



**SAMAG HOLDING LOGISTICS S.p.A.**

Report of the independent auditors  
pursuant to article 14 of Legislative  
Decree no. 39 of 27 January 2010

Consolidated Financial Statements at 31 December 2020

## Report of the independent auditors

pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010

To the shareholders of  
SAMAG HOLDING LOGISTICS S.P.A.

### Report on the audit of the consolidated financial statements

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#### Opinion

We have audited the consolidated financial statements of the SAMAG Holding Logistics Group (the Group), which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement, the consolidated cash flow statement for the year then ended, and the notes to the financial statements.

In our opinion, the consolidated financial statements provide a true and fair view of the financial position of the Group at 31 December 2020, the economic result and cash flows for the year ended on said date in compliance with Italian laws that discipline their preparation criteria.

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#### Elements of the opinion

We conducted our audit in accordance with International Auditing Standards (ISA Italia). Our responsibilities under these standards are further described in the section *Responsibility of the independent auditors for auditing the consolidated financial statements* of this report. We are independent of the SAMAG Holding Logistics Group in accordance with the ethics and independence rules and principles applicable in Italian law to the auditing of financial statements. We believe we have acquired sufficient and appropriate audit evidence on which to base our opinion.

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#### Responsibility of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that provide a true and correct representation in accordance with the Italian regulations governing the preparation criteria and, within the terms established by law, for the part of the internal audit deemed necessary to allow the preparation of financial statements that do not contain significant errors due to frauds or unintentional conduct or events.

The directors are responsible for assessing the Group's ability to continue operating as a going concern and, in preparing the consolidated financial statements, for the appropriateness of the use of the going concern assumption, as well as for adequate disclosure. The directors use the going concern assumption in preparing the consolidated financial statements unless they have assessed that the conditions exist for the liquidation of the parent company SAMAG Holding Logistics S.p.A. or for discontinuing operations or have no realistic alternatives to these choices.

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

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## Responsibility of the Independent Auditors for auditing the consolidated financial statements

Our objectives are the acquisition of reasonable assurance that the consolidated financial statements as a whole do not contain significant errors, due to fraud or unintentional conduct or events, and the issuance of an audit report that includes our opinion. Reasonable security means a high level of security which, however, does not provide the assurance that an audit carried out in accordance with International Auditing Standards (ISA Italia) will always identify a significant error, if any. Errors can result from fraud or unintentional conduct or events and are considered significant if it can reasonably be expected that they, individually or as a whole, are able to influence the economic decisions made by the users on the basis of the consolidated financial statements.

As part of the audit carried out in accordance with International Auditing Standards (ISA Italia), we have exercised professional opinion and maintained professional scepticism throughout the audit. Moreover:

- we have identified and assessed the risks of material misstatement in the consolidated financial statements due to frauds or unintentional conduct or events; we have defined and performed audit procedures in response to said risks; we have acquired sufficient and appropriate audit evidence on which to base our opinion. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error deriving from unintentional conduct or events, since fraud can imply the existence of collusion, falsification, intentional omission, misleading representations or forcing internal control;
- we have acquired an understanding of the internal control relevant for auditing purposes in order to define appropriate audit procedures in the circumstances and not to express an opinion on the effectiveness of the internal control of the Group;
- we have assessed the appropriateness of the accounting standards used and the reasonableness of accounting estimates made by the Directors, including the related disclosure;
- we have come to a conclusion on the appropriateness of the use by the Directors of the going concern assumption and, based on the audit evidence, on the existence of significant uncertainty regarding events or circumstances that may give rise to significant doubts about the ability of the Group to continue operating as an operating entity. In the presence of significant uncertainty, we must draw attention to the audit report on the related disclosures in the financial statements, or, if such disclosure is inadequate, to reflect this fact in the formulation of our opinion. Our conclusions are based on the audit evidence acquired up to the date of this report. However, subsequent events or circumstances may result in the Group ceasing to operate as an operating entity;
- we have assessed the presentation, structure and content of the consolidated financial statements as a whole, including the disclosure, and whether the financial statements represent the underlying transactions and events in order to provide a correct representation;
- we have obtained sufficient and appropriate evidence on the financial information of the companies or of the different economic activities carried out within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, supervision and performance of the Group's audit assignment. We are solely responsible for the audit opinion on the consolidated financial statements.

We have communicated to the managers of the governance activities, identified at an appropriate level as required by ISA Italia, among other aspects, the scope and timing planned for the audit and the significant results emerged, including any significant deficiencies in the internal control identified during the audit.

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## Report on other provisions of law and regulations

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### Opinion pursuant to article 14, paragraph 2, letter e) of Legislative Decree 39/10

The directors of SAMAG Holding Logistics S.p.A. are responsible for the preparation of the SAMAG Holding Logistics Group's report on operations at 31 December 2020, including its consistency with the relevant consolidated financial statements and its compliance with legal regulations.

We have performed the procedures specified in Auditing Standard (SA Italia) no. 720B for the purpose of expressing an opinion on the consistency of the report on operations with the consolidated financial statements of the SAMAG Holding Logistics Group at 31 December 2020 and on their compliance with legal requirements, as well as to issue a statement on any significant errors.

In our opinion, the report on operations referred to above is consistent with the consolidated financial statements of the SAMAG Holding Logistics Group at 31 December 2020 and has been prepared in accordance with the law.

With reference to the statements of article 14, paragraph 2, letter e), of Legislative Decree 39/10, issued on the basis of the knowledge and understanding of the company and the relative context acquired during the audit, we have nothing to report.

Milan, 23 June 2021

BDO Italia S.p.A.



Paolo Zinno  
Shareholder



**SAMAG HOLDING LOGISTICS S.p.A.  
Group**

P.zza di Pietra 26 - 00186 ROME

Share Capital Euro 800,000.00

Report on Operations of the Consolidated  
Financial Statements at **31/12/2020**

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## Introduction

### **SAMAG HOLDING LOGISTICS S.P.A**

*Based in P.zza di Pietra 26 - 00186 ROME - Share Capital Euro 800,000.00*

*VAT 07635270965 - REA RM-150822*

### ***Report on Operations of the Consolidated Financial Statements at 31/12/2020***

*Dear Shareholders*

***The year ended 31 December 2020 shows a profit of 1,207,885***

*As regards above, in the Notes to the Financial Statements, you have been provided with the information relevant to the illustration of the financial statements at 31/12/2020.*

*In this document, in accordance with the provisions of article 2428 of the Civil Code, we provide you with news concerning the situation of your Company and information on its operating performance.*

*This report is presented together with the Annual Financial Statements in order to provide income, equity, financial and management information of the company accompanied, where possible, by historical elements and prospective assessments.*





### *Operating conditions and development of the business and corporate structure*

Your company, as is well known, conducts its business in the integrated logistics sector, as well as in all other related sectors, including auxiliary services, such as, but not limited to: administrative, accounting, management and financial, commercial and industrial services in the exclusive interest of its investee and/or associated and/or network companies belonging to the 'Strategy Network'.

#### *List of Subsidiaries in the Scope of Consolidation Company Shareholding*

##### Activity Performed

• <u>ROL Logistics Srl</u>	<u>90%</u>	Logistics, Transport
• <u>General Trade Loq Srl</u>	<u>100%</u>	Logistics and Services
• <u>Macro Service Srl</u>	<u>95%</u>	“
• <u>MTL Srl</u>	100%	“
• <u>Cedica Srl</u>	100%	Transport and Logistics
• <u>CBS Lavoro S.p.A.</u>	<u>90%</u>	Work Agency

*The ordinary shareholders' meeting must be convened for the approval of the financial statements within the time limit stipulated in the articles of association and in any case not more than 120 days after the end of the financial year.*

*The articles of association may, however, provide for a longer deadline for approval of the financial statements, in any case not exceeding 180 days from the end of the financial year (29 June or 28 June for leap years), in the case of companies required to prepare consolidated financial statements or when special needs relating to the structure and purpose of the company so require.*

*The Company's financial statements for the year 2020 are certified by the independent auditors BDO Italy, for the third consecutive year.*

*As a result of the Covid19 pandemic events, which also impacted the entire organisation during the first months of 2021 and affected operations with regard to all administrative activities and the completion of certification procedures, the deadlines stipulated in the articles of association were extended.*

## General Economic and Market Trends

### *Overview of general economic developments*

*The year 2020 has been named the 'annus diffcilis' because of the Covid -19 pandemic.*

*Confindustria estimates a deep drop in Italian GDP of -10% in 2020, taking levels back to those of 23 years ago. The impact of the health crisis was slightly more negative than expected a few months ago, leading to a slight downward revision of the estimates compared to the scenario in May.*

*The imposed March-April lockdown created a double supply and demand shock, induced by the regulatory freeze of activities in many industry and service sectors, and the restrictions on people's travel to contain the virus, produced disruptive effects on the Italian economy: GDP fell by a total of 17.8% in Q1 and Q2.*

*The consequences of the pandemic were especially severe for industry, which suffered from the cancellation of orders from the domestic and foreign markets, and for some tertiary activities (tourism, transport, accommodation and catering).*

*The end of the lockdown at the beginning of May brought about a significant upturn in demand, which in many sectors had essentially ground to a halt, and revived activity in industry with significant increases in the third quarter, which, however, did not make up for the loss of the first two quarters.*

*In services, however, recovery is slower. During the summer months, while other activities restarted, the situation of the Italian economy was burdened by the sharp decrease in tourist flows, especially foreigners.*

*An important impulse to the recovery during 2021 could come from the positive effects of the economic support measures already approved at European level. With the Recovery Plan, additional resources would gradually flow into Italy to be invested, starting in 2021. These would complement the economic policy measures launched in the countries affected by the COVID-19 emergency, with a positive effect on the international economy.*



*However, the rebound of Italy's GDP in 2021 will only partially offset the slump in 2020: in the fourth quarter of next year, the income level will still be more than 3% lower than at the end of 2019. And far from the highs of early 2008, by about eight percentage points.*

*Furthermore, the data published by Confcommercio in the confederation's Studies Office report on the crisis in the market service sector shows that until the pandemic onset, market services had continued to make the largest contribution to the country's GDP and employment compared to manufacturing and agriculture.*

*For the first time in the economic history of Italy, in fact, the services market as a whole recorded a drop in output in real terms of 9.6%, with the sectors of commerce, tourism, services and transport losing a total of 13.2%; the greatest declines were recorded in the tourism sector (-40.1% for accommodation and catering services), followed by the arts, entertainment and recreation sector (-27%) and transport (-17.1%); the trade segment, by virtue of the resilience of food retailing, somewhat contained its losses, settling at -7*



## **Development of demand and trends in the markets in which the company operates**

**Contract Logistics**, sector in which the Samag Group operates, has grown a lot in terms of turnover in recent years, mainly due to an increase in the volume of business and the degree of outsourcing.

In 2018, a favourable growth trend was confirmed with a turnover of around Euro 84 billion (+0.7%) and the projections for the Italian economy for 2019, despite the slowdown in growth, confirm an increase in turnover to almost Euro 85 billion.

The growth in turnover is accompanied by substantial stability in average economic profitability (expressed in terms of EBITDA/turnover).

There are just over 97,000 companies operating in third-party logistics, with the total number of operators remaining substantially stable.

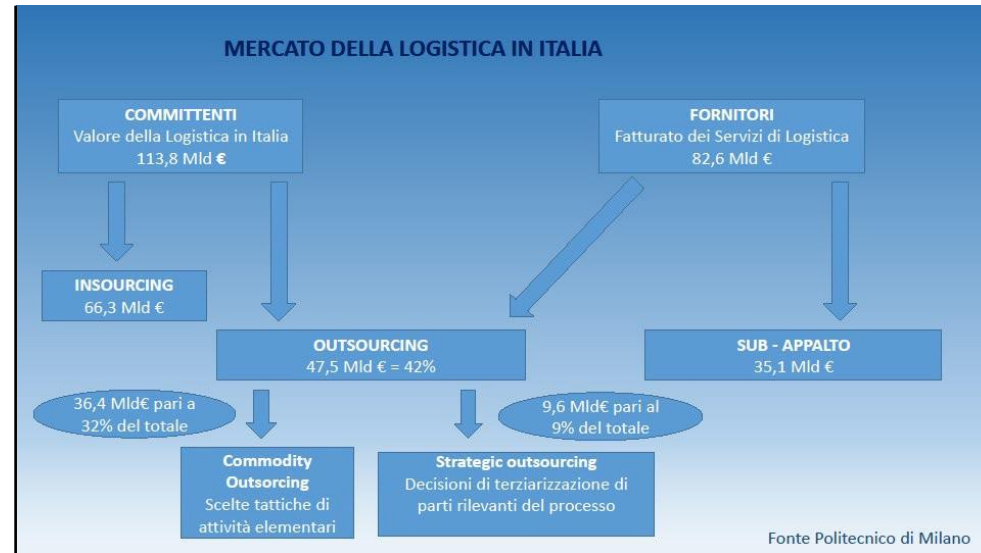
The value of logistics in Italy in 2017 was Euro 113.8 billion, which breaks down into Euro 66.3 billion in-house and Euro 47.5 billion outsourced.

This figure is the result of the total turnover generated by third-party logistics operators (amounting to Euro 82.6 billion) net of the value of subcontracting (estimated at Euro 35.1 billion).

The incidence of third-party logistics continues to grow, approaching the threshold of 42% of logistics activities in Italy. (from 36.4% in 2009 to 41.7% in 2017).

Considering only Strategic Outsourcing, i.e. the outsourcing of a major part of the logistics process to a single supplier, a more pronounced growth than that of the market as a whole (+17.5% in real terms) was observed in the period 2009-2017. . (\*source **Contract Logistics Observatory - Politecnico di Milano**).



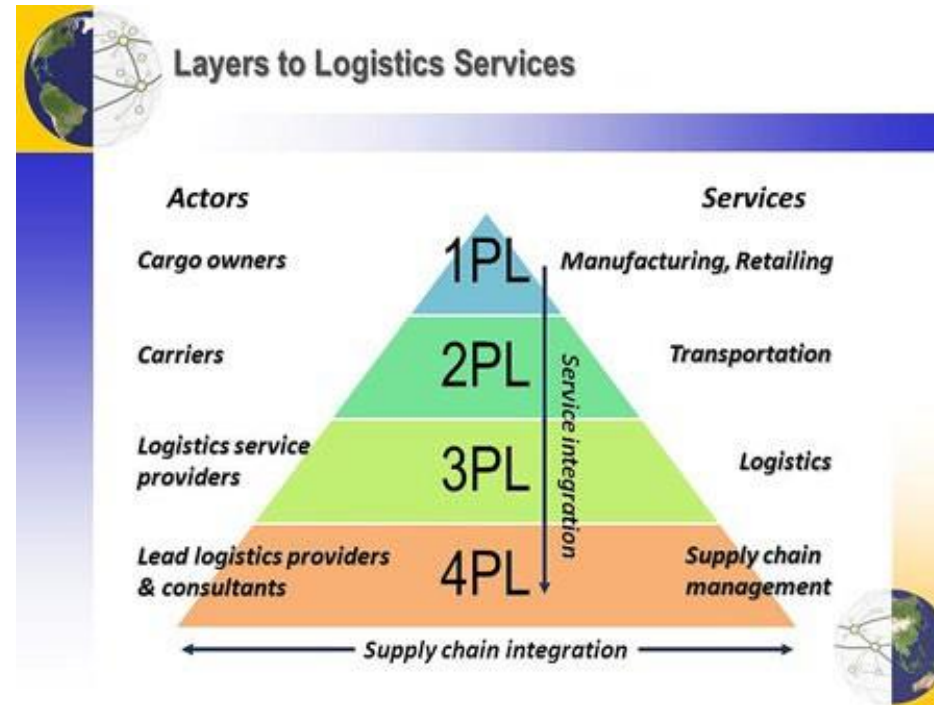


*The development of the market continues, which in recent years has shown concentration among 'warehouse operators', rewarding those companies that manage to create value by improving their economies of scale, improving their efficiency and, above all, the quality and reliability and stability of the service rendered.*

*The ability to realise synergies and strengthen partnerships with its customers, evolving commercial and operational relations towards relationships focused on improving the value chain and not only on price negotiation are increasingly the key elements of an evolved 'warehouse manager' in line with the needs of its customers.*

*Among the main players in outsourcing are **3PL**, operators to whom a company can entrust all or part of its logistics activities. They tend to manage the whole range of logistics activities, from transport activities to warehousing, to customer service and returns management. An evolution of these are **4PL**, operators who, in addition to the activities that are typically outsourced to 3PL, carry out additional (administrative, control, financial) activities related to logistics or collateral to it, for which a company has no competence, ability or willingness to carry them out in-house.*

*Outsourcing of logistics services* allows the contractor to obtain several benefits, in addition to the possibility of focusing on its 'core business' to achieve a higher level of performance.



