which from related parties	01.01.2021 30.06.2021	of which from related parties
Revenues from ordinary operations	AA	29.770	-	27.360	96
Other operating revenues	BB	954	-	4.514	13
Costs for raw materials	CC	(11.738)	-	(7.170)	-
Service costs	DD	(9.635)	(9)	(9.059)	(291)
Personnel costs	EE	(9.839)	-	(9.874)	-
Other operating costs	FF	(2.403)	-	(2.325)	-
<b>GROSS OPERATING MARGIN (EBITDA)</b>		<b>(2.891)</b>		<b>3.446</b>	
Amortisation	GG	(1.450)	-	(1.381)	-
Revaluations (write-downs)	HH	(239)	-	-	-
<b>OPERATING RESULT (EBIT)</b>		<b>(4.580)</b>		<b>2.065</b>	
Financial income	II	293	6	156	-
Financial charges	JJ	(429)	(3)	(448)	(3)
Income from (Charges on) equity investments					
Dividends		-	-	-	-
Share of the result of equity investments in shareholders' equity	KK	(6)	-	1	-
Gains (losses) on equity investments		-	-	-	-
Income taxes	LL	287	-	(441)	-
<b>Profit (loss) for the period from continuing operations</b>		<b>(4.435)</b>		<b>1.333</b>	
Profit (loss) for the period from discontinued operations		-	-	-	-
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>(4.435)</b>		<b>1.333</b>	
<i>pertaining to the Group</i>		(4.429)	-	1.331	-
<i>attributable to minority interests</i>		(6)	-	2	-
Weighted average number of ordinary shares in the period		25.960.575	-	25.960.575	-
Earnings per share (in Euro)		(0,17)	-	0,05	-
Diluted earnings per share (in Euro)		(0,17)	-	0,05	-
Earnings per share of discontinued operations (in euros)		-	-	-	-



### 3.1.3 COMPREHENSIVE INCOME STATEMENT

STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	Notes	01.01.2022 30.06.2022	01.01.2021 30.06.2021
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>(4.435)</b>	<b>1.333</b>
<b>Other components of comprehensive income</b>			
Components that cannot be reclassified to the income statement		448	163
Tax effect of non-reclassifiable components		(125)	(46)
<b>Total components that cannot be reclassified to the income statement</b>		<b>323</b>	<b>117</b>
Components Reclassifiable to the income statement		71	101
Tax effect on reclassifiable components		-	-
<b>Total components reclassifiable to the income statement</b>		<b>71</b>	<b>101</b>
<b>Total other components of comprehensive income</b>	<b>MM</b>	<b>394</b>	<b>218</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		<b>(4.041)</b>	<b>1.551</b>
<i>pertaining to the Group</i>		<i>(4.035)</i>	<i>1.549</i>
<i>attributable to minority interests</i>		<i>(6)</i>	<i>2</i>



### 3.1.4 CASH FLOW STATEMENT

CASH FLOW STATEMENT (in thousands of Euros)	01.01.2022 30.06.2022	01.01.2021 30.06.2021
<b>Comprehensive income / (loss)</b>	(4.041)	1.551
Comprehensive income/(loss) from discontinued operations	-	-
<b>Comprehensive income/(loss) from continuing operations</b>	<b>(4.041)</b>	<b>1.551</b>
(Capital Gain)/Loss from assets sold	-	(3.797)
Fair Value Adjustment	-	-
Amortisation, depreciation and impairment of fixed assets	1.449	1.381
Write-downs (Revaluations) of financial assets	-	-
Write-downs (Revaluations) of fixed assets	239	-
Associates' share of comprehensive income	6	(1)
Charges (Net financial income)	189	292
Dividends	-	-
Other non-monetary items included in the income statement	-	-
<b>Net changes in working capital</b>		
Contract assets	7.090	3.095
Inventories	(290)	(410)
Trade receivables and other receivables	2.503	(2.662)
Trade payables and other payables	(4.036)	(643)
Change in other provisions and deferred tax assets and liabilities	325	1.206
<b>Gross Cash Flow</b>	<b>3.434</b>	<b>12</b>
Interest paid	(271)	(219)
Interest received	73	-
Income taxes (paid) received	(113)	(281)
Income taxes	171	489
<b>CASH FLOW FROM OPERATING ACTIVITIES [A]</b>	<b>3.294</b>	<b>1</b>
(Investments) in tangible and intangible fixed assets	(2.736)	(895)
Divestment of tangible and intangible fixed assets	466	964
(Acquisitions) net of cash acquired	-	-
Divestments net of cash transferred	-	3.776
(Investments) in other companies and financial assets	-	-
Divestments in other companies and financial assets	(62)	13
Dividends received	-	-
<b>CASH FLOW FROM INVESTING ACTIVITIES [B]</b>	<b>(2.331)</b>	<b>3.858</b>
Increase/(Reduction) of Share Capital net of ancillary charges	-	-
Other changes in shareholders' equity	(34)	(4)
Obtainment of loans, financing and other financial liabilities	710	1.275
(Repayments) of loans, financing and other financial liabilities	(2.123)	(1.358)
Repayments of loans, financing and other financial assets	6	-
(Disbursement) of loans, financing and other financial assets	-	-
Dividends paid	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES [C]</b>	<b>(1.441)</b>	<b>(87)</b>
<b>CASH FLOW FROM DISCONTINUED OPERATIONS [D]</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS [A+B+C+D]</b>	<b>(478)</b>	<b>3.772</b>
Cash and cash equivalents at the beginning of the period	10.729	10.198
Cash and cash equivalents at the end of the period	10.251	13.970

Please note that cash and cash equivalents do not include restricted current accounts as at 30 June 2022, as well as at 30 June 2021



### 3.1.5 CHANGES IN SHAREHOLDERS' EQUITY

CHANGES IN SHAREHOLDERS' EQUITY (figures in thousands of Euros)	Share capital	Statutory reserve	Share premium reserve	Other reserves	Translation reserve	Profit (loss) carried forward	OCI reserve	Profit (loss) for the year	Shareholders' equity (Group share)	Shareholders' equity (minority interests)	Total shareholders' equity
<b>SHAREHOLDERS' EQUITY AT 31.12.2020</b>	27.026	5.405	12.484	(21.434)	430	1.144	(219)	(3)	24.833	-	24.833
Allocation of 2020 net income/(loss)	-	-	-	-	-	(3)	-	3	-	-	-
Other changes in shareholders' equity	-	-	-	-	-	(6)	-	-	(6)	-	(6)
Profit (loss) at 30.06.2021	-	-	-	-	-	-	-	1.331	1.331	2	1.333
Other components of comprehensive income (loss)	-	-	-	-	101	-	117	-	218	-	218
<b>Profit (loss) for the period</b>	-	-	-	-	101	-	117	1.331	1.549	2	1.551
<b>SHAREHOLDERS' EQUITY AT 30.06.2021</b>	27.026	5.405	12.484	(21.434)	531	1.135	(102)	1.331	26.376	2	26.378

CHANGES IN SHAREHOLDERS' EQUITY (figures in thousands of Euros)	Share capital	Statutory reserve	Share premium reserve	Other reserves	Translation reserve	Profit (loss) carried forward	OCI reserve	Profit (loss) for the year	Shareholders' equity (Group share)	Shareholders' equity (minority interests)	Total shareholders' equity
<b>SHAREHOLDERS' EQUITY AT 31.12.2021</b>	27.026	5.405	12.484	(21.434)	984	1.134	(190)	2.970	28.379	9	28.388
Allocation of 2021 net income/(loss)	-	-	-	-	-	2.970	-	(2.970)	-	-	-
Other changes in shareholders' equity	-	-	-	-	-	(34)	-	-	(34)	-	(34)
Profit (loss) at 30.06.2022	-	-	-	-	-	-	-	(4.429)	(4.429)	(6)	(4.435)
Other components of comprehensive income (loss)	-	-	-	-	71	-	323	-	394	-	394
<b>Profit (loss) for the period</b>	-	-	-	-	71	-	323	(4.429)	(4.035)	(6)	(4.041)
<b>SHAREHOLDERS' EQUITY AT 30.06.2022</b>	27.026	5.405	12.484	(21.434)	1.055	4.070	133	(4.429)	24.310	3	24.313

For comments on the individual items, reference should be made to note M. "Shareholders' equity" in the Notes to the consolidated financial statements.



### 3.2.1 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The condensed interim consolidated financial statements of the PLC Group have been prepared in accordance with the provisions of IAS 34 - Interim Financial Reporting and using the same consolidation principles and recognition and measurement criteria as those adopted for the Annual Financial Report as at 31 December 2021, to which reference should be made.

In preparing the condensed interim consolidated financial statements as at 30 June 2022, the Directors considered the going concern assumption to be fulfilled. Although there was a loss for the period, there were no critical issues or points of attention concerning the Group's ability to continue as a going concern; shareholders' equity amounted to €24,313 thousand and the net financial position, amounting to €1,859 thousand, improved compared to 31 December 2021.

The condensed interim consolidated financial statements at 30 June 2022 were authorised for publication by the Board of Directors on 28 September 2022.

### ADOPTION OF APPROVED ACCOUNTING STANDARDS AND INTERPRETATIONS, EFFECTIVE FROM 1 JANUARY 2022

The accounting standards adopted for the preparation of the consolidated financial statements comply with those in force at the date of these financial statements, including the new standards, amendments and interpretations in force from 1 January 2022. The Group has not arranged for the early adoption of any new standards, interpretations or amendments issued but not yet in force.

#### **Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform Phase 1**

The IASB published the Interest Rate Benchmark Reform document amending the hedge accounting provisions of IFRS 9 and IAS 39. The amendments (i) identify useful financial information to be provided during the period of uncertainty arising from the phase-out of interest rate benchmarks such as the interbank offered rates (IBOR), (ii) modify certain specific hedge accounting requirements aimed at mitigating the potential effects caused by the reform of IBOR, (iii) require additional disclosures on hedging relationships that are directly affected by these uncertainties.

The amendments, approved by European Commission Regulation No. 2019/2104 of 29 November 2019, are applicable from 1 January 2022. The application had no impact on the Half-Yearly Financial Report as at 30 June 2022.