## THE DEMAND MARKET DURING AND AFTER COVID19

*The Covid-19 pandemic has forced the logistics sector, more than others, to adapt rapidly to the new needs of territories, supply chains and consumers, experimenting with new collaborative and organisational models based on flexibility and digitalisation.*

*Although the emergency is still ongoing, it is time to think about how the logistics will change, especially since the country is unlikely to resume functioning as before in the medium term and there may be several 'stop and go' moments caused by possible new 'waves' of the infection, perhaps with the application of 'red zones' to more limited areas of the country.*

*The best way to answer the question of how logistics will change is to observe the reaction shown over the past six months by sectors such as the pharmaceutical and food supply chain, which have remained fully operational.*

*Firstly, the importance emerges of adopting an 'agile' strategy as opposed to a more cost-minimising strategy in a context of predictable demand.*

*Concretely, this has led to a tendency to operate with greater redundancy of resources (primarily warehouses) in order to be able to quickly reallocate stocks and overcome critical issues, such as business stoppages, at the local level.*

*The implementation of such a strategy has required an increased 'speed of decision-making', where choices have to be increasingly data-driven and dynamic.*

*For the planning part, one method adopted was smart working, the effectiveness of which was greater for companies that had already experimented with this way of working remotely and that adopt cloud-based technologies and software. The latter facilitate remote access to information systems and promote increased visibility along the supply chain.*

*Then there is a part of the activity that remains forcedly in the field, such as order picking and transport.*

*The 'agile' strategy is also based on the concept of flexibility, which enables rapid implementation of the most suitable solutions to respond to changes in the context.*

*In this situation, companies have managed to be flexible thanks to the outsourcing of logistics and the outsourcing model adopted in the country, even managing to reallocate large quantities of goods from one warehouse to another in a very short time and in a situation of extreme difficulty due to the ongoing emergency.*



*Horizontal collaboration between third-party logistics operators has also been and will be increasingly crucial with a view to sharing economy (e.g. the use of stationary trucks/drivers from other supply chains to handle high demand growth in other sectors such as food).*

*At the level of strategic macro-choices, alongside the critical analysis of the level of service to be provided in the future based on contingent considerations (e.g. some companies have reduced the number of deliveries per destination point to reduce order fragmentation), the centrality emerges of urban delivery capacity, not only at the level of home deliveries (e-commerce has made the definitive leap for its development in Italy with growth in excess of 50%) but also at the level of individual points of sale with the rediscovery of the value of proximity shops (often also used as set-up points for urban deliveries in an omnichannel perspective). Urban logistics itself, with origin and destination within the city, will be increasingly important.*

*The e-commerce phenomenon has now exploded in Italy for all types of goods.*

*It is no longer a 'niche' phenomenon linked only to goods such as technology and clothing but has expanded to sectors such as food and pharmaceuticals, areas that until a few months ago were only marginally touched upon.*

*What is surprising, then, is not only the increase in the number of purchases made online but also the number of buyers, which has grown exponentially; it is not only young people who are buying online but also the older age groups, those historically more reluctant to rely on technology.*

*The experiences of these months will certainly bring with them long-term effects. Thus, many logistics players are gearing up to make the most of this growing trend.*

*This phenomenon will lead to an increase in the area of warehouses needed in Italy and a restructuring of existing ones to respond quickly to new consumer demands.*

*Not only new large warehouses for the storage of goods or the expansion of existing warehouses, in order to respond to new market demands the large logistics players are also investing in hubs, small logistics warehouses, located on the outskirts of large cities with the advantage of being able to install themselves in existing areas that lend themselves to being renovated and redeveloped to be used as hubs for last-mile logistics.*





*An example of this type of project comes from the American giant Amazon, which is creating a logistics supply chain based on the one hand on large peripheral hubs such as Castel San Giovanni (Piacenza), Vercelli, Passo Corese etc. and on the other hand on many small proximity hubs located on the outskirts of cities.*

*This strategy not only takes into account the growing trends of the last period, but is a way of accessing cities in a more rational way by circumventing restricted traffic zones, zones that will be more and more extensive in the future.*

*Also in the field of transport, we observe the development of road-rail intermodality, which is essential for overcoming transport bottlenecks between EU countries, as well as for managing the crossing/supply of new 'red zones' in the future.*

*Lastly, warehouse automation, which to date is still underdeveloped, will also be increasingly relevant to facilitate work in protected locations with a lower concentration of people.*

*In conclusion, even for logistics, it is not simply a matter of returning to 'normality', but of finding new balances that will enable us to face not only this challenge but future ones.*



## Business and Corporate Structure Development

### *Operating conditions and development of the business and corporate structure*

*Your company, as is well known, conducts its business in the integrated logistics sector, as well as in all other related sectors, including auxiliary services, such as, but not limited to: administrative, accounting, management and financial, commercial and industrial services in the exclusive interest of its investee and/or associated and/or network companies belonging to the 'Strategy Network'.*

*We would like to highlight here that, during the first quarter of 2020, the new corporate and organisational structure of the group, resulting from the mergers by incorporation of the companies CBS Gestioni Spa and Tech-Log Srl as per the deeds of 13 December 2019 and the transfer of shares by the two relative minority shareholders as per the notarial deed of 16 December 2019, became fully effective.*

*Also during the first quarter, several new and important contracts were initiated, for some of which the company recruited about 400 employees for the direct management of about Euro 20 million in turnover, and additional contracts were acquired from a company belonging to the network for a turnover of about Euro 14 million on an annual basis.*

*The year 2020 was marked and strongly 'affected' by the Covid19 pandemic, with all its organisational, managerial and economic impacts.*

*Nevertheless, in this complex scenario, your Group has been able to achieve significant growth and asset/financial strengthening results that, together with the continuous evolution of the Samag Holding Logistics Organisational Model, have laid the groundwork for the realisation of the ambitious development projects aimed at building a Group destined to become one of the main players in the 4PL world.*

*In this very special and difficult year, special attention should be paid to the results of the company CBS Lavoro, which saw its start-up in 2019 and, in 2020, although heavily penalised by the profound crisis in certain market sectors such as tourism and catering, in which CBS Lavoro had laid the foundations for strong development, the results showed a turnover of Euro 12.6 million (+300%) and a net result that brought the company to break-even already in its second year of activity.*

*By a notarial deed drawn up on 29 May 2020, Samag Holding Logistics Spa acquired 100% of the shares of the company Cedica Srl based in Rome, a company operating in the transport/distribution and logistics sector with a turnover of approximately Euro 16 million, and representing the first step in a growth process aimed at the vertical integration of logistics services, identified in the group's Business Plan 2020-2024.*

*On 1 October 2020, Cedica itself acquired the business unit called 'Air Service', which integrated into Cedica a business volume of approximately Euro 5.0 million per annum that is synergic and complementary with the traffic and type of service performed by Cedica.*

*By notarial deed of 17 July 2020, the company saw the entry of two companies as new shareholders, Millhouse Srl and Ge.Co Building Srl, to each of which the sole shareholder transferred 15% of the shares of Samag Holding Logistics Spa.*

*Effective 1 August 2020, Samag Holding Logistics acquired 100% of the shares of the company MTL Srl, which brought with it the contract with the company BRT Spa to manage one of the main hubs in northern Italy with a turnover of over Euro 9.0 million per year and an attractive marginality.*

*During the year, in two extremely complex periods due to the limitations imposed by the 'Covid 19' measures, in March and November 2020, Samag Holding Logistics in its capacity as the Common Body of the Strategy Network and on the specific mandate of the network companies, managed to complete the 'Reverse Factoring' project already initiated in 2019, allowing the same network companies, the main service providers for the Samag Holding Logistics Group, to be able to manage their own financial independence, enabling the Samag Group to lengthen its liability financial cycle, lightening its Net Financial Position and contributing to the improvement of Cash Flows.*

*During the course of the year, several projects were launched to implement structured finance measures, which, again related to the realisation of the 2020-2024 business plan, in October 2021 and December 2021, the first loans were disbursed amounting to Euro 2.5 million.*

*Through the acquisition of the shares of Crearts Srl then at the end of 2019 and the consequent change of company name to Samag Tech Srl, the group intended to further strengthen the structuring of an Information Technology division appropriate to the size of the Group itself with a vision increasingly focused on research and innovation; in this sense close collaborations were initiated with the Elis Consortium and the university world.*

## Services Development: Research, Development and Training

### *The valorisation of know-how and the 'Strategy' network*

*As already stated in last year's report SA.MA.G. Holding Logistics S.p.A. confirmed and consolidated its position within 'Strategy' as the 'Common Body' of the Network, with the role of providing administrative/management services in relation to a job/contract and preliminary study, as well as monitoring the operational and financial requirements of the same; in other words, the Common Body of the Network acknowledged the mandate received and adopted the need to analyse the necessary implementations, in order to make warehouse activities more efficient and identify best practices that can produce benefits on a multi-year basis.*

*The services offered are confirmed to be the basic ones for the proper functioning of the network as a whole, but also of the individual network companies:*

*- Financial and insurance services; - Accounting/administration; - Legal/labour; - Industrial relations.*

*In the realisation of its objectives, the Network has as its 'road map' the document containing the Programme, Management and Business Network Regulations 2018/2020 (updated and approved in January 2021, the one covering the three-year period 2021-2023 has been issued), which represents the objectives, rights and obligations, procedures, instruments, regulations, functional organisation charts and job descriptions that regulate the relationships between the network companies and the processes within the Network, in which Samag Holding Logistics obviously plays a basic role, being the Common Body of the Network Strategy and necessarily having to act as a driving and binding force.*

*Precisely as a result of this founding activity that Samag Holding carries out within the Strategy Network, the latter has acquired know-how in logistics and in the reference market that has allowed it to increase its position of prestige therein, both in dimensional and economic terms and, in particular, in reputational terms for the reliability and professionalism demonstrated to date.*

*We therefore proceeded, with the support of a leading professional firm of international renown, to value in the financial statements the economic benefits derived from our participation, as a common body, in the Network contract called Strategy and its organisational model, in light of the recent decree law no. 104 of 14 August 2020, converted with amendments into law no. 126 of 13 October 2020 on the subject of 'reevaluation of business assets'.*

*This valorisation is based on the now established and accepted principle that the category of intangible assets also includes the so-called similar rights, which can include the distinctive signs of the company (company, sign, license to use patents) including also the know-how, for which in the national legal system it is possible to refer to the notion contained in articles 98 and 99 of Legislative Decree no. 30 of 10/02/2005 amended by Legislative Decree no. 63 of 11/05/2018, which implemented in Italy the EU Directive 2016/943.*

*With this latest directive of the European Parliament and of the Council, on the protection of confidential know-how and confidential business information against unlawful acquisition, use and disclosure, companies were able to benefit from more extensive protection measures to safeguard these assets.*

*Know-how represents the technical-commercial secrets of a company, information that coincides with a wealth of knowledge not intended for disclosure, not accessible to the generality of operators in the sector and the use of which gives a competitive advantage to the legitimate holder over competitors: technical-industrial knowledge inherent in an intrinsic economic-commercial value, exclusive knowledge that enables the service to be realised in a different manner from other competitors.*

*Information and knowledge can, and we believe should, be considered an industrial property right and therefore subject to legal protection.*

*Samag operates in the field of integrated logistics and, as is well known, this sector is characterised by very low margins, due among other things to the complexity of the processes.*

*It is clear that in this context, the company's ability to create processes and synergies that allow it to build customer loyalty while ensuring a cutting-edge service that meets expectations plays a fundamental role. This is achieved by structuring its business efficiently through the implementation of an internal organisational structure capable of managing production processes, intercepting inefficiencies and adapting to the specific needs of clients, without neglecting the continuous need to develop technological innovation of processes in the context of the natural evolution of the market.*

*With reference to know-how, accounting standard OIC 24 specifies that such costs, both in the case of in-house production and in the case of purchase from third parties, are entered under item BI-3) - industrial patent rights and rights to use intellectual property; while for non-patented technology, they are entered under item BI-4) - concessions, licences, trademarks and similar rights.*

*In our case, know-how is recognised under item BI-4) on the assets side of the balance sheet, as it is not the subject of legal protection even though it is protected by article 99 of the CP; in other words, know-how differs from both patents and intellectual works.*

*Samag, as is known, has never recorded this intangible asset in its financial statements, but rather the related costs incurred have been recognised in the relevant income statement; therefore, it may recognise its know-how in the 2020 financial statements by availing itself of the revaluation law contained in article 110 of the so-called 'August Decree', within the limit of the value actually attributable to the assets with regard to their size, their productive capacity, the actual possibility of their economic use in the company, as well as the current values and quotations recorded on regulated Italian or foreign markets.*

*The method adopted for the valuation was the income approach, which, in agreement with the professional firm that supported this work, was considered to be the most conceptually correct and the one most consistent with the most accredited theories of value; which involves three main steps: 1. Estimation of future benefits; 2. Identification of the time frame expressing the useful life of the asset; 3. Identification of the discount rate.*

*The valuation process showed an estimate attributable to the company's know-how of Euro 31,997,485, amount capitalised in intangible assets.*

### *The enhancement of the 'Strategy' network*

*As outlined above, the operation of the Strategy Network, a network contract between companies of operators in the sector that intend to pursue the strategic objective of their innovation in the integrated logistics sector and the enhancement of their competitiveness, is ensured by Samag Holding, which plays the role of the common body. However, it is also possible to identify a Strategy Organisation with its Management Committee, its interactions and its strategic objectives.*

*Within the Network, 4 Areas can be identified: a) Customer Area; b) Financial Area; c) Internal Process Area; d) Knowledge and personnel development Area.*

*Even these few lines and these comments on the Strategy structure make us realise what composite business model underlies Strategy Network with its Financial, Administrative, Organisational and Operational Management.*

*As mentioned and explained in the previous paragraph, Strategy Network allows the management of personnel secondments within the framework of the 'co-employment' institution with flexibility and timing adapted both to 'immediate' contingent needs and within a prospective and planning vision on the basis of the proven needs of the companies concerned.*

*It is evident that in order to manage this structure, procedures and reference tools are indispensable to be able to interact and get the right answers in an increasingly tight timeframe. It is precisely for this reason that the Network has adopted its own organisation chart and job description in order to codify and make the bodies in charge of the individual areas and the internal references evident internally, but also to third parties.*

*For all of the above, it was decided to delegate to a leading external professional firm the assessment and determination of the amount of value that the Network is able to generate, also through its own Brand under which all the networks present themselves to the market and which represents the aggregation for the exercise of business activity with its own business organisation.*

*The professional firm that carried out this asset valuation activity identified as the most suitable valuation method the royalty rate method applied to historical turnover data, which can be traced back to the following formula  $W = \sum Ft * r(1+i)^t + TV$  in which: F=turnover; r=Royalties; i=discounting rate; t=period of time; TV=terminal value formula that allows the discounting of prospective flows for a certain future period of time and precisely to allow reliable estimates to be obtained, the data used takes into account both historical flows consistently capitalised and future flows.*



*The result obtained, for which the capitalisation coefficient was avoided for prudential purposes, amounts to Euro 31,609,673.00, a value that can be attributed as an increase in financial assets d-bis) investments in other companies. Clearly, the amount is to be allocated to the 38 networks in proportion to the seniority in the network and the turnover generated; it follows that the value to be charged to the financial statements for Samag is Euro 5,104,931.90.*

*Notwithstanding the above, for the sake of greater prudence and also for a coherent financial statement policy, this amount has been treated as an of which of the valuation of the know-how previously disclosed, and we believe that the discussion in the preceding paragraph has in itself all the explanations and reasons underlying this decision; for any further details on the treatment of the relative items in the financial statements, please refer to the Notes.*





## ***The engineering of analysis and processes (Research, Development and Training)***

*During the course of the 2019 financial year, as set out in the previous Report, we launched 4 Research and Development Projects aimed at obtaining undoubted advantages over our competitors and with the objective of innovating the market in which we operate, this activity clearly continued during the year 2020, starting to provide the first partial results: from the first phase of data collection, which gave us the opportunity to start the first analyses and identify possible IT solutions, we developed some solutions that provided positive results in at least 3 of the 4 Projects identified. Clearly, the development and implementation phase of the solutions is continuing even in the current financial year (year 2021), as further tests are needed to be able to achieve the goals we have set ourselves and which, as in all Research and Development activities, evolve and become more complex as the research itself evolves and new IT and technological solutions are identified, thanks also to the support and work of the team that follows this activity. All this in order to allow innovation in a market anchored to traditional logics and whose players are still reluctant to innovate, except in known cases but strictly related to innovation of mechanised structures that allow warehouse automation, while continuing to work on the warehouse layout, but not distorting the vision and focus on what we consider to be the core of logistics.*

*As in previous years, the implementation and improvement also continues - based on input and analysis of our Company as the common body of the Strategy Network - of management software dedicated to the production/management analysis of orders.*

*Thanks to them, Samag Holding Logistics and the Samag Group are increasingly able to analyse operational dynamics with greater detail, greater punctuality and greater timeliness, intervening in individual macro- and/or micro-activities with respect to the heterogeneous orders managed by the Strategy Network, but in particular by our Company, thereby rendering a qualitatively high service to clients and generating cost-effectiveness and therefore value within individual orders, with an increasingly detailed level of analysis and therefore adherent to the reality under examination.*

*The operational/management analysis also allows the costs and revenues of job orders to be defined and delimited in time, so that they can be correctly entered in the financial statements according to the 'accrual' principle, regardless of their numerical manifestation, this level of analysis - thanks to dedicated software created ad hoc by various development teams, to adapt them to the needs of individual and varied job orders - of operating data has made it possible to continue the project that the Strategy Network - through its common body Samag Holding Logistics, to which the individual networks have delegated the task - wanted for all the company networks, i.e. a continuous development and improvement activity step by step of the individual processing phases, especially in the start-up phases of individual job orders.*