### **Annual cycle of improvements to IFRS 2018 - 2020**

On 14 May 2020, the IASB issued 'Annual Improvements to IFRS 2018-2020' containing amendments to IAS 16 'Property, Plant and Equipment', IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', IFRS 3 'Business Combinations', IFRS 1 'First-time Adoption of IFRS', IFRS 9 'Financial Instruments' and IAS 41 'Agriculture'. The amendments, approved by European Commission Regulation No. 2021/1080 of 21 June 2021, are applicable from 1 January 2022. The application had no impact on the Half-Yearly Financial Report as at 30 June 2022.

### **ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET IN FORCE AND/OR ENDORSED**

#### **IFRS 17 - Insurance contracts**

The IASB has decided to propose that the entry into force of IFRS 17, the new standard on insurance contracts, be deferred by one year, i.e. until 2022. On 25 June 2020, the IASB issued amendments to IFRS 17 that define the accounting treatment of insurance contracts issued and reinsurance contracts held. The standard, and subsequent amendments, were approved by European Commission Regulation No. 2021/2036 of 19 November 2021. The Regulation grants companies the option not to apply the obligation of paragraph 22 of the standard (i.e. grouping into annual groups) to contracts characterised by intergenerational mutualisation and congruity of cash flows. The Commission should review this exemption by 31 December 2027. Companies shall apply the provisions as from 1 January 2023. The standard is not applicable to the Group.

#### **Amendments to IAS 1 - Classification of Current and Non-Current Liabilities**

The IASB has published amendments to IAS 1 with the aim of clarifying the classification of certain liabilities into current and non-current. The purpose of the amendments is to promote consistent application in classification by providing guidance in determining whether a financial or non-financial liability with an uncertain settlement date should be classified as a current or non-current liability. The amendments also include clarifications regarding the classification of debt that could be liquidated by conversion into equity. On 25 July 2020, the IASB, due to the Covid-19 pandemic, postponed its adoption to 1 January 2023: these changes have not yet been endorsed by the European Commission.

#### **Amendments to IAS 1 and IFRS Practice Statements 2 and Amendments to IAS 8**

On 12 February 2020, the IASB published amendments to IAS 1 'Presentation of Financial Statements', IFRS Practice Statements 2 'Making Significance Judgements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' with the aim of improving the disclosure of accounting treatments used (disclosure on accounting policies) so as to provide more useful information to investors and other primary users of financial statements as well as to help companies distinguish changes in accounting estimates from



changes in accounting treatments used. The amendments to IAS 1 and IAS 8, endorsed by European Commission Regulation No. 2022/357 of 2 March 2022, will enter into force on 1 January 2023.

**Amendments to IAS 12 - Income Taxes**

On 7 May 2021, the IASB published amendments to IAS 12 to clarify how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments, which have not yet been approved by the European Commission, apply from 1 January 2023, but early application is permitted.



### 3.2.2 SCOPE OF CONSOLIDATION

Name	Registered Office	Date of closure of the financial year	Currency	Share capital	Result 30.06.2022	Shareholders' equity 30.06.2022	% held		Through
							Direct	Indirect	
PLC S.p.A.	Milan (IT)	31.12	EUR	27.026.480	4.483.843	52.659.919	-	-	-
<b>Subsidiaries consolidated on a line-by-line basis</b>									
PLC System S.r.l.	Acerra - NA (IT)	31.12	EUR	10.000.000	461.858	1.300.279	100%		
PLC South Africa Ltd	Johannesburg - South Africa (ZA)	31.12	ZAR	11.407.352	(8.508)	1.408.410		99%	PLC System S.r.l.
Idroelettrica 2014	Acerra - NA (IT)	31.12	EUR	10.000	(4.601)	(17.478)		100%	PLC System S.r.l.
Montenegro D.o.o.	Podgorica - Montenegro (ME)	31.12	EUR	2.000	(8.375)	47.748		100%	PLC System S.r.l.
PLC Power S.r.l.	Acerra - NA (IT)	31.12	EUR	100.000	(135.041)	1.797.065		100%	PLC System S.r.l.
C&C Irsina S.r.l.	Acerra - NA (IT)	31.12	EUR	100.000	(5.830)	162.995		100%	PLC Power S.r.l.
Alisei Wind S.r.l.	Acerra - NA (IT)	31.12	EUR	130.000	(8.536)	85.477		100%	PLC Power S.r.l.
Tirreno S.r.l.	Porto Empedocle - AG (IT)	31.12	EUR	10.000	(22.873)	(11.207)		66,6%	PLC Power S.r.l.
Pangreen Moçambique LDA	Maputo (MZ)	31.12	MZN	20.000	549.174	(4.751.832)		95%	PLC Power S.r.l.
PLC Service S.r.l.	Acerra - NA (IT)	31.12	EUR	100.000	710.758	1.728.029	100%		
PLC Service Wind S.r.l.	Acerra - NA (IT)	31.12	EUR	100.000	(77.476)	195.145		100%	PLC Service S.r.l.
Monsson Operation Ltd	Dublin (IE)	31.12	EUR	100	(24.423)	(512.398)	100%		
Monsson Operation GmbH	Hamburg (DE)	31.12	EUR	135.000	(245.010)	(152.335)		100%	Monsson Operation Ltd
Monsson Operation S.r.l.	Costanta (RO)	31.12	RON	2.000	(13.108.591)	(16.707.875)		100%	Monsson Operation Ltd
Monsson Energy AB	Stockholm (SE)	31.12	SEK	50.000	361.748	1.822.381		95%	Monsson Operation Ltd
Monsson Turkey Limited Sirkety	Istanbul (TR)	31.12	TRY	10.025	(1.381.751)	(1.536.710)		100%	Monsson Operation S.r.l.
Wind Power Energy Srl	Costanta (RO)	31.12	RON	1.000	252.891	3.186.895		100%	Monsson Operation S.r.l.
Monsson Energostroy LLC	Tyumen (RU)	31.12	RUB	10.000	(3.566.322)	(7.335.287)		100%	Monsson Operation S.r.l.
MSD Service S.r.l.	Acerra - NA (IT)	31.12	EUR	10.000	8.777	(39.219)	92,5%		-
Schmack Biogas S.r.l.	Bolzano (IT)	31.12	EUR	204.081	491.362	2.222.679	51%		-
BioForCH4 S.r.l.	Canino - VT (IT)	31.12	EUR	10.000	(3.810)	8.501		60%	Schmack Biogas S.r.l.
<b>Associates consolidated using the equity method</b>									
Monsson Poland SP.ZO.o	Warsaw (PL)	31.12	PLN	5.000	(23.698)	(314.881)		50%	Monsson Operation S.r.l.
Sicily Biomethan S.r.l.	Castelvetrano - TP (IT)	31.12	EUR	13.000	(96)	12.611		50%	Schmack Biogas S.r.l.
Biomethan Invest S.r.l.	Milan (IT)	31.12	EUR	100.000	(26.820)	28.791		25%	Schmack Biogas S.r.l.

The scope of consolidation as at 30 June 2022 is unchanged from 31 December 2021.



### 3.2.3 NOTES ON THE CONSOLIDATED RESULTS AS AT 30 JUNE 2022

#### A. TANGIBLE ASSETS

The balance of tangible assets at 30 June 2022 was €9,044 thousand (€8,511 thousand at 31 December 2021).

TANGIBLE ASSETS (units of local currency)	Land and buildings	Plant and equipment	Furniture and fixtures	Motor vehicles	Leasehold improvements	Construction in progress	Other tangible assets	Total
Opening net book value	2.929	2.276	539	93	11	1.130	1.532	8.511
Capital expenditures (+)	291	553	221	-	0	256	253	1.573
Disposals (-)	-	(2)	(13)	(79)	0	(327)	(8)	(430)
Depreciation (-)	(52)	(259)	(145)	(25)	(2)	-	(260)	(743)
Other changes (+) / (-)	-	2	15	76	0	34	6	133
Final net book value	3.168	2.570	617	65	9	1.093	1.523	9.044

The increases for the year, amounting to €1,573 thousand, mainly refer to (i) the purchase of a building for the creation of a technical hub located in Casalbore for €250 thousand, (ii) the purchase of machinery and equipment for troubleshooting activities for €378 thousand and (iii) the reclassification of the photovoltaic system installed on the roof of the shed owned by the subsidiary PLC Service S.r.l. from the item “fixed assets under construction” to the item “plant and equipment” following the completion and commissioning of the same for €308 thousand and (iv) for €211 thousand to rights of use.

#### B. GOODWILL

Goodwill at 30 June 2022 amounted to €7,951 thousand (€8,190 thousand at 31 December 2021).

GOODWILL (figures in thousands of Euros)	31.12.2021	Increases	Decreases	Reclassifications	30.06.2022
Acquisition of Monsson Operation Perimeter	3.420	-	(239)	-	3.181
Reverse merger operation	4.710	-	-	-	4.710
Idroelettrica acquisition	2	-	-	-	2
Pangreen acquisition	18	-	-	-	18
MSD Service acquisition	40	-	-	-	40
<b>Total</b>	<b>8.190</b>	<b>-</b>	<b>(239)</b>	<b>-</b>	<b>7.951</b>

#### Impairment

As required by the relevant accounting standards, at 30 June 2022, the directors analysed the presence or absence of impairment indicators and, in consideration of the loss for the period as well as the uncertainties arising from the current macroeconomic and geopolitical context, performed impairment tests on all of the Group’s CGUs. When monitoring impairment indicators, the PLC Group considers, among others, the ratio of its market capitalisation to its reported equity. As at 30 June 2022, the Group’s market capitalisation of €54,600 thousand was higher than the reference equity at the same date, which was €24,220 thousand.

Consistent with previous years, the recoverability of the carrying values of the CGUs was verified by comparing the net book value of each CGU with its relative recoverable value, which is determined on the basis of value in use, obtained by discounting the future cash flows generated by each CGU at the weighted average cost of capital (WACC) specific to each business segment and geographic area in which the individual CGU operates. In fact, given the nature of the PLC Group’s assets, the fair value of CGUs cannot be determined from



information directly observable in the market, and its estimation based on alternative valuation techniques is limited and in some cases difficult to apply.