*The objective of this project, as already outlined last year, is that the network companies holding contracts (so-called Contracting Stations), in the event they are entrusted in operational management (obviously with own organisation, means and business risk) to a network company awarded the relevant tender - contractually requires, through the definition of specific KPIs, that the network company awarded the contract carries out daily development and continuous improvement activities on the logistics processes of the contracts awarded and/or entrusted, measuring the degree of achievement of the KPIs assigned, with a view to bonus/malus to the fulfilment or otherwise of the relevant performance.*

*The plan allows the implementation of development activities, aimed at designing and setting up an efficient approach to the management of each job/contract, bringing significant productivity gains where necessary.*

*This initial approach is conceived and developed in such a way as to ensure, throughout the life cycle of the contract, a path of continuous improvement aimed at further efficiency gains. This is implemented through initial training activities, which have the dual purpose of training the personnel who will work in the contract in the new operating methods defined as a result of the development activity, but also to train them in the principles of continuous improvement. The productivity gains that are thus introduced (both the initial ones that are achieved during the start-up phase rather than those that occur as a result of 'continuous improvement') constitute an important competitive factor, differentiating Samag Holding Logistics' 'way of handling orders' from other competitors.*

*The objective that is set ex ante, periodically verified and evaluated ex post is in fact to improve the productivity indexes and thus the overall profitability of the contract within an acceptable and predefined multi-year time frame, taking advantage of all the tools made available by the network through the Common Body, such as software, operational teams, analysis teams and not least the institute of co-employership, through which to draw from the various network companies the most suitable professionalism to operate this improvement thanks to their specific 'know-how'.*

*The objective of development activities is to make orders structurally and sustainably efficient in order to enable profitability prospects such that the revenues expected to be realised are sufficient to cover the costs incurred for the study, implementation and management of the project itself. However, they also have the clear objective of securing important productivity gains during the start-up of a job order and to prepare for further continuous efficiency gains. This obviously generates benefits on the individual contract, but is also aimed at creating value as a structured working method over time*



As mentioned above, in 2019, the company initiated the following R&D projects:

- **Project 1 'Company networks for co-employment management: Interaction between information systems and organisational models for predictive analysis':**

*The main objective of the project is to introduce business intelligence tools in the management of the work performance of one or more employees for one or more employers. The sharing of employees between companies belonging to a business network is a relatively new phenomenon, but one that is set to grow due to the enormous advantages associated with the constant possibility of achieving significant economies of scale.*

*However, the knowledge associated with managing this mobility of employees between different companies requires a readjustment of the information technologies that were created and have evolved to manage the allocation of human resources within the individual company. In fact, the management of co-employment can be framed in general terms, as can the management of a multi-project activity, where each project has its own set of tasks; but where in each case there are certain new constraints or costs associated with the fact that resources have to move across several projects and in different business contexts.*

*This requires the realisation of an analysis of what are the criticalities of this new management mode and the ability to integrate and evolve within the new environment (the business network) the know-how typically associated with the dynamic allocation of human resources to the individual tasks that make up the projects.*

*Business intelligence obviously has two dimensions, that relating to strategic analysis and that relating to the technologies needed to automate and thus speed up and make efficient the analysis of data that then leads to the extraction of relevant information to guide choices.*

*An 'automated' dimension for detecting, storing, processing and extracting information is absolutely indispensable when the volume of data becomes such that it is substantially impossible to extract relevant information from it in a timely manner. Today, in fact, the need is to obtain information capable of working on a historical series that not only goes into the distant past but is also as close as possible to the present, so as to be able to orientate both present and future choices in an instantaneous manner, with levels of effectiveness that can be concretely measured and progressively perfected in an automated form.*

*In 'mission-critical' activities such as logistics, anticipating the future is clearly not a response to a purely intellectual curiosity, but means enabling companies to allocate resources and tools so that the questions that the future will bring to the table in the present will have their answers ready, so that processes can always be guaranteed both maximum effectiveness and maximum efficiency.*



*All this while keeping the human dimension in the foreground, the one related to the well-being of the people engaged in the field operations; the further advantage of the best choice of skills allocation is that it allows the Operator to reach an ever-increasing level of competence until this competence is able to be transformed into the development of the knowledge itself.*

*We therefore decided to engage directly in the design and implementation of an information system capable of:*

- 1. Improving the effectiveness of matching labour supply and demand;*
- 2. Carrying out predictive analyses on the demand for allocation of human resources in time and space (what skills will be needed, in what location, in what quantity, for what purpose, for what economic benefit, etc.).*

*The general objectives we expect to achieve are:*

- 1. An increase in productivity;*
- 2. Consequently, achieve an increase in profitability;*
- 3. To achieve, as a further consequence, an increase in wages;*
- 4. To obtain an increase in skills and thus a competitive increase for the operator and the company, but also;*
- 5. A psychological benefit for the Operator due to the gratification of knowing that it has completed a task with excellent results.*

- **Project 2 'Transport System and the IoT':**

*The main focus here is on all handling operations carried out outside warehouses, and in particular those requiring the use of vehicles and the presence of human operators to drive them and manage the loading and unloading of goods.*

*The activities generally associated with the mission of a logistics operator (haulier, courier) require the ability to manage a large and variable amount of information, such as checking the condition of the vehicle, ensuring that the goods are protected during transport, heading to certain geographical points by choosing the best routes, loading or unloading goods by identifying incoming packages, outgoing packages and interfacing with other operators to whom the goods will be delivered or by whom they will be taken over. Adequate information management of all these aspects requires a wide and varied set of technologies ranging from parcel and operator identification systems, video surveillance systems to detect transport cabin infringements, navigation support information (maps, vision support systems, etc.).*



*The motivation to take on such a complex and ambitious project is very concrete: the non-existence on the mainstream market of an ICT system capable of satisfactorily responding to logistics needs.*

*The company thus decided to become directly involved in the design and implementation of such a system because its realisation would allow us to seize two opportunities:*

- 1. improve the efficiency of the companies in our group, achieving greater productivity and competitiveness;*
- 2. realise a tool that can be distributed on the market either as a product or as a service in order to facilitate the inclusion of other operators within the 'Strategy' networking;*

*In the case of a mission conducted by a Courier, the focus is not and must not only be on collecting data concerning the mission being conducted, but also and indeed above all on providing the crew with the necessary data to carry out the mission.*

*In essence, if in general for information systems based on IoT technologies the main focus is to collect data from sensors scattered throughout the territory and then process them through a central system located in the cloud, in this case each individual Transport Operator itself becomes a data collection and processing point, allowing it to integrate seamlessly with other Operators scattered throughout the territory thanks to a continuous data exchange.*

- **Project 3 'Systematisation and standardisation of new tools and models for the efficiency of integrated logistics systems':**

*This further project has its incipit in the technological development that has taken place in recent years in the IoT sector and more specifically in the tracking of the movement of people, and objects, allows for the implementation of data acquisition infrastructures never seen before in the logistics sector and which could build a database on which data processing would finally be able to achieve high levels of quality in responding to the different types of problems typically associated with warehouse efficiency, which translates into the reduction of order delivery times, the reduction of goods remaining in storage, and the reduction of handling costs, all of which contribute to increased customer satisfaction.*

*The warehouse is the place where various functions operate such as:*

- 1. the transformation of material flows:*
- 2. from a quantitative point of view (load splitting);*



3. *qualitative (re-assortment of loads);*
4. *the buffering (buffer function) of materials through which the ever-present asynchronism between production and demand is compensated;*
5. *the exchange of materials between the different vehicles that handle them in the territory (interface function between transport systems).*

*Both the morphology of the warehouse as well as the techniques of space distribution and the allocation of materials within specific functional areas could be characteristics that can be defined by fully data-driven automated processes, i.e., designed in relation to the actual data related to the flows and functions foreseen for each specific warehouse.*

*Data-driven design is a methodology that, for several years now, has been entrusted with the design of objects that have been part of our everyday lives, such as electronic microprocessors. In this area, particular data-driven algorithms aim to maximise the efficiency of information processing by processing and testing different possible hardware architectures. The goal we have set ourselves for the three-year project is to frame possible development paths that could lead us to the realisation of technologies that can:*

1. *assist Warehouse Designers with data to support their design activities or even frame perspectives for its design in a fully automated form through the analysis of data associated with the flow of goods;*
2. *assist in day-to-day operations through real-time analysis of data associated with the flow of goods (Warehouse Operations). As in all companies, knowledge is distributed among various resources that make up the organisation, so rethinking processes necessarily means surveying this distributed knowledge, formulating new hypotheses for solutions and submitting these hypotheses to the people working in the specific areas to assess their technical opinion.*

*In light of our achievements on the conceptual level, the other ongoing projects in the other companies of the group (in particular with regard to the IoT world) and the possible future markets, we believe it is more appropriate to focus our efforts only on warehouse operation and leave out research activities on warehouse design. This is because to realise a warehouse design product would mean going for a very complex product, with several years of work and non-negligible costs, which, to be recouped, would require licence costs probably high enough to be uncompetitive when compared to the number of requests that might arrive and the consultancy costs that engineers and architects specialised in the specific branch generally offer. Warehouse operation, on the other hand, is an activity that thousands and thousands of companies (on a global scale) already perform and could benefit from our solutions immediately.*



*Notwithstanding the above, the focus in this first year has been on creating a new methodology with advantages that none of the existing methodologies were able to offer. The company believes that it has succeeded with the concepts of 'time investment allocation' and 'time solidarity'.*

*Therefore, for 2020 and 2021 we can focus on two parallel activities:*

- 1. The development of a detailed algorithm and immediately afterwards of the software that implements it;*
- 2. A collection of real data, produced in the past, which is then formatted into a dataset that conforms to the formats of the simulation software.*

*It should be pointed out that once the software has been developed and tested using simulators, everything will, of course, be tested in the field. In the logic of optimising the group's R&D resources, it was decided to make this project part of the 'Data Drive Process Improvement' project being developed with the subsidiary Rol Logistics.*

- ***Project 4 'Data Driven Process Improvements'***

*The main objective of the project is the construction of an innovative technological infrastructure to make all operations associated with the warehouse more efficient on the one hand, and to make the company more prepared for integrated logistics and the supply chain on the other.*

*Any business decision, as is well known, is based on the availability of information, even when that decision is based on support systems of a purely IT nature (the Data Analysis for Business Intelligence) and that this information will be all the more reliable the more complete, accurate and continuous the data collection will be.*

*Unfortunately, considering the wide range of activities that characterise the operations carried out in a warehouse, there is no ICT system on the mainstream market capable of providing a data set with the necessary quality characteristics, especially since there is no truly effective system on the market today for tracking mobile assets within the warehouse (packages, persons, vehicles).*

*We therefore decided to get directly involved in the design and implementation of such a system because its realisation will enable us to achieve not one but two goals:*



1. *improve the management of our internal processes, achieving greater productivity and competitiveness;*
2. *have an instrument that can be distributed on the market either as a product or as a service (in order to facilitate the inclusion of other operators within the 'Strategy' business network).*

*To this end, the first thing we did was to divide the activities into two macro-areas, the one concerning data collection and the one concerning data processing, in order to obtain relevant information that could guide the choices at the various levels of our organisation.*

*Thus with the consequent need to bring two fronts of development in parallel, that of data collection and that of data processing.*

*On the data collection front, we decided to focus on the development of IoT technologies capable of universalising and automating collection, while on the aspects of data analysis, including for predictive purposes, the agreed heuristic is to import the experience that is being built up in one of the R&D projects outlined above, since initial comparisons with experts in the field of Business Intelligence have shown that the technologies associated with automatic data analysis, including analysis for predictive purposes, are invariant to the data, this means that in a second phase it should be possible to apply the same tools to the typical warehouse dataset, thereby avoiding duplication of effort and expense within the group of companies.*

*Turning to the results so far from the IoT point of view, we were able to achieve much of what we had hoped for by building a basic hardware system that has very low power consumption and that, once started up, is able to read the data from the various sensors (GNSS and IMU), store them and send them in real time via WiFi to the new low-latency software system we were able to implement.*

*The latest-generation GNSS module we used performed exceptionally well, even in environments with coverage, such as warehouses; although it is necessary, in order to increase the accuracy of indoor localisation, to combine the GNSS module with systems capable of achieving greater precision. On energy consumption, we have found that the system is perfect in its use in warehouses; in fact, in these cases the goods are mainly only being handled in the inbound and outbound phases.*

*Further development could be the idea of displaying a dynamic two-dimensional code that would allow a system to enter into direct communication with the tag via BT from a user equipped with a special app and thus be able to read much more information about the item or the tag itself or possibly update it.*





*This leads us to include the introduction of BT technologies within the device as a future development. Experimental firmware developments also yielded very good results, resulting in a very stable custom operating system. On the software aspects (middleware), we were able to complete the experimental development of the two-dimensional polar representation, achieving a fair reduction in the size of the data packet, a size further reduced by the fact that we were also able to complete an essential UDP encoding, as well as completing the direct pushing of data from the server to the client.*

*Finally, we would like to point out that due to a question of available time, we have not yet been able to start developing the system called 'chi tace acconsente', which we intend to be able to tackle and possibly complete by 2021, not least because the development of such software would allow us, through the introduction of complex mathematical functions to implement a feature that we have called 'super real time' or even 'future time', i.e., the ability to bring to zero the time delay of the information that the user sees on the screen (the position of the mobile object) through predictive analysis, or even to anticipate by a few seconds or minutes the position that the object will have within a territory.*

*In essence, what started out as a simple optimisation attempt to reduce the size of the data packet and its routing is turning into a completely revolutionary concept with regard to tracking mobile objects/subjects.*

*With this, we believe that we have perhaps overstated the R&D projects that our companies are implementing as part of their normal production activities and the necessary continuous streamlining of contract orders; we just want to underline that in the current year, costs have been decidedly contained due to the CoViD pandemic, which has slowed down the normal processes and which has therefore forced us to concentrate mainly on data analysis, fortunately very conspicuous and exhaustive done in the previous year, and on programming; these activities have also allowed us, as described above, to better understand the developments and interactions between the individual projects and the final outcome we want to achieve.*

*Finally, it is appropriate here to inform that the Management Committee of Strategy Network explicitly requested to adopt and adhere to the royalty policy, as resolved and formalised in the 2018/2020 Programme, Management and Regulation Network of Companies and as better set out in the First Revision (thereof) of 31 December 2019 and obviously reconfirmed in the 2021-2024 Network Programme.*

*In fact, the adoption of such a policy, which is necessary for what has been stated above and for the implications that underlie it, also allows the companies belonging to the Network, whether they are subcontractors, rather than contractors, to record during the year a turnover of work that is speculative and consistent with the contractual conditions with the primary customer, without therefore the need to resort to the system of 'deferrals' to align accounting between billing drivers and movement drivers at year change and financial*

*statements closing.*



## Control, Prevention and Law Compliance

### *Organisational Model pursuant to Legislative Decree 231/2001*

*In this paragraph, we would like to remind you and confirm that SAMAG HOLDING LOGISTICS S.p.A. has adopted an Organisation, Management and Control Model, pursuant to Legislative Decree 231/2001, approved by the Administrative Body on 1 July 2016 and subsequently supplemented and updated as a result of regulatory developments, progressive jurisprudential interventions concerning organisation, management and control models and internal organisational changes.*

*With the adoption of its Organisational Model, understood as a set of general and operational rules, SAMAG HOLDING LOGISTICS SPA has set itself the objective of adopting a general set of principles of conduct, as well as procedures that meet the purposes and prescriptions of Legislative Decree 231/01 both in terms of preventing crimes and administrative offences, and in terms of monitoring its implementation and the possible imposition of sanctions.*

*The Organisational Model, in fact, consists of an organic set of principles, rules, provisions and organisational schemes relating to the management and control of the company's activities and consists, inter alia, of an illustrative summary document containing the general rules suitable for preventing the commission of the offences contemplated by Legislative Decree 231/01.*

*The Organisational Model that SAMAG HOLDING LOGISTICS SPA has adopted since 2016 takes into account the complete list of 'predicate offences', assessing through a careful risk analysis the likelihood of their occurrence.*

*Through the mapping of offences, obtained thanks to a careful risk assessment activity, the company puts in place controls to reduce the likelihood of their occurrence; these controls are contained and described in the behavioural protocols forming part of the Model (Procedures) and are discussed and updated periodically with the intervention of those directly involved and the support of the professionals who provide their advice for this purpose.*



*It is important to emphasise that SAMAG HOLDING LOGISTICS SPA has become part of the network of companies without legal personality, called 'STRATEGY', in which it plays the role of Common Body.*

*The Common Body, in agreement with all the other member companies of the network, decided to adopt certain procedures that are typical of the activities of a business network and to make their adoption a fundamental requirement to ensure proper regulatory and procedural compliance.*

*The Company has also adopted a Code of Ethics in the belief that it represents a fundamental component of the Organisational Model and the overall internal control system. In this perspective, the principles and values expressed in the Code of Ethics constitute the first safeguard on which the Organisational Model is based, as well as a useful interpretative reference in its concrete application in relation to company dynamics.*

*Here we would like to reiterate what has already been mentioned in last year's Report regarding the objections formulated by the Revenue Agency - Taxpayers Division - Sector for Fighting Offenses - Lombardy Territorial Section against a number of subcontracting companies belonging to the Group (and/or members of the Strategy Network) at the end of a lengthy audit concerning the tax periods from 2013 to 2016, which started on 15 June 2017.*