The cash flows used to estimate the recoverable amount of the individual CGUs were determined starting from the data of the 2020-2024 Business Plan approved by the Board of Directors, appropriately updated (i) by replacing the flows for the year 2022 with the expected results for the second half of the year, estimated on the basis of the Revised Budget, (ii) taking into account, in line with the requirements of ESMA's Public Statements of 13 May 2022 and CONSOB's Warning Notice No. 3/22 of 19 May 2022, of the discontinuity factors linked to the current geopolitical and energy context, and (iii) incorporating the effects of the most recent assumptions developed downstream of a "sanity check" activity, in relation to expected prospective cash flows. They were determined on the basis of the best available information and expectations at the time of the estimate. These forecasts take into account management's future expectations in relation to the respective business segments, as well as actual results.

Cash flows are calculated on the basis of a terminal value determined using the perpetuity method by applying a long-term growth rate 'g' of 0% to the terminal cash flow.

A second-level test was also performed in order to take into account the share of net invested capital (NIC) and cash flows not allocated to individual CGUs.

These estimates, consistent with IAS 36, do not consider any inflows or outflows arising from (i) a future restructuring that has not yet been approved or for which the entity has not yet committed or (ii) the improvement or optimisation of business performance based on initiatives that have not yet been started or approved for which there is still no commitment to third parties to increase production capacity with respect to the current capacity.

The value in use as at 30 June 2022 was therefore determined by discounting the after-tax cash flows using a specific discount rate for each business segment and geographical area. The discount rates used on 30 June 2022 were updated from those used on 31 December 2021 and 30 June 2021. The assumptions made take into account the level of interest rates over the past six months.

Evolution of discount rates used for the impairment test	30.06.2022	31.12.2021	30.06.2021
Construction Segment - Italy	8,85%	7,37%	6,68%
Services Segment - Italy	9,17%	7,50%	7,74%
Services Segment - Foreign	13,05%	9,99%	9,48%
Level 2 WACC	9,82%	8,39%	7,55%

The results of the impairment tests were also subject to a sensitivity analysis by applying +/- 1% and 2% changes to both the discount rate (WACC) and the long-term growth rate 'g'.



The update of the cash flows of the CGU relative to the Monsson Operation Perimeter, carried out as a result of the sanity check - and attributable both to the persistence of critical elements connected to the reorganisation of the E&I segment and to the discontinuity recorded in the geopolitical scenario - together with the significant increase in the discount rate applied with respect to 31 December 2021 (+3.06%), resulted in an impairment loss of €239 thousand. The amount of this impairment would be positively or negatively adjusted depending on the application of the above sensitivity.

The impairment tests and sensitivity analysis on the other CGUs revealed a surplus of recoverable value (headroom) over the book value.

### C. INTANGIBLE ASSETS

The balance of intangible assets at 30 June 2022 was €4,627 thousand (€4,340 thousand at 31 December 2021).

TANGIBLE ASSETS (in thousands of Euros)	Patents Trademarks & Other Rights	Software	Other Intangible assets	Total
<b>Net value at 31.12.2021</b>	<b>44</b>	<b>195</b>	<b>4.102</b>	<b>4.340</b>
Increases	-	475	518	994
Decreases	-	-	(36)	(36)
Amortisation	-	(14)	(692)	(707)
Other Changes and Exchange Rate Differences from Conversion	-	-	36	36
<b>Net value at 30.06.2022</b>	<b>44</b>	<b>656</b>	<b>3.928</b>	<b>4.627</b>

The increases for the year, amounting to €994 thousand, refer: (i) for €475 thousand to investments in software mainly related to the implementation of the new management software at Group level, (ii) for €360 thousand to development costs, of which €328 thousand are related to the PON MISE M4.0 project developed by PLC Service S.r.l. and (iii) for €135 thousand to costs incurred in connection with the development of two wind farms by the subsidiary PLC Power S.r.l., with a capacity of about 54 MW and 66 MW, respectively, to be constructed in the Campania Region.

### D. EQUITY INVESTMENTS VALUED WITH THE EQUITY METHOD

EQUITY INVESTMENTS VALUED WITH THE EQUITY METHOD (figures in thousands of Euros)	% held	31.12.2021	Increases	Decreases	Reclassifications	30.06.2022
Monsson Poland Zoo	26%	-	-	-	-	-
Sicily Biomethan S.r.l.	26%	7	-	-	-	7
Biomethan Invest S.r.l.	25%	-	-	-	-	-
<b>Total</b>		<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>

The balance of investments accounted for using the equity method at 30 June 2022 was €7 thousand, unchanged with respect to 31 December 2021.



EQUITY INVESTMENTS IN ASSOCIATES (figures in thousands of Euros)	REG. OFFICE	Share capital	SE 30.06.2022	Result 30.06.2022	% held	Share of shareholders' equity	Carrying amount
Monsson Poland Zoo	Warsaw (PL)	1	(67)	(5)	26%	(17)	-
Sicily Biomethan S.r.l.	Castelvetro (TP)	13	12	-	26%	3	7
Biomethan Invest S.r.l.	Milan	100	29	(27)	25%	7	-
<b>Total</b>		<b>114</b>	<b>(26)</b>	<b>(32)</b>		<b>(7)</b>	<b>7</b>

## E. EQUITY INVESTMENTS IN OTHER COMPANIES

EQUITY INVESTMENTS IN OTHER COMPANIES (figures in thousands of Euros)	31.12.2021	Increases	Decreases	30.06.2022
Equity investment in Banca del Sud	10	-	-	10
Equity investment in Consorzio EnelSi (*)	-	-	-	-
Equity investment in Credit (*)	-	-	-	-
Other equity investments	2	-	-	2
<b>Total</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>

The item Equity investments in other companies amounted to €12 thousand as at 30 June 2022, unchanged compared to 31 December 2021.

PROVISION FOR WRITE-DOWN OF EQUITY INVESTMENTS (figures in thousands of Euros)	31.12.2021	Increases	Decreases	30.06.2022
Provision for write-down of equity investments	(30)	-	-	(30)

The impairment provision relates to equity investments for which the carrying value is zero.

## F. DEFERRED TAX ASSETS

Deferred tax assets at 30 June 2022 amounted to €472 thousand (€188 thousand at 31 December 2021).

DEFERRED TAX ASSETS (figures in thousands of Euros)	31.12.2021	Increases	Decreases	30.06.2022
Deferred tax assets	188	409	(125)	472
<b>Total</b>	<b>188</b>	<b>409</b>	<b>(125)</b>	<b>472</b>

Other increases and decreases relate to temporary differences between the book values and the values recognised for tax purposes of certain items in the financial statements, mainly related to the provision for risks, the discounting to present value of the employee severance indemnity in accordance with IAS 19, and the tax effect recognised on certain consolidation entries.



## G. RECEIVABLES AND OTHER NON-CURRENT ASSETS

NON-CURRENT RECEIVABLES (figures in thousands of Euros)	30.06.2022	31.12.2021
Non-current receivables from related parties	213	176
Non-current receivables from others	1.577	1.723
<b>Total</b>	<b>1.790</b>	<b>1.899</b>

The item “Receivables and other non-current assets”, amounting to €1,790 thousand as of 30 June 2022 (€1,899 thousand as of 31 December 2021) mainly includes the portion of trade receivables due after one year as a result of interest-bearing repayment plans signed with certain customers.

Non-current receivables from related parties are illustrated in paragraph 3.2.4.

## H. NON-CURRENT DERIVATIVE INSTRUMENTS

Non-current derivative instruments had a positive fair value of €79 thousand as of 30 June 2022 (€17 thousand as of 31 December 2021).

NON-CURRENT DERIVATIVE INSTRUMENTS (figures in thousands of Euros)	30.06.2022	31.12.2021
Interest Rate Contracts	79	17
<b>Total</b>	<b>79</b>	<b>17</b>

It should be noted that with regard to derivative contracts, the PLC Group had active interest rate hedging contracts as at 30 June 2022. The Group has opted for fair value measurement with changes recognised in the income statement; the increase recorded relates entirely to the positive change in fair value in the reporting period.

## I. INVENTORIES AND CONTRACT ASSETS

INVENTORIES AND CONTRACT ASSETS (figures in thousands of Euros)	30.06.2022	31.12.2021
Inventories of raw materials	5.441	5.184
Inventory write-down provision	(643)	(676)
<b>Inventories of raw materials</b>	<b>4.798</b>	<b>4.508</b>
<b>Contract assets</b>	<b>8.937</b>	<b>16.028</b>
<b>Total</b>	<b>13.735</b>	<b>20.536</b>



### Inventories

As at 30 June 2022, inventories came to €4,798 thousand (€4,508 thousand at 31 December 2021). Inventories, which include raw materials for the EPC business and spare parts mainly for the O&M business, are shown net of an allowance for inventory write-down of €643 thousand.

The changes in the inventory write-down provision are shown below.

INVENTORY WRITE-DOWN PROVISION (figures in thousands of Euros)	31.12.2021	Increases	Decreases	30.06.2022
Inventory write-down provision	(676)	-	33	(643)

### Contract assets

Contract assets at 30 June 2022 amounted to €8,937 thousand (€16,028 thousand at 31 December 2021). The item Contract assets originates from the time difference between the operating progress of the projects and the achievement of the contractual progress statuses that allow invoicing. The decrease from the previous year derives from the progressive completion, and simultaneous invoicing, of orders already in the portfolio during the previous year, which were only partially replaced by new orders that entered the portfolio in the first half of 2022.

### **J. TRADE RECEIVABLES**

Trade receivables at 30 June 2022 amounted to €17,540 thousand compared to €20,264 thousand at 31 December 2021. Trade receivables are shown net of the related bad debt provision, amounting to €1,225 thousand, which decreased as a result of the favourable settlement of certain disputed credit positions.

TRADE RECEIVABLES (figures in thousands of Euros)	30.06.2022	31.12.2021
<b>Trade receivables from related parties</b>	<b>20</b>	<b>20</b>
Trade receivables from others	18.745	21.585
Bad debt provision for receivables from others	(1.225)	(1.341)
<b>Trade receivables from others</b>	<b>17.520</b>	<b>20.244</b>
<b>Total</b>	<b>17.540</b>	<b>20.264</b>

The movements in the bad debt provision are shown below.

BAD DEBT PROVISION (figures in thousands of Euros)	31.12.2021	Increases	Decreases	30.06.2022
Bad debt provision	(1.341)	-	116	(1.225)

Trade receivables from related parties are illustrated in paragraph 3.2.4.



## K. CURRENT FINANCIAL RECEIVABLES

Current financial receivables at 30 June 2022 amounted to €113 thousand (€120 thousand as of 31 December 2021), and mainly include the receivable from Panmed Italia S.r.l. for €80 thousand.