*Without going into further detail, we would like to confirm that it has been demonstrated that the circumstantial elements underpinning the tax theory were unfounded, in particular the existence and autonomy of the cooperatives providing services to the subcontracting cooperatives and strongly denying the alleged 'hetero-direction' of these cooperatives.*

*On 5 June 2020, a framework agreement was therefore finalised between the Lombardy Regional Directorate, the competent provincial directorates and the companies of the so-called 'Esposito Group', by which the parties jointly acknowledged and took note of the circumstance that certain subcontracting companies, in order to bear the higher costs incurred in order to make the orders efficient, had levied a tax skip, causing fiscal damage;*

*of the willingness on the part of the audited contracting stations to reach an overall settlement of the findings, with the primary purpose of avoiding a protracted litigation, by accepting to bear a burden related to the irregularities committed by the subcontracting companies, despite their total lack of involvement in such tax behaviour and business choices.*

*On the basis of this agreement, we intended to embark on an even more virtuous and economically sustainable path for all players involved in the management of procurement contracts, which led to the improvement of our Law Compliance policy as described above and below.*

## *Supervisory Board*

*In implementation of the provisions of the Decree, the Company has appointed a Supervisory Board in a collegial composition, ensuring that its members meet the requirements of honourableness and professionalism. Furthermore, it has ascertained that there are no causes of incompatibility and no grounds for conflict of interest with other corporate functions and/or offices that could undermine its independence and freedom of action and judgement.*

*In carrying out its activities, the Supervisory Board may, where necessary, avail itself of the support of other corporate functions or external consultants. The Supervisory Board performs the tasks and powers provided for in the Organisational Model.*

*In order to fulfil its responsibilities, the Supervisory Board may, at any time, within the scope of its autonomy and discretion, proceed with acts of verification concerning the application of the Organisational Model and of the procedures referable thereto, which may also be exercised severally by each of its members.*

*On the basis of the checks carried out, the Supervisory Board also has the task of pointing out to the Company the advisability of proceeding with the relevant adjustments and updates to the Organisational Model and/or the relevant procedures as a result of regulatory and/or organisational changes, significant violations of the provisions of the Organisational Model and/or the company procedures referable thereto, or the ascertainment of the existence of new areas of activity at risk.*

*Through subsequent control activities, the Supervisory Board then ascertains that any recommended corrective actions have been taken by the competent corporate functions of the Company.*



## **European Regulation 2016/679 (GDPR)**

*With reference to compliance with the European Regulation 2016/679 ('GDPR'), the Company, in the financial year ended 31/12/2020, has ensured compliance with regard to the processing of personal data by implementing/adapting the policies for employees, for interviews related to personnel selection, for visitors and the release for the use of images.*

*The company provided training for all HQ staff through in-person courses held by the consulting firm Assiteca Consulting S.r.l., dedicated, in the topics and cases covered, to the various areas involved: Human Resources, Industrial Relations, General Affairs, Security Office, Administrative Area (Accounting, Treasury and Management Control).*

*The co-ownership agreement between the companies belonging to the Strategy Network was also realised for the purpose of compliance in the area of co-employment.*

*The Data Controller's Register was updated and the Data Processor's Register was created; finally, the Data Breach Policy, the policy on the use of information technology tools and the policy on the exercise of data subjects' rights were revised. The contractual clauses referring to privacy were reviewed and adapted in light of the scenarios that arose on the sites related to the new contracts the company was awarded.*

*Appointments as Appointees were updated in the format and information was acquired concerning the persons appointed as System Administrators by the company SAMAG TECH S.r.l.*

*Finally, the planning of activities for the financial year 2021 was carried out, in the framework of which further training needs to be realised, the verification and possible update of the Data Processor Register and some other aspects related to data retention and data analysis and protection through more innovative technological tools were identified.*

*The company also ensured the proper management of personal data relating to the needs dictated by the management of the Covid-19 pandemic, specifically by preparing all the documentation necessary to comply with the provisions issued by the various Prime Ministerial Decrees that followed during the year with reference to the management of health data in the case of workers positive for SARS COV 19, the documentation relating to returns from foreign countries and the proper management of access to work sites.*

## *Control and prevention*

*Another control that it is important to mention in this area as it is increasingly targeted and refined concerns: in order to prevent the phenomena of litigation and disputes related to the management of subcontracts, the SA.MA.G Holding Logistics S.p.A. group has improved, over the years, an increasingly careful control and monitoring of subcontracting companies (see the topic of joint client/contractor liability) by entrusting on 10/04/2015 to an external professional specialised in the sector, the task of carrying out - depending on the type of fulfilment - monthly and/or quarterly specific AUDITS on subcontracting companies and communicating the results both to the group companies of SA.MA.G. Holding, as well as to the clients of the same, swearing the content thereof in compliance with the correct principles and regulations governing the logistics contracting sector.*

*In particular, this control was intensified and extended to cover, as of the 2017 financial year, the entire activity of all subcontracting companies.*

*The activity consists of an in-depth analysis of all the documentation provided by the centralised administration of the SA.MA.G Holding Logistics S.p.A. group and the administrations of the individual contracting/subcontracting companies.*

*The activity takes place on a client-by-client basis and analyses specific areas of interest summarised below:*

- Fulfilment of Social Security/Assistance obligations;*
- Fulfilment of Insurance obligations;*
- Fulfilment of obligations imposed by the regulations governing corporate relations (partner/employee relationship);*
- Assumption and full application of the C.C.N.L. (National Collective Labour Agreement) on Logistics Freight Transport and Forwarding 'Confetra';*
- Fulfilment of withholding tax obligations on employees;*

*The activity is carried out in accordance with the provisions of the respective contractual agreements reached between the parties (Tender Agreements, Entrustment Agreements, additions to the same) and the current legislation regulating the contract (outsourced work), the contractual obligations regarding labour, social security and insurance respectively.*

*Audit activities are carried out according to the time parameters set and agreed with the clients as follows:*

- *Formal communication by SA.MA.G Holding Logistics S.p.A. of the start of the Audit activities (normally at the start of the contract);*
- *Formalising the contract with the consulting firm or supplementing the existing contract;*
- *Notifications by the firm to subcontractors/contractors in order to request the data and documents necessary for the Audit activity and any subsequent attestation/assessment;*
- *Acquisition of all initial documentation identifying the company structure contracting/subcontracting the activities;*
- *In-depth analysis of the copious documentation useful and sufficient for an accurate reading of the companies' administrative management;*
- *Scheduled meeting with management or clients for the first discussion after the initial analysis of the activity;*
- *Possible further request to the management of the contracting company for the implementation of the documentation, as far as specific requests made by the client during the discussion are concerned;*
- *Analysis of the file, verification of correct fulfilment and full transmission of documents by e-mail or on dedicated platforms;*
- *Final report.*

*The documentation required, both in the case of a new contract and in the case of the renewal of contracts already signed, broken down by area of competence, is as follows:*

#### **CORPORATE STRUCTURE AND KEY FIGURES**

- *Deed of Incorporation and Articles of Association;*
- *Extract from the updated Shareholders' Register;*
- *Procurement Contract;*
- *Sub-Contract;*
- *Historical Chamber Certification;*





- *Internal Regulation filed.*

### **SOCIAL SECURITY AND WELFARE FRAMEWORKS**

- *INPS Registration Assignment Certificate for social security purposes;*
- *DM/10 Opticians-Uniemens-Reports and extract from the social security fund;*
- *Payment Certificates (F24) INPS Contribution, Tax Withholding, INAIL Premiums;*
- *Social Security Statements (Rulings-Files-Instalments-Inspections and outstanding disputes).*

### **OCCUPATIONAL ACCIDENT INSURANCE (INAIL)**

- *I.N.A.I.L. Position Assignment Certificate;*
- *Declaration of wages for the last two years;*
- *Debt accounting situation;*
- *Valid DURC (Single Document of Regular Contributions) certification.*

### **LABOUR RELATIONS AND ADMINISTRATIVE OBLIGATIONS**

- *Detailed list of personnel in force at the date of the Audit and present in the contract;*
- *Applications for admission of worker members;*
- *Labour Contracts signed by workers/members;*
- *Copies of residence permits (foreign workers) and copies of identity documents for Italian workers;*
- *Copy of UNILAV (Employment Centre) communications;*
- *Copies of identification cards;*
- *Consolidated Labour Book and Summaries broken down by cost centre;*
- *Certificates of payment of monthly fees;*
- *Single Certification of Remuneration; previous tax year.*

**ECONOMIC-FINANCIAL-FISCAL SITUATION**

- *Extract from the Depreciable Assets Book;*
- *Copies of the leasing and/or rental contracts of the capital goods;*
- *Copy of the last filed financial statements;*
- *Copy of Income Tax Return for previous tax year.*

**European Regulation 2016/679 (GDPR)**

*With reference to the compliance with the European Regulation 2016/679 ('GDPR'), the Company, in the financial year ended 31/12/2019, has ensured compliance regarding the processing of personal data by mapping all the processing carried out in the company in order to draw up the register of the Data Controller. The persons authorised to process personal data under the direct authority of the Data Controller pursuant to article 29 of the GDPR were also appointed, as well as the Data Processors pursuant to article 28 of the aforementioned EU Regulation.*

*The Data Breach Policy, the Data Subjects' Rights Policy and the Policy on the use of it equipment were drafted.*

*Information for employees was revised and disseminated and, through a dedicated consultancy company, training in the field was provided to Function Managers.*

*With regard to auditing activities, targeted third-party audits were carried out on the company that outsources payroll processing and on the company that manages the IT infrastructure.*

*Finally, some other aspects related to data retention and data analysis and protection were implemented using more innovative technological tools, as mentioned above.*

*Once this documentation has been taken into account, a detailed examination of the documentation is carried out, an analysis that is structurally carried out at the start of the contract and renewed, according to a principle of continuity, throughout the duration of the contractual relationship, an activity that is always carried out in contradistinction with the managers of the offices in charge of the clients.*

*The analysis of the documentation presupposes that all the documentation drawn up is provided to the client. The analysis also presupposes the acquisition of any documents and factual data that would make it possible to define with absolute certainty the organisational and managerial autonomy of the contract on the part of the entrusted company.*

*Documentary analysis must show effective compliance with the obligations imposed by the current legislation regulating this reality, the absolute congruity of the companies' social security and welfare classifications, as well as the correct classification of the relationships with the shareholders/employees.*

*From the analysis of the audits, the following must emerge:*

- 1) that the companies (contractor and subcontractor) throughout the entire period of analysis have scrupulously and continuously fulfilled their obligations without exception and, above all, responded punctually and organically to requests for clarifications and additions of data and information;*
- 2) that remuneration is recorded according to the declarations of the applicable CCNL with particular attention to the correct application of all indirect contractual institutions;*
- 3) that in the event of any inconsistencies and/or deviations from sub. 2, the necessary corrections are made immediately.*

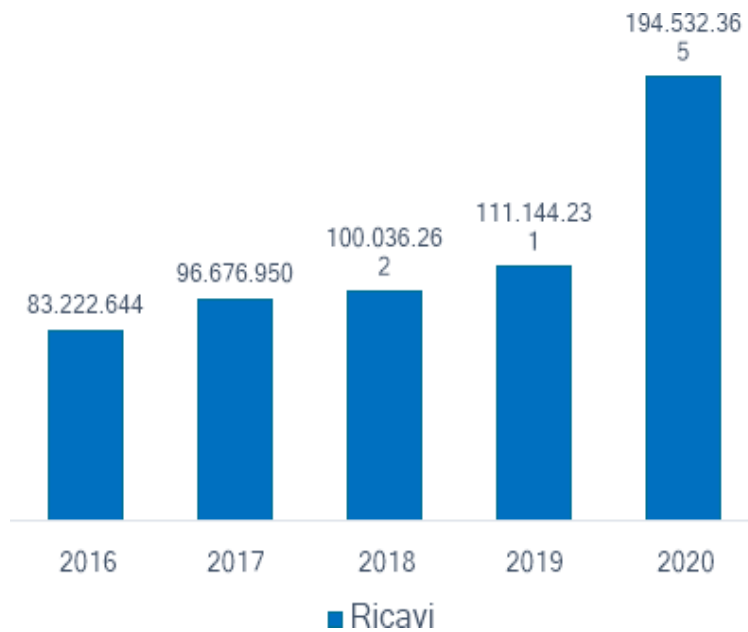
***Finally, precisely in order to guarantee the correct fulfilment of obligations both during the relationship and in the event of its termination between the contracting company and the subcontracting company, it was decided to set up a guarantee fund in favour of the former so as to guarantee the risks related to the joint and several liability of the contract. This fund is then integrated by a percentage of the turnover of the network companies awarded a contract and defined in the network management committee.***

***It is clear that this action is intended to ensure compliance and/or adaptation to the norms and standards that the legislator, sector authorities and certification and supervisory bodies impose. Moreover, it is aimed at creating an internal law-compliance that is increasingly responsive to market needs, a self-regulation that entails for the company/companies the reduction of the economic, image and reputational risk that might be involved.***