CURRENT FINANCIAL RECEIVABLES (figures in thousands of Euros)	30.06.2022	31.12.2021
<b>Current financial receivables from related parties</b>	<b>18</b>	<b>26</b>
Current financial receivables from others	95	101
Bad debt provision - current financial receivables from others	-	(7)
<b>Current financial receivables from others</b>	<b>95</b>	<b>94</b>
<b>Total</b>	<b>113</b>	<b>120</b>

Financial receivables from related parties are illustrated in paragraph 3.2.4.

## L. OTHER RECEIVABLES

The total balance of other receivables at 30 June 2022 was €4,195 thousand (€3,865 thousand at 31 December 2021).

OTHER CURRENT RECEIVABLES (figures in thousands of Euros)	30.06.2022	31.12.2021
<b>Other receivables from related parties</b>	<b>-</b>	<b>3</b>
Receivables - Augmented Reality project	163	277
Tax receivables	1.443	1.538
Advances, deposits and security deposits	1.239	787
Accrued income and prepaid expenses	948	815
Other receivables	402	445
<b>Other receivables from others</b>	<b>4.195</b>	<b>3.862</b>
<b>Total</b>	<b>4.195</b>	<b>3.865</b>

Compared to the previous year, there was an increase in the item “advances, deposits and security deposits” due to the dynamics in the supply chain resulting from the increase in the cost of raw materials; suppliers of raw materials require larger advances, sometimes already at the time the order is signed, in order to lock in purchase prices.

Tax receivables of €1,443 thousand as at 30 June 2022 (€1,538 thousand at 31 December 2021) mainly relate to VAT credits.

Other receivables from related parties are illustrated in paragraph 3.2.4.

## M. SHAREHOLDERS' EQUITY

Consolidated shareholders' equity at 30 June 2022 amounted to €24,313 thousand, of which €3 thousand was attributable to minority interests. Changes in shareholders' equity items related to (i) the overall negative



result for the period in the amount of €4,041 thousand and (ii) other changes in shareholders' equity in the amount of €34 thousand. Finally, it should be noted that the stock market capitalisation of the PLC share at 30 June 2022, equal to €54,600 thousand, is higher than its consolidated shareholders' equity as at the reference date.

#### N. NET FINANCIAL POSITION

NET FINANCIAL POSITION (figures in thousands of Euros)	30.06.2022	31.12.2021
A. CASH AND CASH EQUIVALENTS	10.251	10.729
B. CASH AND CASH EQUIVALENTS	-	-
C. OTHER CURRENT FINANCIAL ASSETS	-	-
<b>D. LIQUIDITY (A + B + C)</b>	<b>10.251</b>	<b>10.729</b>
<b>E. CURRENT FINANCIAL DEBT</b>	<b>(951)</b>	<b>(2.151)</b>
Long-term financial liabilities	(3.865)	(2.515)
Financial liabilities IFRS 16	(419)	(384)
<b>F. CURRENT PART OF NON-CURRENT FINANCIAL DEBT</b>	<b>(4.284)</b>	<b>(2.899)</b>
<b>G. CURRENT FINANCIAL DEBT (E + F)</b>	<b>(5.235)</b>	<b>(5.050)</b>
<b>H. NET CURRENT FINANCIAL DEBT (G - D)</b>	<b>5.017</b>	<b>5.679</b>
Long-term financial liabilities	(5.980)	(7.516)
Financial liabilities IFRS 16	(895)	(958)
<b>I. NON-CURRENT FINANCIAL DEBT</b>	<b>(6.875)</b>	<b>(8.474)</b>
<b>J. DEBT INSTRUMENTS</b>	<b>-</b>	<b>-</b>
<b>K. TRADE PAYABLES AND OTHER NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>
<b>L. NON-CURRENT FINANCIAL DEBT (I + J + K)</b>	<b>(6.875)</b>	<b>(8.474)</b>
<b>M. NET FINANCIAL POSITION (H + L)</b>	<b>(1.859)</b>	<b>(2.795)</b>

The net financial position of the PLC Group at 30 June 2022 was negative for €1,859 thousand, marking a positive change of €936 thousand compared to 31 December 2021.

The total amount of financial indebtedness decreased by €1,386 thousand due to repayments made in accordance with the amortisation schedules, net of new financing disbursed.

The increase in current financial debt resulted from a higher utilisation of advance lines than in the previous year.

In the first half of 2022, the subsidiary PLC Service S.r.l. signed a new loan with Banca Nazionale del Lavoro S.p.A. for €250 thousand, maturing on 31 March 2028, used for the purchase of a property located in Casalbore for the creation of a technical hub.



### Loans outstanding at 30 June 2022

Shown below is a list of loans outstanding at 30 June 2022 for the capital share only.

Loans (figures in thousands of €)	Company	Last expiry date	Short-term portion	Long-term portion	Total remaining financing 30.06.2022
BPM loan	PLC S.p.A.	31/12/2022	617	-	617
BNL loan	PLC S.p.A.	22/01/2025	1.574	1.856	3.430
BPM Financing (MCC Guarantee 90%)	PLC S.p.A.	03/07/2024	718	582	1.300
Unicredit Factoring advance	PLC System S.r.l.	Subject to revocation	345	-	345
BPER Financing (MCC Guarantee 80%)	PLC System S.r.l.	02/02/2027	584	1.584	2.168
BNL contract advance (overdraft for personal and business use)	PLC System S.r.l.	Subject to revocation	599	-	599
BNL Financing (warehouse)	PLC Service S.r.l.	31/07/2029	138	940	1.078
BNL financing (PV roof)	PLC Service S.r.l.	28/06/2027	58	232	290
BNL loan	PLC Service S.r.l.	31/03/2028	34	216	250
Soft loan PON project	PLC Service S.r.l.	30/06/2031	-	252	252
ITALEASE loan	PLC Service S.r.l.	31/12/2022	3	-	3
Unicredit advance	PLC Service Wind S.r.l.	Subject to revocation	-	-	-
Shareholder loan Massimo Rossetto	Schmack Biogas S.r.l.	31/01/2023	-	51	51
Shareholder loan Nicolò Cariboni	Schmack Biogas S.r.l.	31/01/2023	-	152	152
Soft loan	Monnson Operation S.r.l. (RO) - Greek Branch	31/01/2027	-	115	115
Unicredit advance	Wind Power Energy S.r.l.	26/07/2023	139	-	139
<b>Total</b>			<b>4.809</b>	<b>5.980</b>	<b>10.789</b>

With reference to the hedging of the risk deriving from interest rate fluctuations, it should be noted that the parent company PLC S.p.A. signed a cap strike contract on the loan in place with BNL and that the subsidiary PLC System S.r.l. signed an Interest Rate Option Cap (IRO Cap) contract on the loan in place with BPER (for further details see Note H. “Non-current Derivative Instruments”).

It should be noted that the existing loans between PLC S.p.A. and Banca Nazionale del Lavoro S.p.A. for a residual €3,430 thousand and between PLC Service S.r.l. and Banca Nazionale del Lavoro S.p.A. for a residual €1,078 thousand, require compliance with certain financial constraints (ratio of financial debt to EBITDA and ratio of financial debt to shareholders’ equity), which are subject to annual verification. Failure to comply with either constraint may result in forfeiture. At the date of the last verification (i.e. 31 December 2021), both constraints had been complied with.

In view of the negative result for the period, compliance with the financial covenants will be constantly monitored over the coming months.

The guarantees given in favour of loans granted to the Group are illustrated in detail in the Notes relating to commitments and guarantees.

### O. PROVISIONS FOR NON-CURRENT RISKS AND CHARGES

As of 30 June 2022, the provisions for risks and charges amounted to €1,899 thousand (€988 thousand as of 31 December 2021) and included the best estimate, based on the information available at that date and taking into account the valuation elements acquired from external consultants, of the possible obligations of the PLC Group, also with reference to ongoing litigation.



PROVISIONS FOR NON-CURRENT RISKS AND CHARGES (figures in thousands of Euros)	31.12.2021	Increases	Decreases	30.06.2022
Provision for contractual penalties	125	-	-	125
Provision to cover losses of investee companies	23	6	-	29
Other risk provisions	840	907	(2)	1.745
<b>Total</b>	<b>988</b>	<b>913</b>	<b>(2)</b>	<b>1.899</b>

Increases for the period, amounting to €907 thousand, relate to the estimated losses expected on certain multi-year job orders in light of the continuing increase in raw material and logistics costs, resulting in a significant deterioration of the full-life profit margins of these projects.

#### P. EMPLOYEE SEVERANCE INDEMNITY

The provision for Staff Severance Indemnity ('TFR') as at 30 June 2022 amounted to €2,584 thousand (€2,828 thousand as at 31 December 2021).

EMPLOYEE SEVERANCE INDEMNITY (figures in thousands of Euros)	31.12.2021	Increases (Decreases)	Provisions	Utilizations	Actuarial gains/losses	30.06.2022
Employee severance indemnity	2.828	-	324	(119)	(449)	2.584

Employee severance indemnity includes amounts due to employees that are not transferred to supplementary pension funds or to the treasury fund set up at INPS. Employee severance indemnity is identified as defined benefit plans under IAS 19, and is therefore subject to actuarial valuations, in order to express the current value of the benefit payable at the end of the employment relationship that employees have accrued at the date of the financial statements.

The significant decrease with respect to the previous year is attributable, for €449 thousand, to the actuarial valuation at the reference date.

At 30 June 2022, the Group had 486 employees, including 10 managers, 213 middle managers and clerks and 263 workers. The average number of employees by category and the comparison with the previous year are shown in the table below.

AVERAGE NUMBER OF EMPLOYEES (in units)	30.06.2022	31.12.2021
Managers	11	15
Middle managers and clerical staff	205	189
Workers	253	250
<b>Total</b>	<b>469</b>	<b>455</b>



#### Q. DEFERRED TAX LIABILITIES AND OTHER NON-CURRENT TAXES

DEFERRED TAX LIABILITIES AND OTHER NON-CURRENT TAXES (figures in thousands of Euros)	31.12.2021	Increases	Decreases	30.06.2022
Deferred tax liabilities and other non-current taxes	607	-	(52)	555
<b>Total</b>	<b>607</b>	<b>-</b>	<b>(52)</b>	<b>555</b>

At 30 June 2022, the balance of deferred tax liabilities and other non-current liabilities amounted to €555 thousand (€607 thousand at 31 December 2021) and consisted of: (i) for €235 thousand from the residual amount of deferred tax liabilities calculated on the fair value of authorisations related to the C&CEuro Transaction; (ii) for €274 thousand from deferred tax liabilities calculated on the fair value of customer lists related to the Monsson Operation and to Schmack Biogas S.r.l, recognised in financial year 2019 and in financial year 2020, respectively, following the completion of the PPA process required by IFRS 3; and (iii) for €46 thousand from the recognition of temporary differences between the carrying amounts and the values recognised for tax purposes of certain balance sheet items.

#### R. TRADE PAYABLES

The balance of trade payables at 30 June 2022 was €20,198 thousand (€24,615 thousand at 31 December 2021). Trade payables to related parties are illustrated in paragraph 3.2.4.

TRADE PAYABLES (figures in thousands of Euros)	30.06.2022	31.12.2021
Trade payables to related parties	27	150
Trade payables to others	20.171	24.465
<b>Total</b>	<b>20.198</b>	<b>24.615</b>

#### S. CONTRACT LIABILITIES

Contract liabilities, amounting to €1,280 thousand (€1,217 thousand at 31 December 2021) mainly concern advances and invoiced advances on multi-year job orders and adjusted Items in order to comply with the accrual principle, in application of the valuation criterion based on the contractual amounts accrued.

#### T. OTHER PAYABLES

Other payables at 30 June 2022 amounted to €6,877 thousand (€6,511 thousand at 31 December 2021).



OTHER PAYABLES (figures in thousands of Euros)	30.06.2022	31.12.2021
Other payables to related parties	59	-
<b>Other payables to related parties</b>	<b>59</b>	<b>-</b>
Residual debt - purchase of Schmack Biogas S.r.l.	648	706
Payables to tax authorities	1.032	1.331
Accrued expenses and deferred income	369	634
Earn out - C&C Operation	163	163
Payables to social security institutions	813	899
Payables to directors	160	361
Other payables	3.633	2.417
<b>Other payables to others</b>	<b>6.818</b>	<b>6.511</b>
<b>Total</b>	<b>6.877</b>	<b>6.511</b>

Other payables mainly relate to payables to employees for wages, holidays and ROL (reduced working hours) not taken and advances received from customers. The increase in the period was mainly due to higher advance payments received from customers on orders in the Services Segment.

The residual debt for the purchase of Schmack Biogas S.r.l. relates to the valuation of the put option granted to the sellers on the residual 49% of the share capital and calculated in accordance with IFRS 3.

Amounts due to tax authorities mainly include direct taxes payable, VAT payables and withholding tax payables.



## AA. REVENUES FROM CORE BUSINESS

REVENUES FROM ORDINARY OPERATIONS (figures in thousands of Euros)	30.06.2022	30.06.2021
<b>Revenues from related parties</b>	-	<b>96</b>
Revenues - Construction Segment	11.060	10.944
Revenues - Services Segment	15.080	15.323
Revenues - Trading Segment	3.630	997
Revenues from other segments	-	-
<b>Revenues from others</b>	<b>29.770</b>	<b>27.264</b>
<b>Total</b>	<b>29.770</b>	<b>27.360</b>

Revenues at 30 June 2022 amounted to €29,770 thousand (€27,630 thousand at 30 June 2021).

Revenues from the Construction Segment and the Services Segment were substantially in line with the previous year, while there was a significant increase in revenues from dispatching activities performed by the subsidiary MSD Service S.r.l. due to the increase in the price of electricity.

Below is a breakdown of revenues by geographic area, compared with the previous year.

REVENUES BY GEOGRAPHICAL AREA (figures in thousands of Euros)	ITALY	FOREIGN	TOTAL 30.06.2022
Revenues - Construction Segment	11.060	-	11.060
Revenues - Services Segment	11.494	3.586	15.080
Revenues - Trading Segment	3.630	-	3.630
Revenues from other segments	-	-	-
<b>Total</b>	<b>26.184</b>	<b>3.586</b>	<b>29.770</b>
<i>% impact on total revenue</i>	<i>88%</i>	<i>12%</i>	<i>100%</i>

REVENUES BY GEOGRAPHICAL AREA (figures in thousands of Euros)	ITALY	FOREIGN	TOTAL 30.06.2021
Revenues - Construction Segment	10.944	-	10.944
Revenues - Services Segment	9.217	6.202	15.419
Revenues - Trading Segment	997	-	997
Revenues from other segments	-	-	-
<b>Total</b>	<b>21.158</b>	<b>6.202</b>	<b>27.360</b>
<i>% impact on total revenue</i>	<i>77%</i>	<i>23%</i>	<i>100%</i>

## BB. OTHER OPERATING REVENUES

Other revenues amounted to €954 thousand as of 30 June 2022 (€4,514 thousand as of 30 June 2021) and mainly included (i) the contribution related to the Progeo Project for €243 thousand, (ii) the capitalisation of development costs related to the PON MISE M4.0 Project for €209 thousand, and (iii) the capitalisation of the costs for internal staff employed in the development of the new management system for €109 thousand. It should be noted that as at 30 June 2021, the New Initiatives Development Segment made a significant



contribution due to the capital gain realised on the sale of the vehicle C&C Tre Energy S.r.l. (amounting to €3,797 thousand).

#### CC. COSTS FOR RAW MATERIALS

COSTS FOR RAW MATERIALS (figures in thousands of Euros)	30.06.2022	30.06.2021
Raw material purchases from related parties	-	-
Purchase of raw materials from third parties	11.738	7.170
<b>Total</b>	<b>11.738</b>	<b>7.170</b>

Costs for raw materials at 30 June 2022 amounted to €11,738 thousand (€7,170 thousand at 30 June 2021). The significant increase is a consequence of the increase in the cost of raw materials due to the macroeconomic scenario.

#### DD. SERVICE COSTS

The following table details service costs totalling €9,635 thousand (€9,059 thousand at 30 June 2021).

SERVICE COSTS (figures in thousands of Euros)	30.06.2022	30.06.2021
Service costs from related parties	9	291
<b>Service costs from related parties</b>	<b>9</b>	<b>291</b>
Administrative and tax consultancy	170	168
Legal and notarial consultancy	211	176
Technical and professional consulting	324	241
Compensation of control bodies	108	102
Independent Auditors fees	103	81
Maintenance and utilities	403	359
Insurance	320	232
Rentals and other costs on third-party assets	747	711
Leases payable and charges	109	161
Services and other goods	7.131	6.537
<b>Service costs from others</b>	<b>9.626</b>	<b>8.768</b>
<b>Total</b>	<b>9.635</b>	<b>9.059</b>

The item 'Services and other goods' mainly includes (i) costs related to third-party services at plant construction sites, and (ii) costs for third-party services related to ordinary and extraordinary maintenance services on plants under management.



The item “Rentals and other costs of third-party assets” includes costs mainly related to the rental of equipment and machinery (i.e. cranes, platforms, etc.) for short periods and which do not fall within the scope of IFRS 16.

#### EE. PERSONNEL COSTS

Personnel costs at 30 June 2022 amounted to €9,839 thousand (€9,874 thousand at 30 June 2021).

#### FF. OTHER OPERATING COSTS

OTHER OPERATING COSTS (figures in thousands of Euros)	30.06.2022	30.06.2021
<b>Other operating costs from related parties</b>	-	-
Indirect taxes and fees	117	82
Write-down of receivables and inventory	(149)	70
Other operating costs	2.435	2.173
<b>Other operating costs from others</b>	<b>2.403</b>	<b>2.325</b>
<b>Total</b>	<b>2.403</b>	<b>2.325</b>

Other operating costs at 30 June 2022 amounted to €2,403 thousand (€2,325 thousand at 30 June 2021), substantially in line with the comparative period. The item ‘Other Operating Costs’ includes the estimate of expected losses on certain long-term job orders in the light of the continuing increase in the cost of raw materials and logistics in the amount of €907 thousand.

#### GG. AMORTISATION AND DEPRECIATION

AMORTISATION AND DEPRECIATION (figures in thousands of Euros)	30.06.2022	30.06.2020
Depreciation of tangible assets	743	662
Amortisation of intangible assets	707	719
<b>Total</b>	<b>1.450</b>	<b>1.381</b>

Amortisation and depreciation for the period amounted to €1,450 thousand (€1,381 thousand at 30 June 2021).

Amortisation of intangible assets mainly includes: (i) the amortisation of customer lists recognised with reference to the Monsson Operation Perimeter and to Schmack Biogas S.r.l. following the completion of the PPA provided for by IFRS 3, respectively for €201 thousand and €64 thousand, and (ii) the amortisation of the prototype related to the Progeo Project for €350 thousand.



## HH. WRITE-DOWNS

The amount of write-downs, equal to €239 thousand, related to the write-down of goodwill due to the Monsson Operation Perimeter resulting from the impairment test.

## II. FINANCIAL INCOME

Financial income amounted to €293 thousand as of 30 June 2022 (€156 thousand as of 30 June 2021) and referred for €167 thousand to translation exchange differences.

## JJ. FINANCIAL CHARGES

Financial expenses amounted to €429 thousand as of 30 June 2022 (€448 thousand as of 30 June 2021) and referred for €158 thousand to translation exchange differences. The remainder relates to interest on outstanding loans.

## KK. SHARE OF THE RESULT OF EQUITY INVESTMENTS IN SHAREHOLDERS' EQUITY

The share of the result of equity investments valued using the equity method is negative for €6 thousand (negative for €1 thousand at 30 June 2021).

SHARE OF THE RESULT OF EQUITY INVESTMENTS IN SHAREHOLDERS' EQUITY (figures in thousands of Euros)	30.06.2022	30.06.2021
Monsson South Africa Ltd.	-	6
Monsson Poland SP.ZO.o	(2)	(1)
Sicily Biomethan S.r.l.	-	(1)
Biomethan Invest S.r.l.	(4)	(3)
<b>Total</b>	<b>(6)</b>	<b>1</b>

## LL. INCOME TAXES

INCOME TAXES (figures in thousands of Euros)	30.06.2022	30.06.2021
Current income taxes	(171)	(489)
Deferred income taxes	458	44
Taxes relating to previous years	-	4
<b>Total</b>	<b>287</b>	<b>(441)</b>

The balance of the tax item, positive for €287 thousand as of 30 June 2022 (negative for €441 thousand as of 30 June 2021), is composed of: (i) €171 thousand from current taxes and (ii) €458 thousand from the net positive balance of deferred tax assets and liabilities.