# Financial Highlights 2020

## Revenues

Euro ▲ **+75.0%**  
194,532,365



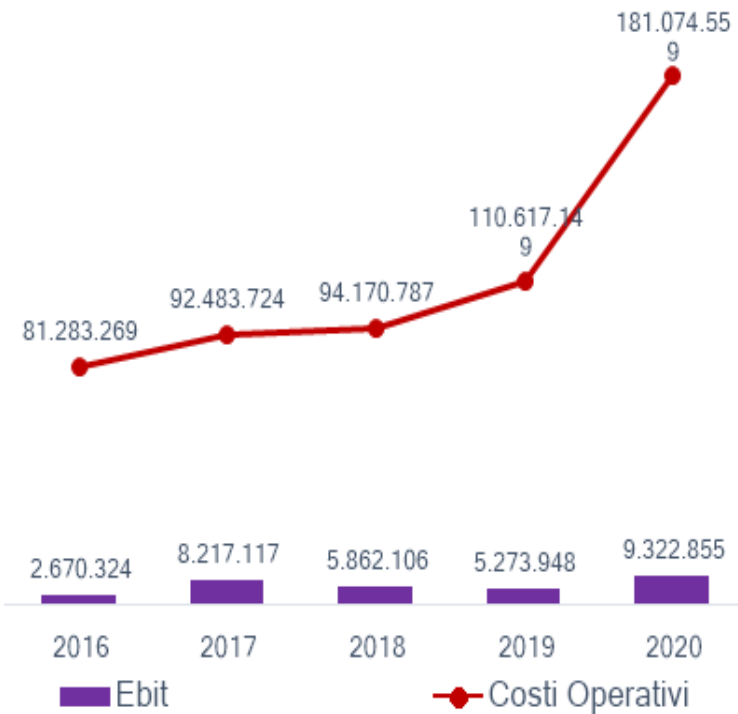
## EBITDA

Euro ▲ **+72.1%**  
14,568,372



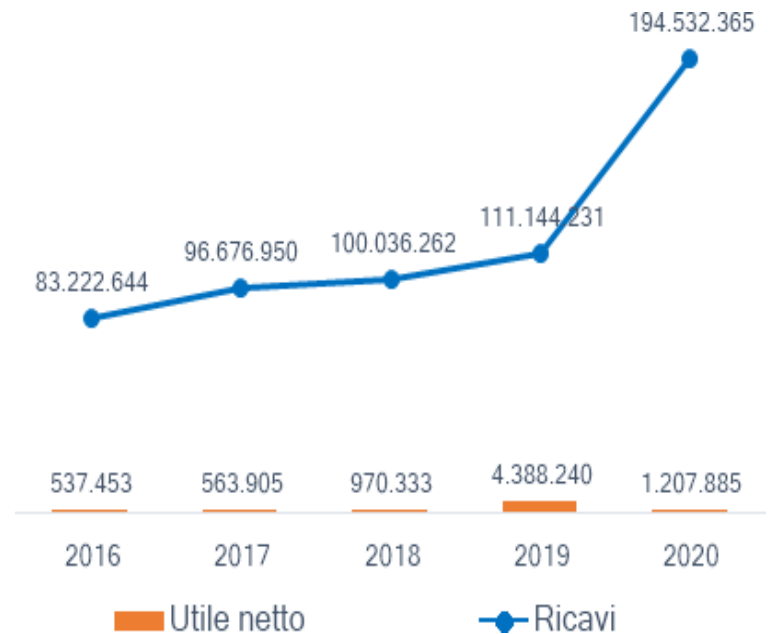
## Ebit- Operating costs

Euro  **+76.8%**  
9,322,855



## Net profit- Revenues

Euro ~~1,207,885~~ **-72.5%**



## Key financial data

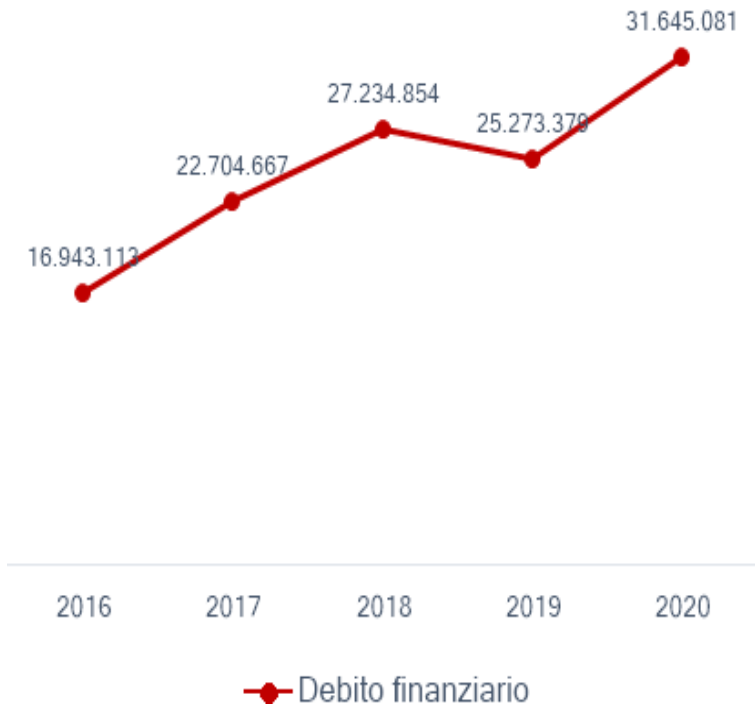
	2016	2017	2018	2019	2020
<b>Revenues</b>	<b>83,222,644</b>	<b>▲ 96,676,950</b>	<b>▲ 100,036,262</b>	<b>▲ 111,144,231</b>	<b>▲ 194,532,365</b>
% change	-	+16.2%	+3.5%	+11.1%	+75.0%
<b>EBITDA</b>	<b>3,175,179</b>	<b>▲ 8,663,082</b>	<b>▼ 7,471,809</b>	<b>▲ 8,467,443</b>	<b>▲ 14,568,372</b>
% change	-	+172.8%	-13.8%	+13.3%	+72.1%
<b>Ebit</b>	<b>2,670,324</b>	<b>▲ 8,217,117</b>	<b>▼ 5,862,106</b>	<b>▼ 5,273,948</b>	<b>▲ 9,322,855</b>
% change	-	+207.7%	-28.7%	-10.0%	+76.8%
<b>Profit (loss)</b>	<b>537,453</b>	<b>▲ 563,905</b>	<b>▲ 970,333</b>	<b>▲ 4,388,240</b>	<b>▼ 1,207,885</b>
% change	-	+4.9%	+72.1%	+352.2%	-72.5%
<b>Net financial position</b>	<b>13,912,615</b>	<b>▲ 20,713,135</b>	<b>▲ 24,603,830</b>	<b>▼ 16,549,964</b>	<b>▼ 8,892,693</b>
% change	-	+48.9%	+18.8%	-32.7%	-46.3%
NFP/SE	6.10	7.00	6.31	1.75	0.39
NFP/EBITDA	4.38	2.39	3.29	1.95	0.61
<b>Operating Cash Flow</b>	-	<b>1,058,257</b>	<b>▼ (345,638)</b>	<b>▲ 2,088,424</b>	<b>▲ 9,090,599</b>
% change	-	-	-132.7%	+704.2%	+335.3%

In the last approved financial statements for the financial year 2020, turnover increased by 75.0% year-on-year to Euro 194,532,365. The Gross Operating Margin (EBITDA) increased by 72.1% compared to 2019 to Euro 14,568,372, or 7.5% of turnover. Ebit grew by 76.8% to Euro 9,322,855, or 4.8% of turnover.

The profitability indicators see for ROI an increase of 0.2 percentage points compared to the previous year, standing at 5.6% in 2020, ROE is down by 41.0 percentage points and stands at 5.3%, and for return on sales (ROS) we see a substantial stability of the figure obtained in 2019, standing at 4.8%. Financial expenses increased by 20.0% compared to 2019 and amounted to Euro 1,643,845, or 0.8% of turnover. The Ebit/Of ratio of 5.7 denotes a financially balanced situation in that the income generated by operations is sufficient to remunerate the capital acquired to produce it.

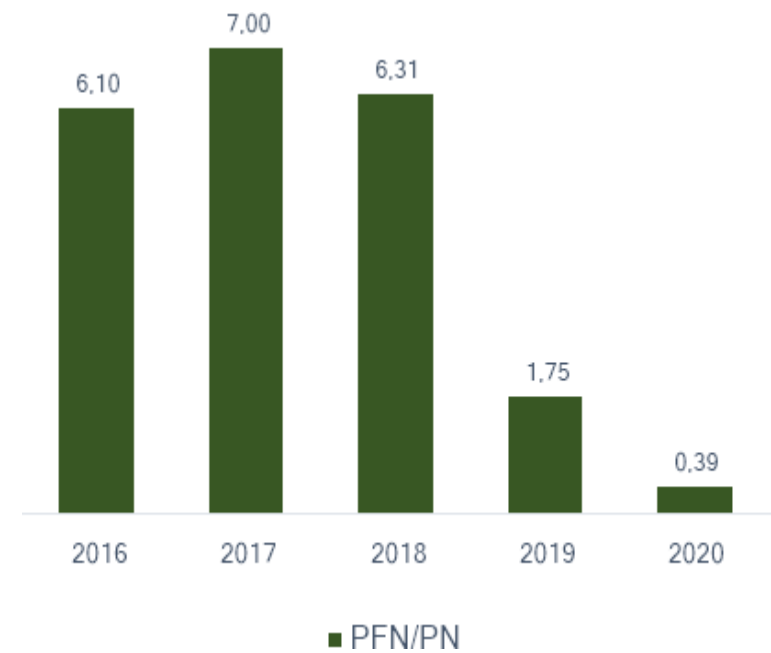
## Financial debt

Euro 31,645,081 **+25.2%**



## NFP/SE

0.39 **-77.6%**



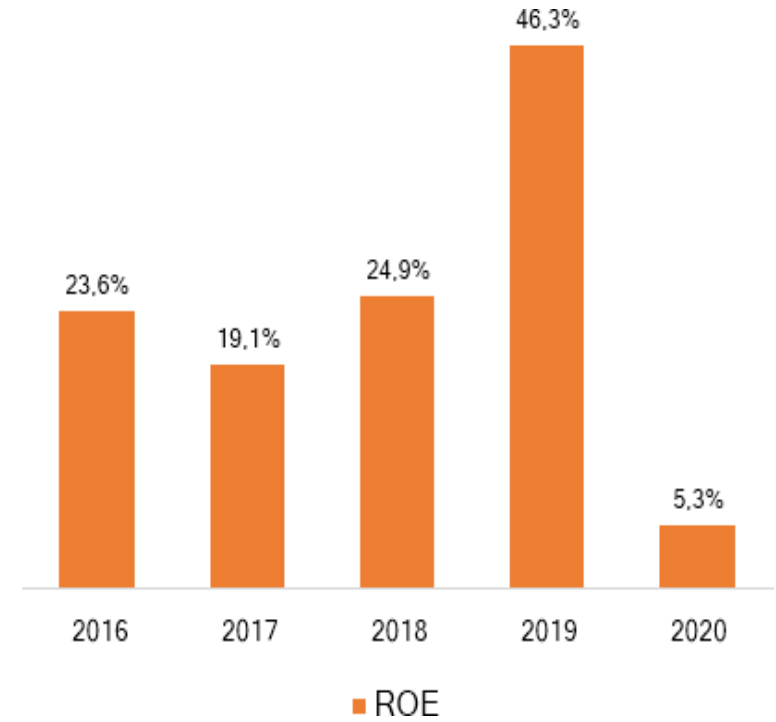
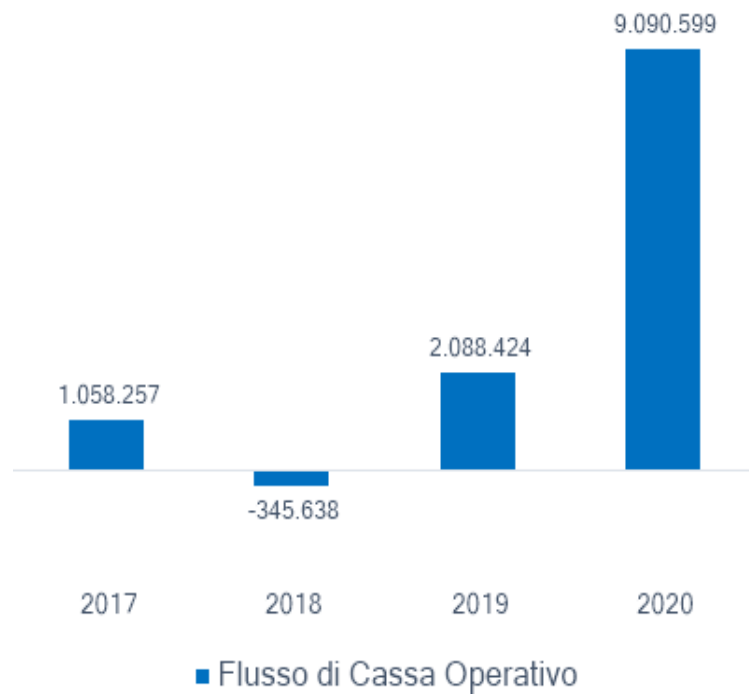
# Operating Cash Flow ROE

Euro 9,090,599

+335.3%

5.3% ▼

-88.5%





## Balance Sheet Data

	2016		2017		2018		2019		2020	
	Euro	% change	Euro	% change	Euro	% change	Euro	% change	Euro	% change
Fixed assets	6,770,973	-	7,066,458	+4.4%	7,999,044	+13.2%	24,061,638	+200.8%	52,510,531	+118.2%
Receivables beyond 12 months	36,809	-	35,559	-3.4%	36,585	+2.9%	183,158	+400.6%	134,674	-26.5%
<b>Total long-term assets</b>	<b>6,807,782</b>	<b>-</b>	<b>7,102,017</b>	<b>+4.3%</b>	<b>8,035,629</b>	<b>+13.1%</b>	<b>24,244,796</b>	<b>+201.7%</b>	<b>52,645,205</b>	<b>+117.1%</b>
Inventories	26,448	-	15,352	-42.0%	12,410	-19.2%	13,130	+5.8%	12,850	-2.1%
Deferred liquidity	36,106,039	-	46,932,498	+30.0%	58,251,839	+24.1%	65,066,001	+11.7%	91,067,384	+40.0%
Immediate liquidity	3,000,498	-	1,961,532	-34.6%	2,601,024	+32.6%	8,723,415	+235.4%	22,716,676	+160.4%
<b>Total short-term assets</b>	<b>39,132,985</b>	<b>-</b>	<b>48,909,382</b>	<b>+25.0%</b>	<b>60,865,273</b>	<b>+24.4%</b>	<b>73,802,546</b>	<b>+21.3%</b>	<b>113,796,910</b>	<b>+54.2%</b>
<b>TOTAL ASSETS</b>	<b>45,940,767</b>	<b>-</b>	<b>56,011,399</b>	<b>+21.9%</b>	<b>68,900,902</b>	<b>+23.0%</b>	<b>98,047,342</b>	<b>+42.3%</b>	<b>166,442,115</b>	<b>+69.8%</b>
<b>Shareholders' Equity</b>	<b>2,279,028</b>	<b>-</b>	<b>2,959,477</b>	<b>+29.9%</b>	<b>3,898,001</b>	<b>+31.7%</b>	<b>9,474,008</b>	<b>+143.0%</b>	<b>22,739,082</b>	<b>+140.0%</b>
<b>Provisions and severance pay (TFR)</b>	<b>1,337,635</b>	<b>-</b>	<b>1,264,981</b>	<b>-5.4%</b>	<b>2,581,546</b>	<b>+104.1%</b>	<b>3,100,740</b>	<b>+20.1%</b>	<b>6,958,510</b>	<b>+124.4%</b>
<b>Total long-term payables</b>	<b>8,345,555</b>	<b>-</b>	<b>7,445,747</b>	<b>-10.8%</b>	<b>8,405,543</b>	<b>+12.9%</b>	<b>21,348,598</b>	<b>+154.0%</b>	<b>30,796,767</b>	<b>+44.3%</b>
<i>of which financial</i>	7,007,920	-	6,180,766	-11.8%	5,477,118	-11.4%	5,051,971	-7.8%	10,121,800	+100.4%
<b>Total short-term payables</b>	<b>35,316,184</b>	<b>-</b>	<b>45,606,175</b>	<b>+29.1%</b>	<b>56,597,358</b>	<b>+24.1%</b>	<b>67,224,736</b>	<b>+18.8%</b>	<b>112,906,266</b>	<b>+68.0%</b>
<i>of which financial</i>	9,935,193	-	16,523,901	+66.3%	21,757,736	+31.7%	20,221,408	-7.1%	21,523,281	+6.4%
<b>TOTAL LIABILITIES</b>	<b>45,940,767</b>	<b>-</b>	<b>56,011,399</b>	<b>+21.9%</b>	<b>68,900,902</b>	<b>+23.0%</b>	<b>98,047,342</b>	<b>+42.3%</b>	<b>166,442,115</b>	<b>+69.8%</b>

## Balance sheet data at 31/12/2020

### Long-term assets ▲ Euro 52,645,205 +117.1%

The value of long-term assets increased by Euro 28,400,409 at the end of the financial year 2020 compared to 2019, to a total of Euro 52,645,205, an increase of 117.1% over the past year.

### Short-term assets ▲ 113,796,910 +54.2%

Short-term assets amounted to a total of Euro 113,796,910, an increase of 54.2% compared to 2019, when it amounted to Euro 73,802,546. The number of deferment days for receivables from customers decreased by 24 days in 2020, compared to the previous year, to an average of 131 days.

### Net Invested Operating Capital ▲ 31,631,775 +21.5%

In the financial year 2020, the Net Invested Operating Capital amounted to Euro 31,631,775 and increased by 21.5% compared to the previous year, when it amounted to Euro 26,023,972.

### Net Working Capital ▼ Euro 890,644 -86.5%

Net Working Capital in 2020 totalled Euro 890,644, a decrease of 86.5% compared to the financial year 2019, when it amounted to Euro 6,577,810. The number of deferment days for payables due to suppliers increased by 63 days in the financial year 2020, compared to the previous year, to an average of 179 days.

### Net financial debt ▼ Euro 8,892,693 -46.3%

In the financial year 2020, net financial debt stood at Euro 8,892,693, down 46.3% from the previous year.

### Trade receivables ▲ Euro 75,442,719 +49.6%

The total value of trade receivables increased in the financial year 2020, compared to the previous year, by 49.6% to Euro 75,442,719. The company has no trade receivables beyond 12 months.

### Cash and cash equivalents ▲ Euro 14,890,715 +496.9%

At 31/12/2020, the company had Euro 14,890,715 in cash and cash equivalents, a figure that increased by 496.9% compared to the previous year.

### Shareholders' Equity ▲ Euro 22,739,082 +140.0%

At the end of the financial year 2020, the value of shareholders' equity stood at Euro 22,739,082 and shows an increase of 140.0% compared to 2019 when it amounted to Euro 9,474,008.

### Financial Debt ▲ Euro 31,645,081 +25.2%

At 31/12/2020, the company reported financial liabilities totalling Euro 31,645,081, of which Euro 21,523,281 consisted of short-term payables and the remainder (Euro 10,121,800) of long-term liabilities, whereas in 2019, the financial debt amounted to Euro 25,273,379 (of which Euro 20,221,408 short-term and Euro 5,051,971 long-term). All in all, the financial debt increased by 25.2% over 2019.

### Trade payables ▲ Euro 61,885,309 +127.5%

The value of payables to suppliers increased by 127.5% year-on-year to Euro 61,885,309. The value of trade payables over 12 months, reclassified within the Balance Sheet as Non-current Operating Liabilities, increased by 100.0% to Euro 5,349,603.