## MM. COMPONENTS OF COMPREHENSIVE INCOME STATEMENT

The components of the comprehensive income statement not classifiable to the income statement relate to the effect of the actuarial calculation on the Employee Severance Indemnity in accordance with IAS 19, amounting to €448 thousand net of the related tax effect of €125 thousand.

The components of the comprehensive income statement that can be reclassified to the income statement relate to exchange rate differences from the translation of financial statements in currencies other than the Euro.

## NN. COMMITMENTS AND GUARANTEES

### PLC S.p.A.

- surety issued by PLC System S.r.l. in the interest of PLC S.p.A. in favour of Banca Nazionale del Lavoro to guarantee the loan granted for €5,000 thousand
- guarantee issued by SACE S.p.A. in the interest of PLC S.p.A. in favour of Banca Nazionale del Lavoro to guarantee the loan granted for €2,500 thousand
- guarantee issued by Medio Credito Centrale in the interest of PLC S.p.A. in favour of Banco BPM S.p.A. to guarantee the loan granted of €1,800 thousand

### PLC SYSTEM S.r.l.

- bank sureties issued by Banca Nazionale del Lavoro S.p.A. in favour of domestic customers for a total of €1,565 thousand
- sureties issued by Banco BPM S.p.A. in favour of domestic customers for €1,222 thousand
- surety issued by PLC S.p.A. in the interest of PLC System S.r.l. in favour of Banco BPM S.p.A. for €1,223 thousand
- insurance sureties issued by Sace, Coface, Generali, Reale Mutua and Axa in favour of domestic customers for a total of €3,578 thousand
- surety issued by PLC S.p.A. in the interest of PLC System S.r.l. in favour of Banca Nazionale del Lavoro to guarantee the bank credit facility granted for €2,244 thousand
- surety issued by PLC S.p.A. in the interest of PLC System S.r.l. in favour of Banca Nazionale del Lavoro for €206 thousand
- letter of patronage issued by PLC S.p.A. in the interest of PLC System S.r.l. in favour of Unicredit to guarantee the bank credit facility granted for €1,300 thousand
- letter of patronage issued by PLC S.p.A. in favour of Unicredit S.p.A. for €390 thousand
- corporate guarantee issued by PLC S.p.A. in favour of Siemens Gamesa Renewable Energy Italy S.p.A. for €114 thousand



- corporate guarantee issued by PLC S.p.A. in favour of Ferro Berica S.r.l. for €550 thousand
- corporate guarantee issued by PLC S.p.A. in favour of Nidec S.r.l. for €267 thousand
- guarantee issued by Medio Credito Centrale in the interest of PLC System S.r.l. in favour of BPER Banca to secure the loan granted of €1,900 thousand

#### PLC SERVICE S.r.l.

- bank sureties issued by Unicredit S.p.A. in favour of domestic customers for €40 thousand
- bank guarantee issued by Unicredit S.p.A. in favour of the Ministry of Economic Development within the framework of the PON MISE M4.0 project for €252 thousand
- bank sureties issued by Banca Nazionale del Lavoro S.p.A. in favour of domestic customers for a total of €62 thousand
- letter of patronage issued by PLC S.p.A. in favour of Unicredit S.p.A. for €260 thousand
- insurance sureties issued by Atradius, Sace, Coface and Axa in favour of domestic customers for €495 thousand
- first mortgage on the property located in Acerra - Pantano district, for €2,886 thousand to guarantee the loan granted by Banca Nazionale del Lavoro S.p.A.
- letters of patronage issued by PLC S.p.A. in favour of Unicredit S.p.A. for a total of €442 thousand
- guarantee issued by Medio Credito Centrale in the interest of PLC Service S.r.l. in favour of Banca Nazionale del Lavoro to guarantee the loan granted for €288 thousand
- guarantee issued by SACE S.p.A. in the interest of PLC Service S.r.l. in favour of Banca Nazionale del Lavoro to guarantee the loan granted for €200 thousand

#### PLC SERVICE WIND S.r.l.

- surety issued by PLC Service S.r.l. on behalf of PLC Service Wind in favour of Unicredit S.p.A. to guarantee the credit line of €325 thousand granted

#### IDROELETTRICA 2014 S.r.l.

- insurance surety issued by Atradius in favour of the municipality of Pergola for €182 thousand
- insurance surety issued by Reale Mutua di Assicurazioni in favour of Enel Distribuzione S.p.A. for €17 thousand

#### MSD SERVICE S.r.l.

- bank surety issued by Banca Nazionale del Lavoro S.p.A. in favour of Terna S.p.A. for a total of €50 thousand

#### SCHMACK BIOGAS S.r.l.

- bank sureties issued by Unicredit S.p.A. in favour of domestic and foreign customers for €1,594 thousand
- bank sureties issued by Sparkasse - Cassa di Risparmio di Bolzano S.p.A. in favour of domestic suppliers for €9 thousand
- insurance surety issued by Axa Assicurazioni S.p.A. in favour of Ago Renewables S.p.A. for €320 thousand



- 3 sureties issued by PLC S.p.A. in the interest of Schmack Biogas S.r.l. in favour of Unicredit S.p.A. to guarantee the credit line contracts granted up to €2,926 thousand

MONSSON OPERATION S.r.l.

- corporate guarantee issued by PLC S.p.A. in favour of a customer for €4,000 thousand
- bank sureties issued by Banca Nazionale del Lavoro S.p.A. in favour of foreign customers for a total of €47 thousand

WIND POWER ENERGY S.r.l.

- bank sureties issued by Banca Nazionale del Lavoro S.p.A. in favour of foreign customers for a total of €149 thousand

## **OO.SEGMENT REPORTING**

An operating segment is a component of an entity that undertakes business activities that generate revenues and expenses (including revenues and expenses from transactions with other segments of the same entity), whose operating results are periodically reviewed at the Company's chief operating decision making level for the purpose of making decisions about resources to be allocated to the segment, assessing results and for which separate financial statements information is available.

The following operating segments have been identified in line with the activities carried out by the Group:

Construction Segment: into which PLC System S.r.l., its subsidiaries and a portion of Schmack Biogas S.r.l. are merged;

Services Segment: into which PLC Service S.r.l., its subsidiary PLC Service Wind S.r.l., the Monsson Operation Perimeter and a portion of Schmack Biogas S.r.l. are merged;

Holding Segment: which incorporates the parent company PLC S.p.A.

Trading segment: into which MSD Service S.r.l. is merged.



STATEMENT OF FINANCIAL POSITION (figures in thousands of Euros)	Construction	Services	Holding	Trading	Other	30.06.2022
<b>Non-current assets</b>						
Tangible assets	2.979	5.895	170	-	-	9.044
Goodwill	20	8.865	(974)	40	-	7.951
Other intangible assets	1.175	2.786	666	-	-	4.627
Equity investments accounted for using the equity method	-	7	-	-	-	7
Equity investments in other companies	11	1	-	-	-	12
Deferred tax assets	407	6	59	-	-	472
Receivables and other non-current assets	1.197	593	-	-	-	1.790
Other non-current financial assets	-	-	-	-	-	-
Non-current derivative instruments	69	-	10	-	-	79
<b>Total non-current assets</b>	<b>5.858</b>	<b>18.153</b>	<b>(69)</b>	<b>40</b>	<b>-</b>	<b>23.982</b>
<b>Current assets</b>						
Inventories	1.155	3.643	-	-	-	4.798
Contract assets	8.914	23	-	-	-	8.937
Trade receivables	6.957	10.074	43	466	-	17.540
Financial receivables	85	15	13	-	-	113
Other receivables	1.824	2.076	261	34	-	4.195
Cash and cash equivalents	3.398	5.541	871	441	-	10.251
Other current financial assets	-	-	-	-	-	-
Current derivative instruments	-	-	-	-	-	-
<b>Total current assets</b>	<b>22.333</b>	<b>21.372</b>	<b>1.188</b>	<b>941</b>	<b>-</b>	<b>45.834</b>
<b>Assets held for sale / disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>28.191</b>	<b>39.525</b>	<b>1.119</b>	<b>981</b>	<b>-</b>	<b>69.816</b>
STATEMENT OF FINANCIAL POSITION (figures in thousands of Euros)	Construction	Services	Holding	Trading	Other	30.06.2022
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>10.598</b>	<b>20.875</b>	<b>(7.392)</b>	<b>232</b>	<b>-</b>	<b>24.313</b>
<b>Non-current liabilities</b>						
Non-current financial liabilities	1.613	2.818	2.444	-	-	6.875
Provisions for non-current risks and charges	907	992	-	-	-	1.899
Employee severance indemnity	553	1.534	497	-	-	2.584
Deferred tax liabilities and other non-current taxes	235	46	274	-	-	555
Payables and other non-current liabilities	-	-	-	-	-	-
Non-current derivative instruments	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>3.308</b>	<b>5.390</b>	<b>3.215</b>	<b>-</b>	<b>-</b>	<b>11.913</b>
<b>Current liabilities</b>						
Current financial liabilities	1.557	750	2.928	-	-	5.235
Provisions for current risks and charges	-	-	-	-	-	-
Trade payables	10.633	7.888	928	749	-	20.198
Contractual liabilities	1.280	-	-	-	-	1.280
Other payables	816	4.621	1.440	-	-	6.877
Current derivative instruments	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>14.286</b>	<b>13.259</b>	<b>5.296</b>	<b>749</b>	<b>-</b>	<b>33.590</b>
<b>Liabilities held for sale / disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>28.192</b>	<b>39.524</b>	<b>1.119</b>	<b>981</b>	<b>-</b>	<b>69.816</b>