## Financial Statement Indices

<b>Profitability Indices</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
ROE	23.6%	▼ 19.1%	▲ 24.9%	▲ 46.3%	▼ 5.3%
ROI	5.8%	▲ 14.7%	▼ 8.5%	▼ 5.4%	▲ 5.6%
ROS	3.2%	▲ 8.5%	▼ 5.9%	▼ 4.7%	▲ 4.8%
ROT	5.1	▼ 4.1	▼ 3.5	▲ 4.3	▲ 6.1

<b>Solidity Indices</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Fixed Assets Coverage	1.56	▼ 1.47	▲ 1.53	▼ 1.27	▼ 1.02
Financial Independence	0.05	0.05	▲ 0.06	▲ 0.10	▲ 0.14
Leverage	20.16	▼ 18.93	▼ 17.68	▼ 10.35	▼ 7.32
NFP/SE	6.10	▲ 7.00	▼ 6.31	▼ 1.75	▼ 0.39

<b>Liquidity Indices</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Treasury Margin	3,790,353	▼ 3,287,855	▲ 4,255,505	▲ 6,564,680	▼ 877,794
Structure Margin	(4,528,754)	▲ (4,142,540)	(4,137,628)	▼ (14,770,788)	▼ (29,906,123)
Quick Ratio	110.7%	▼ 107.2%	▲ 107.5%	▲ 109.8%	▼ 100.8%
Current Ratio	1.1	1.1	1.1	1.1	▼ 1.0
Net Working Capital	3,816,801	▼ 3,303,207	▲ 4,267,915	▲ 6,577,810	▼ 890,644

<b>Financial Coverage</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
EBIT/OF	2.7	▲ 6.4	▼ 4.4	▼ 3.8	▲ 5.7
EBITDA/NFP	22.8%	▲ 41.8%	▼ 30.4%	▲ 51.2%	▲ 163.8%
Cash Flow/OF	n.a.	NO CF	0.23	▲ 17.76	▲ 21.29
NFP/EBITDA	4.4	▼ 2.4	▲ 3.3	▼ 2.0	▼ 0.6
NFP/Revenues	16.7%	▲ 21.4%	▲ 24.6%	▼ 14.9%	▼ 4.6%

# Reclassified Balance Sheet

## Balance Sheet Liquidity Collectability

	2016		2017		2018		2019		2020	
	Euro	%	Euro	%	Euro	%	Euro	%	Euro	%
<b>Net tangible assets</b>	1,873,571	4.1%	550,131	1.0%	477,619	0.7%	613,390	0.6%	2,874,891	1.7%
<b>Net intangible assets</b>	2,125,293	4.6%	1,938,067	3.5%	2,167,477	3.2%	22,303,651	22.8%	41,072,441	24.7%
<b>Financial assets</b>	2,772,109	6.0%	4,578,260	8.2%	5,353,948	7.8%	1,144,597	1.2%	8,563,199	5.1%
<b>Receivables beyond 12 months</b>	36,809	0.1%	35,559	0.1%	36,585	0.1%	183,158	0.2%	134,674	0.1%
<b>TOTAL LONG-TERM ASSETS</b>	<b>6,807,782</b>	<b>14.8%</b>	<b>7,102,017</b>	<b>12.7%</b>	<b>8,035,629</b>	<b>11.7%</b>	<b>24,244,796</b>	<b>24.7%</b>	<b>52,645,205</b>	<b>31.6%</b>
<b>Inventories</b>	<b>26,448</b>	<b>0.1%</b>	<b>15,352</b>	<b>0.0%</b>	<b>12,410</b>	<b>0.0%</b>	<b>13,130</b>	<b>0.0%</b>	<b>12,850</b>	<b>0.0%</b>
Short-term trade receivables	30,232,856	65.8%	36,628,809	65.4%	45,808,809	66.5%	47,813,325	48.8%	70,744,646	42.5%
Short-term trade receivables from the group	862,194	1.9%	2,472,616	4.4%	2,504,054	3.6%	2,605,303	2.7%	4,698,073	2.8%
Short-term financial receivables from the group	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other short-term receivables	4,905,279	10.7%	4,550,869	8.1%	4,520,579	6.6%	11,163,633	11.4%	13,808,450	8.3%
Accruals and deferrals	105,710	0.2%	3,280,204	5.9%	5,418,397	7.9%	3,483,740	3.6%	1,816,215	1.1%
<b>Deferred liquidity</b>	<b>36,106,039</b>	<b>78.6%</b>	<b>46,932,498</b>	<b>83.8%</b>	<b>58,251,839</b>	<b>84.5%</b>	<b>65,066,001</b>	<b>66.4%</b>	<b>91,067,384</b>	<b>54.7%</b>
Short-term financial assets	221,455	0.5%	255,499	0.5%	298,115	0.4%	6,228,573	6.4%	7,825,961	4.7%
Cash, Banks and post office accounts	2,779,043	6.1%	1,706,033	3.1%	2,302,909	3.3%	2,494,842	2.5%	14,890,715	9.0%
<b>Immediate liquidity</b>	<b>3,000,498</b>	<b>6.5%</b>	<b>1,961,532</b>	<b>3.5%</b>	<b>2,601,024</b>	<b>3.8%</b>	<b>8,723,415</b>	<b>8.9%</b>	<b>22,716,676</b>	<b>13.7%</b>
<b>TOTAL SHORT-TERM ASSETS</b>	<b>39,132,985</b>	<b>85.2%</b>	<b>48,909,382</b>	<b>87.3%</b>	<b>60,865,273</b>	<b>88.3%</b>	<b>73,802,546</b>	<b>75.3%</b>	<b>113,796,910</b>	<b>68.4%</b>
<b>TOTAL ASSETS</b>	<b>45,940,767</b>	<b>100.0%</b>	<b>56,011,399</b>	<b>100.0%</b>	<b>68,900,902</b>	<b>100.0%</b>	<b>98,047,342</b>	<b>100.0%</b>	<b>166,442,115</b>	<b>100.0%</b>
<b>Shareholders' Equity</b>	<b>2,279,028</b>	<b>5.0%</b>	<b>2,959,477</b>	<b>5.3%</b>	<b>3,898,001</b>	<b>5.7%</b>	<b>9,474,008</b>	<b>9.7%</b>	<b>22,739,082</b>	<b>13.7%</b>
<b>Provisions for Risks and Charges</b>	<b>488,544</b>	<b>1.1%</b>	<b>68,928</b>	<b>0.1%</b>	<b>996,263</b>	<b>1.5%</b>	<b>1,191,939</b>	<b>1.2%</b>	<b>3,560,729</b>	<b>2.1%</b>
<b>TFR Provision</b>	<b>849,091</b>	<b>1.9%</b>	<b>1,196,053</b>	<b>2.1%</b>	<b>1,585,283</b>	<b>2.3%</b>	<b>1,908,801</b>	<b>2.0%</b>	<b>3,397,781</b>	<b>2.0%</b>
Bonds	4,864,483	10.6%	4,871,991	8.7%	4,879,908	7.1%	4,888,255	5.0%	3,288,255	2.0%
Convertible bonds	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Payables to banks beyond 12 months	2,143,437	4.7%	1,308,775	2.3%	597,210	0.9%	163,716	0.2%	6,833,545	4.1%
Long-term payables to other lenders	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Long-term trade payables	0	0.0%	0	0.0%	0	0.0%	0	0.0%	5,349,603	3.2%
Long-term trade payables to group	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Long-term financial payables to the group	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other long-term financial payables	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other long-term payables	0	0.0%	0	0.0%	346,879	0.5%	13,195,887	13.5%	8,366,854	5.0%
<b>TOTAL LONG-TERM PAYABLES</b>	<b>8,345,555</b>	<b>18.2%</b>	<b>7,445,747</b>	<b>13.3%</b>	<b>8,405,543</b>	<b>12.2%</b>	<b>21,348,598</b>	<b>21.8%</b>	<b>30,796,767</b>	<b>18.5%</b>

...

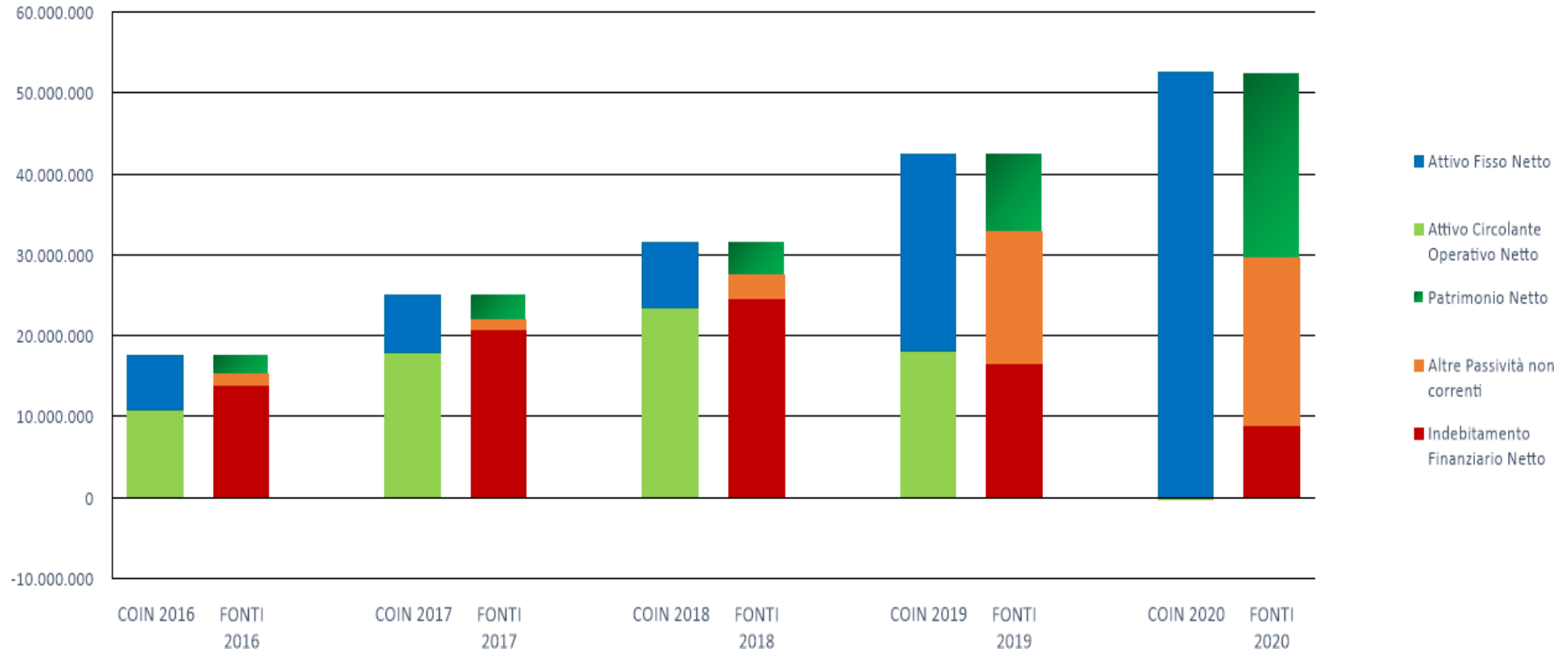
<b>TOTAL LONG-TERM PAYABLES + SE</b>	<b>10,624,583</b>	<b>23.1%</b>	<b>10,405,224</b>	<b>18.6%</b>	<b>12,303,544</b>	<b>17.9%</b>	<b>30,822,606</b>	<b>31.4%</b>	<b>53,535,849</b>	<b>32.2%</b>
Bonds	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Convertible bonds	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Payables to banks within 12 months	9,934,682	21.6%	16,501,539	29.5%	21,742,014	31.6%	20,211,646	20.6%	21,502,628	12.9%
Short-term payables to other lenders	511	0.0%	22,362	0.0%	15,722	0.0%	9,762	0.0%	20,653	0.0%
Short-term trade payables	18,562,284	40.4%	20,357,750	36.4%	22,449,506	32.6%	27,092,430	27.6%	55,857,857	33.6%
Short-term trade payables to the group	0	0.0%	0	0.0%	0	0.0%	113,761	0.1%	677,849	0.4%
Short-term financial payables to the group	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other short-term financial payables	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other short-term payables	6,818,707	14.8%	8,724,524	15.6%	12,390,116	18.0%	19,797,137	20.2%	34,847,279	20.9%
<b>TOTAL SHORT-TERM PAYABLES</b>	<b>35,316,184</b>	<b>76.9%</b>	<b>45,606,175</b>	<b>81.4%</b>	<b>56,597,358</b>	<b>82.1%</b>	<b>67,224,736</b>	<b>68.6%</b>	<b>112,906,266</b>	<b>67.8%</b>
<b>TOTAL LIABILITIES</b>	<b>45,940,767</b>	<b>100.0%</b>	<b>56,011,399</b>	<b>100.0%</b>	<b>68,900,902</b>	<b>100.0%</b>	<b>98,047,342</b>	<b>100.0%</b>	<b>166,442,115</b>	<b>100.0%</b>

## Management Balance Sheet

...	2016		2017		2018		2019		2020	
	Euro	%	Euro	%	Euro	%	Euro	%	Euro	%
Intangible assets	2,125,293	13.1%	1,938,067	8.2%	2,167,477	7.6%	22,303,651	85.7%	41,072,441	129.8%
Tangible assets	1,873,571	11.6%	550,131	2.3%	477,619	1.7%	613,390	2.4%	2,874,891	9.1%
Financial assets	2,778,918	17.2%	4,583,819	19.4%	5,360,533	18.8%	1,327,755	5.1%	8,662,161	27.4%
<b>NET FIXED ASSETS</b>	<b>6,777,782</b>	<b>41.9%</b>	<b>7,072,017</b>	<b>29.9%</b>	<b>8,005,629</b>	<b>28.1%</b>	<b>24,244,796</b>	<b>93.2%</b>	<b>52,609,493</b>	<b>166.3%</b>
Inventories	26,448	0.2%	15,352	0.1%	12,410	0.0%	13,130	0.1%	12,850	0.0%
Net receivables from customers	31,095,050	192.0%	39,101,425	165.2%	48,312,863	169.5%	50,418,628	193.7%	75,442,719	238.5%
Other operating receivables	4,905,279	30.3%	4,550,869	19.2%	4,520,579	15.9%	11,163,633	42.9%	13,808,450	43.7%
Accrued and deferred assets	105,710	0.7%	3,280,204	13.9%	5,418,397	19.0%	3,483,740	13.4%	1,816,215	5.7%
(Operating payables to suppliers)	(18,562,284)	-114.6%	(20,317,750)	-85.8%	(22,449,506)	-78.8%	(27,045,432)	-103.9%	(55,811,182)	-176.4%
(Payables to group companies)	0	0.0%	0	0.0%	0	0.0%	(113,761)	-0.4%	(677,849)	-2.1%
(Other operating payables)	(6,691,613)	-41.3%	(8,468,037)	-35.8%	(12,036,294)	-42.2%	(19,109,466)	-73.4%	(33,478,090)	-105.8%
(Accruals and deferred liabilities)	(127,094)	-0.8%	(296,487)	-1.3%	(353,822)	-1.2%	(734,669)	-2.8%	(1,415,864)	-4.5%
<b>NET OPERATING CURRENT ASSETS</b>	<b>10,751,496</b>	<b>66.4%</b>	<b>17,865,576</b>	<b>75.5%</b>	<b>23,424,627</b>	<b>82.2%</b>	<b>18,075,803</b>	<b>69.5%</b>	<b>(302,751)</b>	<b>-1.0%</b>
<b>INVESTED CAPITAL</b>	<b>17,529,278</b>	<b>108.3%</b>	<b>24,937,593</b>	<b>105.3%</b>	<b>31,430,256</b>	<b>110.3%</b>	<b>42,320,599</b>	<b>162.6%</b>	<b>52,306,742</b>	<b>165.4%</b>
(TFR Provision)	(849,091)	-5.2%	(1,196,053)	-5.1%	(1,585,283)	-5.6%	(1,908,801)	-7.3%	(3,397,781)	-10.7%
(Other provisions)	(488,544)	-3.0%	(68,928)	-0.3%	(996,263)	-3.5%	(1,191,939)	-4.6%	(3,560,729)	-11.3%
(Non-current liabilities)	0	0.0%	0	0.0%	(346,879)	-1.2%	(13,195,887)	-50.7%	(13,716,457)	-43.4%
<b>NET INVESTED OPERATING CAPITAL (COIN)</b>	<b>16,191,643</b>	<b>100.0%</b>	<b>23,672,612</b>	<b>100.0%</b>	<b>28,501,831</b>	<b>100.0%</b>	<b>26,023,972</b>	<b>100.0%</b>	<b>31,631,775</b>	<b>100.0%</b>
Short-term payables to banks	9,934,682	61.4%	16,501,539	69.7%	21,742,014	76.3%	20,211,646	77.7%	21,502,628	68.0%
Other short-term financial payables	511	0.0%	22,362	0.1%	15,722	0.1%	9,762	0.0%	20,653	0.1%
Long-term payables to banks	2,143,437	13.2%	1,308,775	5.5%	597,210	2.1%	163,716	0.6%	6,833,545	21.6%
Other long-term financial payables	4,864,483	30.0%	4,871,991	20.6%	4,879,908	17.1%	4,888,255	18.8%	3,288,255	10.4%
Shareholder loan	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Lease payables	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
(Current financial receivables)	(30,000)	-0.2%	(30,000)	-0.1%	(30,000)	-0.1%	0	0.0%	(35,712)	-0.1%
Current financial assets	(221,455)	-1.4%	(255,499)	-1.1%	(298,115)	-1.0%	(6,228,573)	-23.9%	(7,825,961)	-24.7%
Cash and cash equivalents	(2,779,043)	-17.2%	(1,706,033)	-7.2%	(2,302,909)	-8.1%	(2,494,842)	-9.6%	(14,890,715)	-47.1%
<b>NET FINANCIAL DEBT</b>	<b>13,912,615</b>	<b>85.9%</b>	<b>20,713,135</b>	<b>87.5%</b>	<b>24,603,830</b>	<b>86.3%</b>	<b>16,549,964</b>	<b>63.6%</b>	<b>8,892,693</b>	<b>28.1%</b>
Share capital	50,000	0.3%	50,000	0.2%	50,000	0.2%	800,000	3.1%	800,000	2.5%
Reserves	1,691,575	10.4%	2,208,372	9.3%	2,608,995	9.2%	4,401,161	16.9%	17,064,293	53.9%
Profit/(loss)	537,453	3.3%	701,105	3.0%	1,239,006	4.3%	4,272,847	16.4%	4,874,789	15.4%
<b>SHAREHOLDERS' EQUITY</b>	<b>2,279,028</b>	<b>14.1%</b>	<b>2,959,477</b>	<b>12.5%</b>	<b>3,898,001</b>	<b>13.7%</b>	<b>9,474,008</b>	<b>36.4%</b>	<b>22,739,082</b>	<b>71.9%</b>
<b>SOURCES OF FUNDING</b>	<b>16,191,643</b>	<b>100.0%</b>	<b>23,672,612</b>	<b>100.0%</b>	<b>28,501,831</b>	<b>100.0%</b>	<b>26,023,972</b>	<b>100.0%</b>	<b>31,631,775</b>	<b>100.0%</b>

## Composition Management Balance Sheet

### Composizione Stato Patrimoniale Gestionale



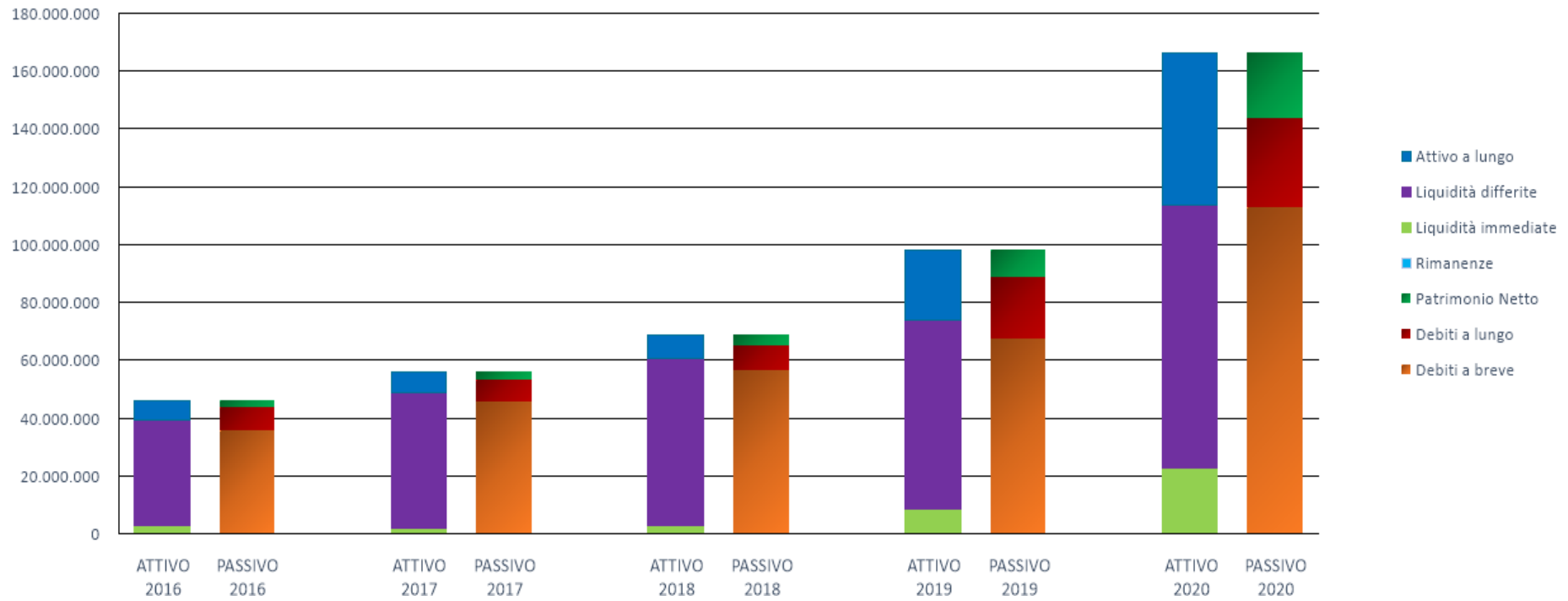
## Abbreviated Balance Sheet Liquidity Collectability

	2016		2017		2018		2019		2020	
	Euro	%	Euro	%	Euro	%	Euro	%	Euro	%
Net tangible assets	1,873,571	4.1%	550,131	1.0%	477,619	0.7%	613,390	0.6%	2,874,891	1.7%
Net intangible assets	2,125,293	4.6%	1,938,067	3.5%	2,167,477	3.2%	22,303,651	22.8%	41,072,441	24.7%
Financial assets	2,772,109	6.0%	4,578,260	8.2%	5,353,948	7.8%	1,144,597	1.2%	8,563,199	5.1%
Receivables beyond 12 months	36,809	0.1%	35,559	0.1%	36,585	0.1%	183,158	0.2%	134,674	0.1%
<b>TOTAL LONG-TERM ASSETS</b>	<b>6,807,782</b>	<b>14.8%</b>	<b>7,102,017</b>	<b>12.7%</b>	<b>8,035,629</b>	<b>11.7%</b>	<b>24,244,796</b>	<b>24.7%</b>	<b>52,645,205</b>	<b>31.6%</b>
Inventories	26,448	0.1%	15,352	0.0%	12,410	0.0%	13,130	0.0%	12,850	0.0%
Deferred liquidity	36,106,039	78.6%	46,932,498	83.8%	58,251,839	84.5%	65,066,001	66.4%	91,067,384	54.7%
Immediate liquidity	3,000,498	6.5%	1,961,532	3.5%	2,601,024	3.8%	8,723,415	8.9%	22,716,676	13.7%
<b>TOTAL SHORT-TERM ASSETS</b>	<b>39,132,985</b>	<b>85.2%</b>	<b>48,909,382</b>	<b>87.3%</b>	<b>60,865,273</b>	<b>88.3%</b>	<b>73,802,546</b>	<b>75.3%</b>	<b>113,796,910</b>	<b>68.4%</b>
<b>TOTAL ASSETS</b>	<b>45,940,767</b>	<b>100.0%</b>	<b>56,011,399</b>	<b>100.0%</b>	<b>68,900,902</b>	<b>100.0%</b>	<b>98,047,342</b>	<b>100.0%</b>	<b>166,442,115</b>	<b>100.0%</b>
Shareholders' Equity	2,279,028	5.0%	2,959,477	5.3%	3,898,001	5.7%	9,474,008	9.7%	22,739,082	13.7%
Provisions for Risks and Charges	488,544	1.1%	68,928	0.1%	996,263	1.5%	1,191,939	1.2%	3,560,729	2.1%
TFR Provision	849,091	1.9%	1,196,053	2.1%	1,585,283	2.3%	1,908,801	2.0%	3,397,781	2.0%
<b>TOTAL LONG-TERM PAYABLES</b>	<b>8,345,555</b>	<b>18.2%</b>	<b>7,445,747</b>	<b>13.3%</b>	<b>8,405,543</b>	<b>12.2%</b>	<b>21,348,598</b>	<b>21.8%</b>	<b>30,796,767</b>	<b>18.5%</b>
<b>TOTAL LONG-TERM PAYABLES + SE</b>	<b>10,624,583</b>	<b>23.1%</b>	<b>10,405,224</b>	<b>18.6%</b>	<b>12,303,544</b>	<b>17.9%</b>	<b>30,822,606</b>	<b>31.4%</b>	<b>53,535,849</b>	<b>32.2%</b>
<b>TOTAL SHORT-TERM PAYABLES</b>	<b>35,316,184</b>	<b>76.9%</b>	<b>45,606,175</b>	<b>81.4%</b>	<b>56,597,358</b>	<b>82.1%</b>	<b>67,224,736</b>	<b>68.6%</b>	<b>112,906,266</b>	<b>67.8%</b>
<b>TOTAL LIABILITIES</b>	<b>45,940,767</b>	<b>100.0%</b>	<b>56,011,399</b>	<b>100.0%</b>	<b>68,900,902</b>	<b>100.0%</b>	<b>98,047,342</b>	<b>100.0%</b>	<b>166,442,115</b>	<b>100.0%</b>



## Composition Balance Sheet

## Composizione Stato Patrimoniale



# Reclassified Income Statement

## Value Added Income Statement

	2016		2017		2018		2019		2020	
	Euro	% revenues	Euro	% revenues	Euro	% revenues	Euro	% revenues	Euro	% revenues
(+) Revenues from sales and services	83,222,644	100.0%	96,676,950	100.0%	100,036,262	100.0%	111,144,231	100.0%	194,532,365	100.0%
(+/-) Change in product inventories	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
(+) Increases in fixed assets for internal work	0	0.0%	0	0.0%	0	0.0%	5,614,844	5.1%	0	0.0%
(+) Other revenues	1,235,888	1.5%	4,480,952	4.6%	1,609,276	1.6%	2,324,797	2.1%	1,110,846	0.6%
<b>Operating production value</b>	<b>84,458,532</b>	<b>101.5%</b>	<b>101,157,902</b>	<b>104.6%</b>	<b>101,645,538</b>	<b>101.6%</b>	<b>119,083,872</b>	<b>107.1%</b>	<b>195,643,211</b>	<b>100.6%</b>
(-) Purchases of goods	(725,584)	0.9%	(641,640)	0.7%	(667,105)	0.7%	(718,581)	0.6%	(4,983,978)	2.6%
(-) Purchases of services	(59,356,878)	71.3%	(67,031,809)	69.3%	(67,018,354)	67.0%	(79,446,284)	71.5%	(110,889,623)	57.0%
(-) Use of third-party assets	(1,633,899)	2.0%	(2,199,293)	2.3%	(3,473,619)	3.5%	(3,500,498)	3.1%	(6,857,842)	3.5%
(-) Other operating expenses	(903,942)	1.1%	(2,557,085)	2.6%	(1,191,283)	1.2%	(2,759,950)	2.5%	(1,532,751)	0.8%
(+/-) Change in material inventories	(84)	0.0%	(11,096)	0.0%	(2,942)	0.0%	720	0.0%	(280)	0.0%
<b>Production costs</b>	<b>(62,620,387)</b>	<b>75.2%</b>	<b>(72,440,923)</b>	<b>74.9%</b>	<b>(72,353,303)</b>	<b>72.3%</b>	<b>(86,424,593)</b>	<b>77.8%</b>	<b>(124,264,474)</b>	<b>63.9%</b>
<b>ADDED VALUE</b>	<b>21,838,145</b>	<b>26.2%</b>	<b>28,716,979</b>	<b>29.7%</b>	<b>29,292,235</b>	<b>29.3%</b>	<b>32,659,279</b>	<b>29.4%</b>	<b>71,378,737</b>	<b>36.7%</b>
(-) Personnel costs	(18,662,966)	22.4%	(20,053,897)	20.7%	(21,820,426)	21.8%	(24,191,836)	21.8%	(56,810,365)	29.2%
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>3,175,179</b>	<b>3.8%</b>	<b>8,663,082</b>	<b>9.0%</b>	<b>7,471,809</b>	<b>7.5%</b>	<b>8,467,443</b>	<b>7.6%</b>	<b>14,568,372</b>	<b>7.5%</b>
(-) Amortisation/Depreciation	(362,261)	0.4%	(394,691)	0.4%	(488,703)	0.5%	(1,976,869)	1.8%	(4,878,781)	2.5%
(-) Provisions and write-downs	(142,594)	0.2%	(51,274)	0.1%	(1,121,000)	1.1%	(1,216,626)	1.1%	(366,736)	0.2%
<b>OPERATING RESULT (EBIT)</b>	<b>2,670,324</b>	<b>3.2%</b>	<b>8,217,117</b>	<b>8.5%</b>	<b>5,862,106</b>	<b>5.9%</b>	<b>5,273,948</b>	<b>4.7%</b>	<b>9,322,855</b>	<b>4.8%</b>
(-) Financial expenses	(984,129)	1.2%	(1,286,382)	1.3%	(1,318,196)	1.3%	(1,370,413)	1.2%	(1,643,845)	0.8%
(+) Financial income	103,040	0.1%	157,064	0.2%	69,188	0.1%	136,969	0.1%	114,820	0.1%
<b>Balance financial management</b>	<b>(881,089)</b>	<b>-1.1%</b>	<b>(1,129,318)</b>	<b>-1.2%</b>	<b>(1,249,008)</b>	<b>-1.2%</b>	<b>(1,233,444)</b>	<b>-1.1%</b>	<b>(1,529,025)</b>	<b>-0.8%</b>
<b>CURRENT RESULT</b>	<b>1,789,235</b>	<b>2.1%</b>	<b>7,087,799</b>	<b>7.3%</b>	<b>4,613,098</b>	<b>4.6%</b>	<b>4,040,504</b>	<b>3.6%</b>	<b>7,793,830</b>	<b>4.0%</b>
(-) Other non-operating costs	(409,043)	0.5%	(5,348,584)	5.5%	(1,804,919)	1.8%	(2,996,765)	2.7%	(10,414,077)	5.4%
(+) Other non-operating revenues	995	0.0%	0	0.0%	0	0.0%	4,499,634	4.0%	5,440,952	2.8%
<b>Balance other non-operating revenues and costs</b>	<b>(408,048)</b>	<b>-0.5%</b>	<b>(5,348,584)</b>	<b>-5.5%</b>	<b>(1,804,919)</b>	<b>-1.8%</b>	<b>1,502,869</b>	<b>1.4%</b>	<b>(4,973,125)</b>	<b>-2.6%</b>
<b>PRE-TAX RESULT</b>	<b>1,381,187</b>	<b>1.7%</b>	<b>1,739,215</b>	<b>1.8%</b>	<b>2,808,179</b>	<b>2.8%</b>	<b>5,543,373</b>	<b>5.0%</b>	<b>2,820,705</b>	<b>1.4%</b>
(-) Income taxes	(843,734)	1.0%	(1,175,310)	1.2%	(1,837,846)	1.8%	(1,155,133)	1.0%	(1,612,820)	0.8%
<b>NET RESULT</b>	<b>537,453</b>	<b>0.6%</b>	<b>563,905</b>	<b>0.6%</b>	<b>970,333</b>	<b>1.0%</b>	<b>4,388,240</b>	<b>3.9%</b>	<b>1,207,885</b>	<b>0.6%</b>

## Economic results 2020

### Revenues

▲ Euro 194,532,365 +75.0%

In the last approved financial statements for the financial year 2020, turnover increased by 75.0% year-on-year to Euro 194,532,365. Taking into account the other components of the production value (change in product inventories, other revenues, capitalised costs), the Value of Operational Production amounted to Euro 195,643,211, an increase of 64.3% compared to 2019.

### Ebit

▲ Euro 9,322,855 +76.8%

Ebit grew by 76.8% to Euro 9,322,855, or 4.8% of turnover.

### EBITDA

▲ Euro 14,568,372 +72.1%

The Gross Operating Margin (EBITDA) increased by 72.1% compared to 2019 to Euro 14,568,372, or 7.5% of turnover. In the financial year 2020, the growth in EBITDA is attributable to both an increase in turnover, which is up by 75.0 percentage points, and to an overall improvement in operating cost ratios, which are down by an average of 1.1 percentage points. The growth in EBITDA was recorded despite the decline in Other Revenues, which dropped by 100.0 points. Inventories of finished goods did not change from the previous year and are therefore not included in the analysis.

### Profit

▼ Euro 1,207,885 -72.5%

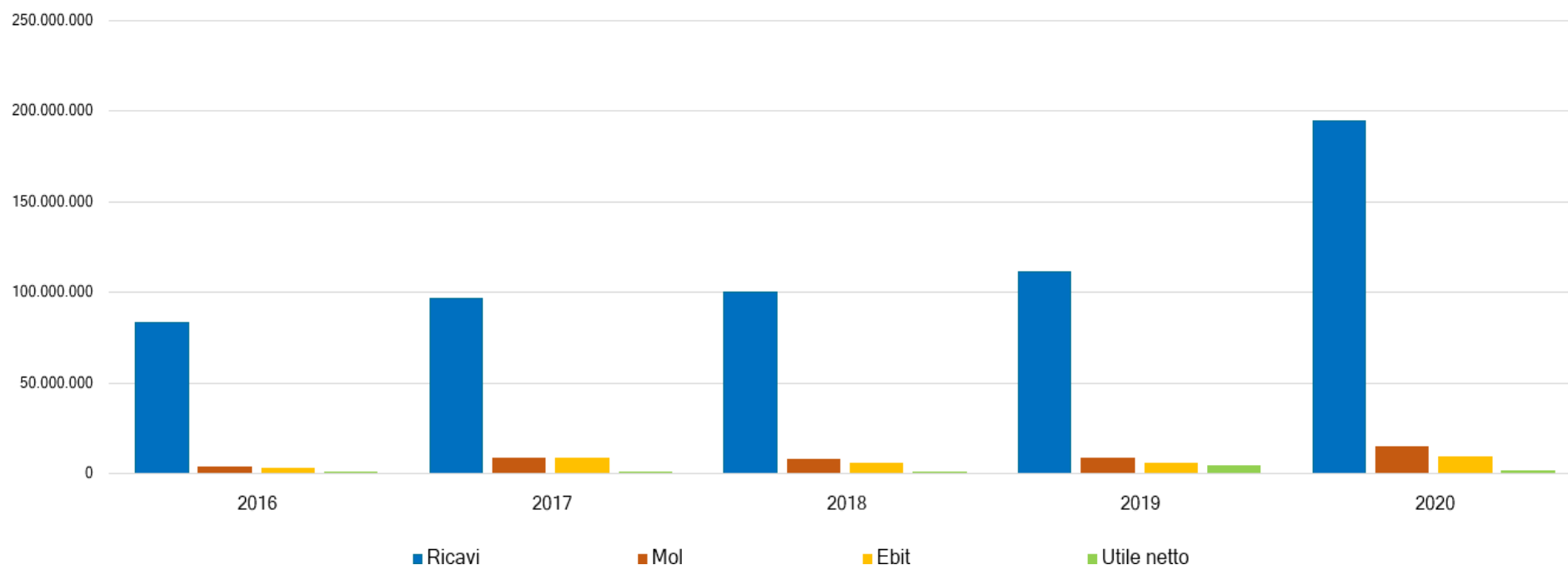
In the financial year 2020, net profit decreased by 72.5% compared to the previous year, to Euro 1,207,885.