STATEMENT OF FINANCIAL POSITION (thousands of euro)	Construction	Services	Holding	Trading	31.12.2021
<b>Non-current assets</b>					
Tangible assets	3.436	4.881	194	-	8.511
Goodwill	20	3.420	4.710	40	8.190
Intangible assets	1.389	2.754	197	-	4.340
Equity investments in associates	-	7	-	-	7
Equity investments in other companies	11	1	-	-	12
Deferred tax assets	43	88	57	-	188
Non current receivables and other non-current assets	1.250	649	-	-	1.899
Other non-current financial assets	-	-	-	-	-
Non-current derivative instruments	16	-	1	-	17
<b>Total non-currents assets</b>	<b>6.165</b>	<b>11.800</b>	<b>5.159</b>	<b>40</b>	<b>23.164</b>
<b>Current assets</b>					
Inventories	1.439	3.069	-	-	4.508
Contractual assets	16.028	-	-	-	16.028
Trade receivables	6.343	12.324	17	1.580	20.264
Financial receivables	89	18	13	-	120
Other receivables	2.018	1.674	142	31	3.865
Cash and cash equivalents	4.311	5.570	605	243	10.729
Other current financial assets	-	-	-	-	-
Current derivative instruments	-	-	-	-	-
<b>Total current assets</b>	<b>30.228</b>	<b>22.655</b>	<b>777</b>	<b>1.854</b>	<b>55.514</b>
<b>Non current assets held for sale / disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>36.393</b>	<b>34.455</b>	<b>5.936</b>	<b>1.894</b>	<b>78.678</b>
STATEMENT OF FINANCIAL POSITION (thousands of euro)	Construction	Services	Holding	Trading	31.12.2021
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>17.849</b>	<b>14.001</b>	<b>(3.699)</b>	<b>237</b>	<b>28.388</b>
<b>Non-current liabilities</b>					
Non-current financial liabilities	1.890	2.786	3.798	-	8.474
Provision for non-current risks and charges	-	988	-	-	988
Employee severance indemnity	624	1.701	503	-	2.828
Deferred tax liabilities and other non-current taxes	235	372	-	-	607
Non-current payables and non-current other liabilities	-	-	-	-	-
Non-current derivative instruments	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>2.749</b>	<b>5.847</b>	<b>4.301</b>	<b>-</b>	<b>12.897</b>
<b>Current liabilities</b>					
Current financial liabilities	1.309	665	3.076	-	5.050
Provision for current risks and charges	-	-	-	-	-
Trade payables	13.005	9.487	466	1.657	24.615
Contractual liabilities	217	1.000	-	-	1.217
Other current payables	1.264	3.455	1.792	-	6.511
Current derivative instruments	-	-	-	-	-
<b>Total current liabilities</b>	<b>15.795</b>	<b>14.607</b>	<b>5.334</b>	<b>1.657</b>	<b>37.393</b>
<b>Non-current liabilities held for sale / disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>36.393</b>	<b>34.455</b>	<b>5.936</b>	<b>1.894</b>	<b>78.678</b>

STATEMENT OF FINANCIAL POSITION (figures in thousands of Euros)	Construction	Services	Holding	Trading	Other	30.06.2021
<b>Non-current assets</b>						
Tangible assets	3.474	4.456	192	-	-	8.122
Goodwill	20	3.420	4.710	40	-	8.190
Other intangible assets	1.661	2.722	102	-	-	4.485
Equity investments accounted for using the equity method	-	27	-	-	-	27
Equity investments in other companies	11	1	-	-	-	12
Deferred tax assets	38	69	549	-	-	656
Receivables and other non-current assets	1.286	657	-	-	-	1.943
Other non-current financial assets	-	-	-	-	-	-
Non-current derivative instruments	7	-	-	-	-	7
<b>Total non-current assets</b>	<b>6.497</b>	<b>11.352</b>	<b>5.553</b>	<b>40</b>	<b>-</b>	<b>23.442</b>
<b>Current assets</b>						
Inventories	2.030	2.719	-	-	-	4.749
Contract assets	2.950	-	-	-	-	2.950
Trade receivables	8.130	17.058	-	321	-	25.509
Financial receivables	85	9	13	-	-	107
Other receivables	1.000	1.138	269	28	-	2.435
Cash and cash equivalents	7.603	4.971	1.371	25	-	13.970
Other current financial assets	138	-	-	-	-	138
Current derivative instruments	-	-	-	-	-	-
<b>Total current assets</b>	<b>21.936</b>	<b>25.895</b>	<b>1.653</b>	<b>374</b>	<b>-</b>	<b>49.858</b>
<b>Assets held for sale / disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>28.433</b>	<b>37.247</b>	<b>7.206</b>	<b>414</b>	<b>-</b>	<b>73.300</b>
STATEMENT OF FINANCIAL POSITION (figures in thousands of Euros)	Construction	Services	Holding	Trading	Other	30.06.2021
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>13.320</b>	<b>16.106</b>	<b>(3.296)</b>	<b>248</b>	<b>-</b>	<b>26.378</b>
<b>Non-current liabilities</b>						
Non-current financial liabilities	2.182	2.616	5.310	-	-	10.108
Provisions for non-current risks and charges	-	1.397	-	-	-	1.397
Employee severance indemnity	548	1.554	443	-	-	2.545
Deferred tax liabilities and other non-current taxes	235	379	2	-	-	616
Payables and other non-current liabilities	-	-	-	-	-	-
Non-current derivative instruments	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>2.965</b>	<b>5.946</b>	<b>5.755</b>	<b>-</b>	<b>-</b>	<b>14.666</b>
<b>Current liabilities</b>						
Current financial liabilities	665	501	3.062	-	-	4.228
Provisions for current risks and charges	-	-	-	-	-	-
Trade payables	8.083	8.695	562	166	-	17.506
Contractual liabilities	1.983	1.199	-	-	-	3.182
Other payables	1.417	4.800	1.123	-	-	7.340
Current derivative instruments	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>12.148</b>	<b>15.195</b>	<b>4.747</b>	<b>166</b>	<b>-</b>	<b>32.256</b>
<b>Liabilities held for sale / disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>28.433</b>	<b>37.247</b>	<b>7.206</b>	<b>414</b>	<b>-</b>	<b>73.300</b>

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	Construction	Services	Holding	Trading	01.01.2022 30.06.2022
<b>Revenues from ordinary operations</b>	<b>11.060</b>	<b>15.080</b>	-	<b>3.630</b>	<b>29.770</b>
Other operating revenues	325	520	109	-	954
<b>Total revenue</b>	<b>11.385</b>	<b>15.600</b>	<b>109</b>	<b>3.630</b>	<b>30.724</b>
Operating costs	(12.175)	(13.768)	(1.655)	(3.614)	(31.212)
Other operating costs	(1.219)	(1.100)	(83)	(2)	(2.403)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>(2.009)</b>	<b>733</b>	<b>(1.629)</b>	<b>14</b>	<b>(2.891)</b>
<b>EBITDA %</b>	<b>n.a.</b>	<b>5%</b>	<b>n.a.</b>	<b>0%</b>	<b>n.a.</b>
Amortisation, depreciation and write-downs	(496)	(649)	(544)	-	(1.689)
<b>OPERATING RESULT (EBIT)</b>	<b>(2.505)</b>	<b>84</b>	<b>(2.173)</b>	<b>14</b>	<b>(4.580)</b>
Net financial income (charges)	27	(114)	(48)	(1)	(136)
Income from (Charges on) equity investments	-	(6)	-	-	(6)
Income taxes	598	(385)	74	-	287
<b>Profit (loss) for the period from continuing operations</b>	<b>(1.880)</b>	<b>(421)</b>	<b>(2.147)</b>	<b>13</b>	<b>(4.435)</b>
Profit (loss) for the period from discontinued operations	-	-	-	-	-
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>(1.880)</b>	<b>(421)</b>	<b>(2.147)</b>	<b>13</b>	<b>(4.435)</b>
Total other components of comprehensive income	63	287	44	-	394
<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>(1.817)</b>	<b>(134)</b>	<b>(2.103)</b>	<b>13</b>	<b>(4.041)</b>

RECLASSIFIED STATEMENT OF COMPREHENSIVE INCOME (figures in thousands of Euros)	Construction	Services	Holding	Trading	01.01.2021 30.06.2021
<b>Revenues from ordinary operations</b>	<b>10.944</b>	<b>15.419</b>	-	<b>997</b>	<b>27.360</b>
Other operating revenues	4.129	385	-	-	4.514
<b>Total revenue</b>	<b>15.073</b>	<b>15.804</b>	-	<b>997</b>	<b>31.874</b>
Operating costs	(10.578)	(12.899)	(1.644)	(982)	(26.103)
Other operating costs	(263)	(2.026)	(36)	-	(2.325)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>4.232</b>	<b>879</b>	<b>(1.680)</b>	<b>15</b>	<b>3.446</b>
<b>EBITDA %</b>	<b>28%</b>	<b>6%</b>	<b>n.a.</b>	<b>2%</b>	<b>11%</b>
Amortisation, depreciation and write-downs	(538)	(543)	(300)	-	(1.381)
<b>OPERATING RESULT (EBIT)</b>	<b>3.694</b>	<b>336</b>	<b>(1.980)</b>	<b>15</b>	<b>2.065</b>
Net financial income (charges)	(8)	(177)	(106)	(1)	(292)
Income from (Charges on) equity investments	-	1	-	-	1
Income taxes	(49)	(546)	154	-	(441)
<b>Profit (loss) for the period from continuing operations</b>	<b>3.637</b>	<b>(386)</b>	<b>(1.932)</b>	<b>14</b>	<b>1.333</b>
Profit (loss) for the period from discontinued operations	-	-	-	-	-
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>3.637</b>	<b>(386)</b>	<b>(1.932)</b>	<b>14</b>	<b>1.333</b>
Total other components of comprehensive income	21	92	105	-	218
<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>3.658</b>	<b>(294)</b>	<b>(1.827)</b>	<b>14</b>	<b>1.551</b>



### 3.2.4 TRANSACTIONS WITH RELATED PARTIES

With regard to the requirements of the international accounting standard IAS 24 (revised) on “Related party disclosures” and the additional information required by Consob communication no. 6064293 of 28 July 2006, the following tables summarise the Group’s economic and financial transactions with related parties.

#### Revenues and costs from related parties

REVENUES AND COSTS - RELATED PARTIES (In thousands of Euros)	Revenues			Costs			
	Revenues	Research and development	Financial income	Raw materials	Services	Payroll and other costs	Financial charges
Antonio Carrano	-	-	-	-	9	-	-
Biomethane Invest S.r.l.	-	-	4	-	-	-	-
Massimo Rossetto	-	-	-	-	-	-	1
Nicolò Cariboni	-	-	-	-	-	-	2
Sicily Biomethan S.r.l.	-	-	2	-	-	-	-
<b>Total</b>	-	-	<b>6</b>	-	<b>9</b>	-	<b>3</b>
% impact on financial statements item	n.a.	n.a.	2%	n.a.	0%	n.a.	1%

#### Receivables from and payables to related parties

RECEIVABLES DUE FROM AND PAYABLES DUE TO RELATED PARTIES (In thousands of Euros)	Receivables			Payables		
	Trade receivables	Financial receivables	Other receivables	Trade payables	Financial payables	Other payables
Antonio Carrano	-	13	-	27	-	-
Biomethane Invest S.r.l.	20	124	-	-	-	-
Idea S.r.l.	-	5	-	-	-	-
Massimo Rossetto	-	-	-	-	51	29
MOPOLO	-	69	-	-	-	-
Nicolò Cariboni	-	-	-	-	152	30
Sicily Biomethan S.r.l.	-	20	-	-	-	-
<b>Total</b>	<b>20</b>	<b>231</b>	-	<b>27</b>	<b>203</b>	<b>59</b>
% impact on financial statements item	0%	12%	n.a.	0%	2%	1%

### 3.2.5 FINANCIAL RISK MANAGEMENT POLICY

The financial risks to which the PLC Group is exposed are as follows: (i) liquidity risk stemming from the possibility of not being able to source the necessary funds to meet its obligations (ii) credit risk arising from the possibility of default by a counterparty, (iii) foreign exchange risk arising from the performance of its business also in foreign markets, and (iv) interest rate risk arising from financial exposure.

Financial risk management is an integral part of the management of the Group’s activities and is carried out centrally by the Parent Company, which defines the risk categories and, for each type of transaction and/or instrument, indicates the methods and operating limits.

#### Types of financial instruments and fair value hierarchy

Below is a breakdown of financial assets and liabilities, as required by IFRS 7, as part of the categories envisaged by IFRS 9, with an indication of the measurement criteria adopted.



FINANCIAL ASSETS AND LIABILITIES - IFRS 9 (figures in thousands of Euros)	Measurement criteria adopted				30.06.2022	31.12.2021
	Fair value	Fair Value Hierarchy	Measurement at cost	Amortised cost	Carrying amount	Carrying amount
Loans and receivables	-	-	-	326	326	296
Cash and cash equivalents	10.251	Level 1	-	-	10.251	10.729
Trade receivables	-	-	-	17.540	17.540	20.264
Other current receivables	-	-	-	4.195	4.195	3.865
Other non-current receivables	-	Level 1	-	1.577	1.577	1.724
Investments in other companies measured at fair value	-	-	-	-	-	-
Investments in other companies measured at cost	-	-	12	-	12	12
Other financial assets	-	-	-	-	-	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>10.251</b>	<b>-</b>	<b>12</b>	<b>23.638</b>	<b>33.901</b>	<b>36.890</b>
Trade payables	-	-	-	21.478	21.478	25.832
Other current payables	-	-	-	6.877	6.877	6.511
Current financial payables	-	-	-	5.235	5.235	5.050
Non-current financial payables	-	-	-	6.875	6.875	8.474
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40.465</b>	<b>40.465</b>	<b>45.867</b>

With regard to cash and cash equivalents, trade receivables and payables, other current and non-current receivables and current payables, the amortised cost is a reasonable approximation of fair value.

Financial assets and liabilities due within one year have not been measured at fair value because their amortised cost approximates fair value.

Financial assets and liabilities due after one year are measured using the amortised cost method.

With regard to financial instruments measured at fair value, the classification of the same is reported on the basis of the hierarchy of levels that reflects the significance of the inputs used in determining fair value, as required by IFRS 13. The following levels can be distinguished:

- level 1 - listed (unadjusted) prices in active markets for identical assets or liabilities available to the entity at the measurement date;
- level 2 - inputs other than the listed prices referred to in the previous point, which are observable on the market directly (as in the case of prices) or indirectly (i.e. derived from prices);
- level 3 - inputs that are not based on observable market data.

### Liquidity Risk

The evolution of the Group's net working capital and financial requirements is heavily influenced by the timing of invoicing of work in progress (with reference to the Construction Segment) and services (with reference to the Services Segment) and collection of the related receivables. Consequently, although the Group has put in place measures to ensure that adequate levels of working capital and liquidity are maintained, any delays in the progress of projects and/or in the definition of positions being finalised with clients could have an impact on the capacity and/or timing of cash flow generation.

Liquidity risk represents the risk that, due to the inability to raise new funds or liquidate assets on the market, the Group will not be able to meet its payment obligations, resulting in an impact on the economic result in the event that the Group is forced to incur additional costs to meet its commitments or, as an extreme



consequence, a situation of insolvency that puts the Group's business at risk. The Group's risk management objective is to put in place a financial structure that, in line with the business objectives and defined limits, guarantees an adequate level of liquidity of credit facilities and credit lines for the entire Group.

The policies applied were aimed at guaranteeing sufficient financial resources to cover short-term commitments and maturing bonds, as well as to ensure the availability of an adequate level of operational flexibility for the Group's development programmes, pursuing the maintenance of balance in terms of duration and composition of debt and an adequate structure of bank credit lines.

At present, the PLC Group has not been exposed to an increase in liquidity risk due to the Covid-19 pandemic and/or the ongoing conflict between Russia and Ukraine, even though, given the long-term uncertainty, a potential worsening of financial stress scenarios cannot be ruled out, resulting from a deterioration of liquidity in general, delays in payments from customers and the slowdown of operational activities on projects with delays in invoicing customers.

#### Credit Risk

Credit risk is the risk that a counterparty will fail to meet its obligations in relation to a financial instrument or contract, thereby generating a financial loss.

Credit risk is generally mitigated by the fact that the Group carries out a prior assessment of counterparty solvency risk on the basis of procedures and that, generally, receivables of a significant amount are due from known and reliable counterparties. Despite the market environment being negatively impacted by the Covid-19 pandemic, credit risk has, for the time being, remained low; however, it cannot be excluded that some customers may delay, or fail to honour, payments under the agreed terms and conditions, with a subsequent increase in credit risk. Where there are changes in the creditworthiness of a counterparty, the value of the credit is adjusted accordingly to bring it in line with the actual probability of recovery. At 30 June 2022, the maximum exposure to credit risk was equal to the carrying amount of the receivables in the financial statements.

#### Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate as a result of changes in market prices, due to fluctuations in exchange rates, interest rates or the prices of equity instruments. The objective of market risk management is to manage and control the Group's exposure to such risk within acceptable levels, while optimising the return on investments.

#### Exchange rate risk

During the first half of 2022, the Group conducted 88% of its business in the Italian market and the remaining 12% abroad, mainly through the Monsson Operation Perimeter. The Group does not currently have any



hedging contracts in place to manage exchange rate risks. The exchange rate risk to which the Group is exposed is relatively limited as it is mainly related to the trend of the Romanian Leu with low volatility against the Euro.

#### Interest rate risk

The Group's exposure to risk deriving from changes in interest rates originates from floating rate financial payables that expose the Group to a cash flow risk linked to the volatility of the Euribor curve. Generally, the objective of the management is to limit the fluctuation of the financial charges that have an impact on the economic result, limiting the risk of a potential increase in interest rates, eventually through the use of derivative contracts for hedging purposes. As at 30 June 2022, there was (i) a cap strike agreement in place on the loan agreement in place with BNL and (ii) an Interest Rate Option Cap (IRO Cap) agreement in place on the loan agreement in place with BPER Banca S.p.A.

#### Capital management

The objectives identified by the Group in the management of capital are the creation of value for all shareholders, the safeguarding of business continuity and support for the development of the Group, to which the new management is heavily committed.



### 3.3 CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 154-BIS of Italian Legislative Decree NO. 58/98

The undersigned Diego Percopo and Cecilia Mastelli, the Chief Executive Officer and Manager in charge of Financial Reporting of PLC S.p.A. respectively, certify, taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998:

- the adequacy in relation to the characteristics of the business and
- the effective application of the administrative and accounting procedures for the preparation of the condensed interim financial statements at 30 June 2022.

There are no significant aspects to be mentioned in this regard.

It is also certified that:

the condensed interim financial statements at 30 June 2022:

- have been prepared in accordance with the applicable international accounting standards recognised by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- are consistent with the data in the accounting records and other corporate documents;
- provide a true and fair view of the financial position, results of operations and cash flows of the issuer and the group of consolidated companies.

The interim management report includes a reliable analysis of references to important events that occurred in the first six months of the financial year and their impact on the condensed interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The interim management report also includes a reliable analysis of material information with related parties.

Milan, 28 September 2022

The Chief Executive Officer

*Signed Diego Percopo*

The Manager in charge  
of Financial Reporting

*signed Cecilia Mastelli*



#### 3.4 INDEPENDENT AUDITORS' REPORT



# **PLC S.p.A.**

Condensed Interim Consolidated Financial Statements as at 30 June  
2022

Limited Audit Report on the Condensed Interim Consolidated  
Financial Statements

## Limited Audit Report on the Condensed Interim Consolidated Financial Statements

To the Shareholders of PLC S.p.A.

### Introduction

We have performed a limited audit of the condensed interim consolidated financial statements, which comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes of PLC S.p.A. and subsidiaries (PLC Group) as at 30 June 2022. The Directors are responsible for the preparation of the condensed interim consolidated financial statements in accordance with the applicable international accounting standard for interim financial reporting (IAS 34) as adopted by the European Union. It is our responsibility to express a conclusion on the condensed interim consolidated financial statements on the basis of the limited audit performed.

### Scope of the limited audit

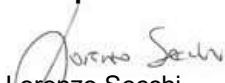
Our work was carried out in accordance with the limited audit criteria recommended by Consob in Resolution No. 10867 of 31 July 1997. The limited audit of the condensed interim consolidated financial statements consists of interviews, mainly with the company personnel responsible for financial and accounting aspects, financial statement analyses and other limited audit procedures. The Scope of a Limited Audit is substantially smaller than that of a full audit carried out in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not allow us to be certain that we are aware of all significant facts that could be identified by carrying out a full audit. Therefore, we do not express an opinion on the condensed interim consolidated financial statements.

### Conclusions

Based on the limited audit performed, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the PLC Group as at 30 June 2022 have not been prepared, in all material respects, in accordance with the applicable international accounting standard for interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 30 September 2022

**EY S.p.A.**



Lorenzo Secchi  
(Legal auditor)