## Analysis of economic results

	2016		2017		2018		2019		2020	
	Euro	% change	Euro	% change	Euro	% change	Euro	% change	Euro	% change
Revenues from sales	83,222,644	-	▲96,676,950	+16.2%	▲100,036,262	+3.5%	▲111,144,231	+11.1%	▲194,532,365	+75.0%
Production Value	84,458,532	-	▲101,157,902	+19.8%	▲101,645,538	+0.5%	▲119,083,872	+17.2%	▲195,643,211	+64.3%
Gross Operating Margin (EBITDA)	3,175,179	-	▲8,663,082	+172.8%	▼7,471,809	-13.8%	▲8,467,443	+13.3%	▲14,568,372	+72.1%
Operating Result (EBIT)	2,670,324	-	▲8,217,117	+207.7%	▼5,862,106	-28.7%	▼5,273,948	-10.0%	▲9,322,855	+76.8%
Pre-tax result (Ebt)	1,381,187	-	▲1,739,215	+25.9%	▲2,808,179	+61.5%	▲5,543,373	+97.4%	▼2,820,705	-49.1%
Net profit	537,453	-	▲563,905	+4.9%	▲970,333	+72.1%	▲4,388,240	+352.2%	▼1,207,885	-72.5%

## Economic margins

### Margini Economici



## Operating Cost Analysis

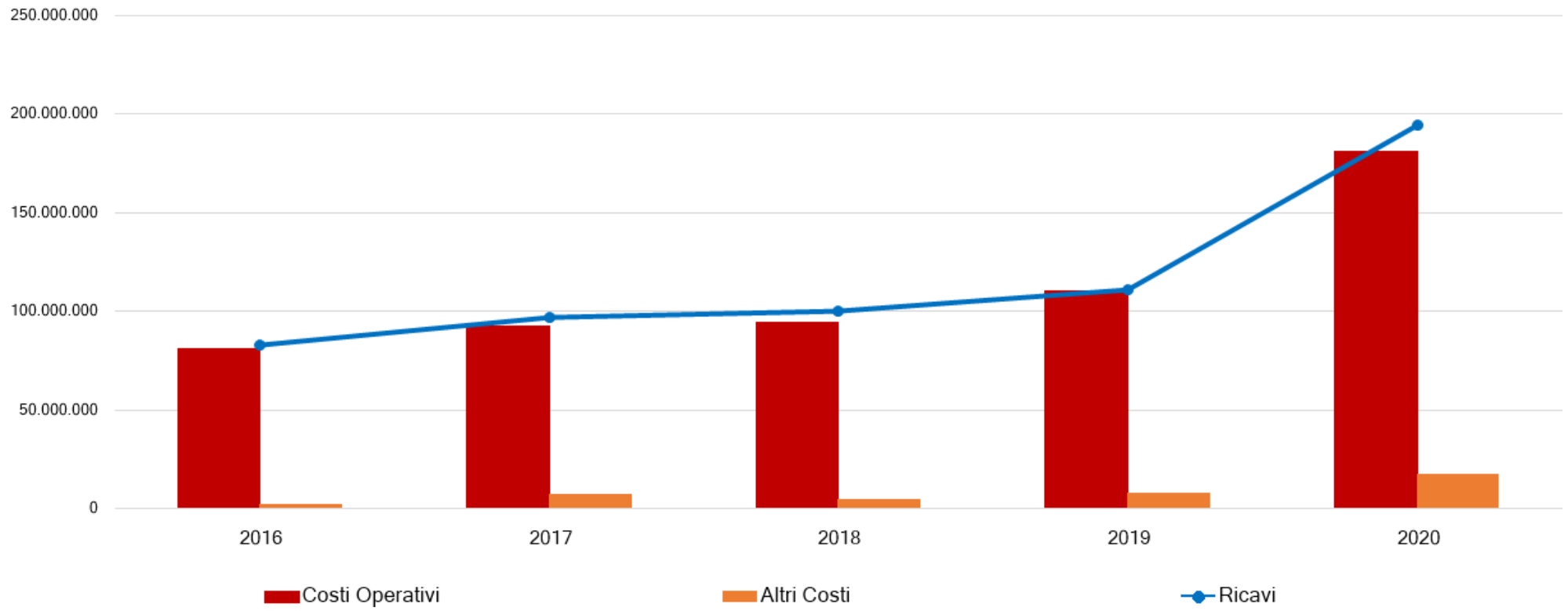
	2016			2017			2018			2019			2020		
	Euro	% revenues	% change incid.	Euro	% revenues	% change incid.	Euro	% revenues	% change incid.	Euro	% revenues	% change incid.	Euro	% revenues	% change incid.
Purchases of goods	725,584	0.9%	-	641,640	0.7%	-0.2%	667,105	0.7%	+0.0%	718,581	0.6%	0.0%	4,983,978	2.6%	+1.9%
Purchases of services	59,356,878	71.3%	-	67,031,809	69.3%	-2.0%	67,018,354	67.0%	-2.3%	79,446,284	71.5%	+4.5%	110,889,623	57.0%	-14.5%
Rents and leases	1,633,899	2.0%	-	2,199,293	2.3%	+0.3%	3,473,619	3.5%	+1.2%	3,500,498	3.1%	-0.3%	6,857,842	3.5%	+0.4%
Other operating expenses	903,942	1.1%	-	2,557,085	2.6%	+1.6%	1,191,283	1.2%	-1.5%	2,759,950	2.5%	+1.3%	1,532,751	0.8%	-1.7%
Personnel costs	18,662,966	22.4%	-	20,053,897	20.7%	-1.7%	21,820,426	21.8%	+1.1%	24,191,836	21.8%	0.0%	56,810,365	29.2%	+7.4%
<b>Total Operating Costs</b>	<b>81,283,269</b>	<b>97.7%</b>	<b>-</b>	<b>92,483,724</b>	<b>95.7%</b>	<b>-2.0%</b>	<b>94,170,787</b>	<b>94.1%</b>	<b>-1.5%</b>	<b>110,617,149</b>	<b>99.5%</b>	<b>+5.4%</b>	<b>181,074,559</b>	<b>93.1%</b>	<b>-6.4%</b>
Amortisation provisions	504,855	0.6%	-	445,965	0.5%	-0.1%	1,609,703	1.6%	+1.1%	3,193,495	2.9%	+1.3%	5,245,517	2.7%	-0.2%
Financial expenses	984,129	1.2%	-	1,286,382	1.3%	+0.1%	1,318,196	1.3%	0.0%	1,370,413	1.2%	-0.1%	1,643,845	0.8%	-0.4%
Other non-operating costs	409,043	0.5%	-	5,348,584	5.5%	+5.0%	1,804,919	1.8%	-3.7%	2,996,765	2.7%	+0.9%	10,414,077	5.4%	+2.7%
<b>Total Other Costs</b>	<b>1,898,027</b>	<b>2.3%</b>	<b>-</b>	<b>7,080,931</b>	<b>7.3%</b>	<b>+5.0%</b>	<b>4,732,818</b>	<b>4.7%</b>	<b>-2.6%</b>	<b>7,560,673</b>	<b>6.8%</b>	<b>+2.1%</b>	<b>17,303,439</b>	<b>8.9%</b>	<b>+2.1%</b>

## Economic and financial linkage matrix

	2017	2018	2019	2020
Comparison of economic result (net profit) and financial result (shareholder cash flow)	Economic profit but financial deficit	Economic profit and financial surplus	Economic profit and financial surplus	Economic profit and financial surplus

## Operating costs

## Costi di Gestione

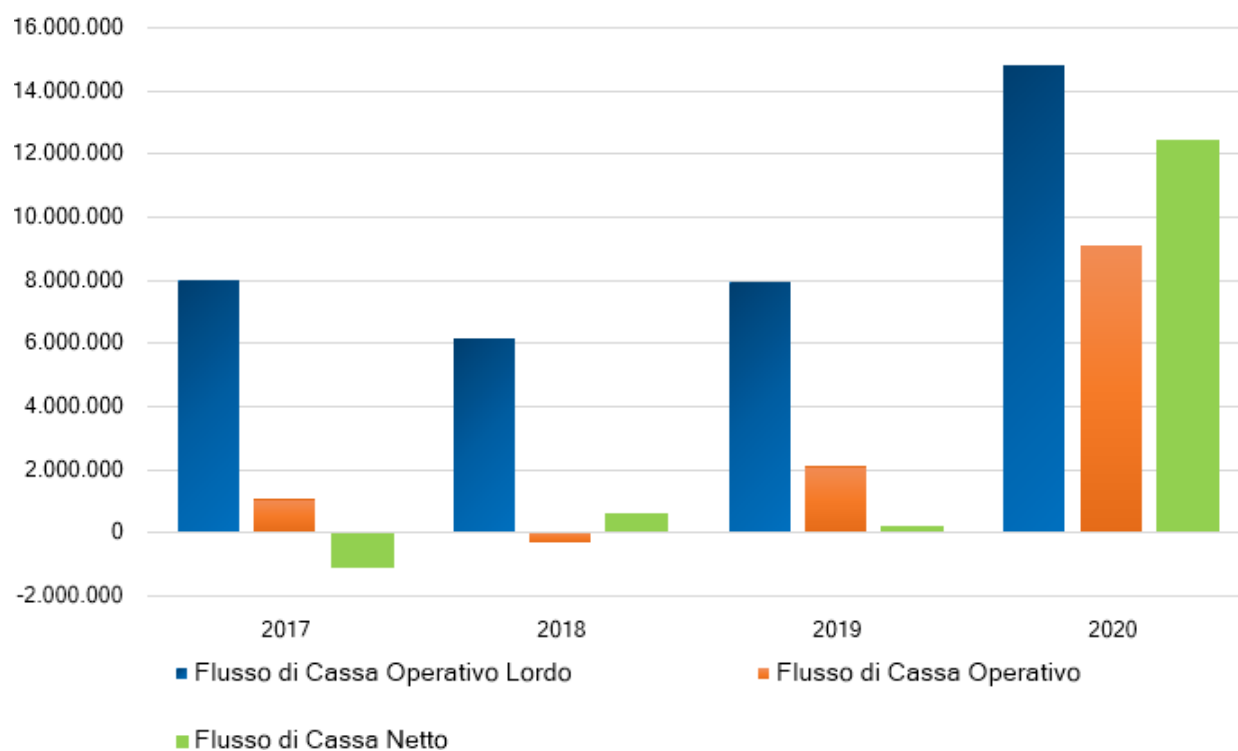


# Cash Flow Statement

	2017	2018	2019	2020
	Euro	Euro	Euro	Euro
+/- Ebit	8,217,117	5,862,106	5,273,948	9,322,855
- Notional taxes	(1,484,042)	(2,154,213)	(1,484,032)	(2,007,343)
<b>+/- Nopat</b>	<b>6,733,075</b>	<b>3,707,893</b>	<b>3,789,916</b>	<b>7,315,512</b>
+ Amortisation/Depreciation, Provisions and Severance Pay (TFR)	1,229,017	2,451,327	4,141,372	7,470,516
<b>Gross Operating Cash Flow</b>	<b>7,962,092</b>	<b>▼ 6,159,220</b>	<b>▲ 7,931,288</b>	<b>▲ 14,786,028</b>
+/- Customers	(8,006,375)	(9,211,438)	(2,127,324)	(25,002,532)
+/- Inventories	11,096	2,942	(720)	280
+/- Suppliers	1,795,466	2,091,756	4,756,685	34,679,118
+/- Other assets	(2,818,834)	(2,108,929)	(4,833,411)	(950,367)
+/- Other liabilities	1,905,817	4,012,471	20,256,029	10,221,109
+/- Change in provisions	(906,980)	(646,059)	(1,645,309)	1,266,035
<b>Change in NWC</b>	<b>(8,019,810)</b>	<b>▲ (5,859,257)</b>	<b>▲ 16,405,950</b>	<b>▲ 20,213,643</b>
<b>Cash Flow from Current Operations</b>	<b>(57,718)</b>	<b>299,963</b>	<b>24,337,238</b>	<b>34,999,671</b>
<b>+/- Investments/Disinvestments</b>	<b>1,115,975</b>	<b>(645,601)</b>	<b>(22,248,814)</b>	<b>(25,909,072)</b>
<b>Operating Cash Flow</b>	<b>1,058,257</b>	<b>▼ (345,638)</b>	<b>▲ 2,088,424</b>	<b>▲ 9,090,599</b>
+/- Equity	116,544	0	1,187,767	12,057,189
+/- Change in short-term bank debt	6,566,857	5,240,475	(1,530,368)	1,290,982
+ Increase in long-term payables to banks	0	0	0	6,669,829
+ Increase in lease payables	0	0	0	0
+ Increase in other financial payables	29,359	7,917	8,347	10,891
+ Financial income	157,064	69,188	136,969	114,820
+/- Change in other financial assets	(34,044)	(116,416)	(5,875,904)	(1,711,659)
+/- Equity investments and securities	(1,806,151)	(701,888)	4,154,797	(7,304,331)
+/- Extraordinary income/expenses	(5,348,584)	(1,804,919)	1,502,869	(4,973,125)
<b>Cash Flow Servicing Debt</b>	<b>739,302</b>	<b>▲ 2,348,719</b>	<b>▼ 1,672,901</b>	<b>▲ 15,245,195</b>
+ Tax shield of debt	308,732	316,367	328,899	394,523
- Repayment of long-term payables to banks	(834,662)	(711,565)	(433,494)	0

- Repayment of Lease payables	0	0	0	0
- Repayment of other financial payables	0	(6,640)	(5,960)	(1,600,000)
- Financial expenses	(1,286,382)	(1,318,196)	(1,370,413)	(1,643,845)
<b>Cash flow for shareholders</b>	<b>(1,073,010)</b>	<b>▲ 628,685</b>	<b>▼ 191,933</b>	<b>▲ 12,395,873</b>
- Distributed dividend	0	(31,809)	0	0
<b>Net Cash Flow</b>	<b>(1,073,010)</b>	<b>▲ 596,876</b>	<b>▼ 191,933</b>	<b>▲ 12,395,873</b>
<b>Closing cash and cash equivalents</b>	<b>1,706,033</b>	<b>2,302,909</b>	<b>2,494,842</b>	<b>14,890,715</b>

Conforms to the cash flow statement template developed by the National Foundation of Chartered Accountants Research Document - 21 March 2019





## Cash-flow analysis

	2017	2018	2019	2020
	Euro	Euro	Euro	Euro
<b>Gross Operating Cash Flow</b>	7,962,092	▼ 6,159,220	▲ 7,931,288	▲ 14,786,028
<i>Gross Operating Cash Flow</i>	-	-22.6%	+28.8%	+86.4%
<b>Change in NWC</b>	(8,019,810)	▲ (5,859,257)	▲ 16,405,950	▲ 20,213,643
<i>Change in NWC</i>	-	+26.9%	+380.0%	+23.2%
<b>Cash Flow from Current Operations</b>	(57,718)	▲ 299,963	▲ 24,337,238	▲ 34,999,671
<i>Cash Flow from Current Operations</i>	-	+619.7%	+8,013.4%	+43.8%
<b>Operating Cash Flow</b>	<b>1,058,257</b>	▼ (345,638)	▲ 2,088,424	▲ 9,090,599
<i>Operating Cash Flow</i>	-	-132.7%	+704.2%	+335.3%
<b>Cash Flow Servicing Debt</b>	739,302	▲ 2,348,719	▼ 1,672,901	▲ 15,245,195
<i>Cash Flow Servicing Debt</i>	-	+217.7%	-28.8%	+811.3%
<b>Cash flow for shareholders</b>	(1,073,010)	▲ 628,685	▼ 191,933	▲ 12,395,873
<i>Cash flow for shareholders</i>	-	+158.6%	-69.5%	+6,358.4%
<b>Net Cash Flow</b>	<b>(1,073,010)</b>	▲ 596,876	▼ 191,933	▲ 12,395,873
<i>Net Cash Flow</i>	-	+155.6%	-67.8%	+6,358.4%

### Analysis of financial flows

In the latest approved financial statements for the financial year 2020, the gross operating cash flow was positive and increased by 86.4% compared to the previous year, to Euro 14,786,028. The flow of working capital is positive due to a reduction in inventories, an increase in trade payables and an increase in other liabilities and provisions, despite an increase in receivables from customers and an increase in other assets.

### Cash Flow from Current Operations

In the financial year 2020, cash flow from current operations was positive, i.e., monetary income exceeded monetary expenditure, and increased by 43.8% compared to the previous year, to Euro 34,999,671. The resources generated by current operations that can be used for the needs generated by the other flow, which relates to the area of investments in fixed assets necessary for possible business development.

### Operating Cash Flow

. In the financial year 2020, the operating cash flow was positive and increased by 335.3% compared to the previous year, to Euro 9,090,599.

### Cash Flow Servicing Debt

. In the financial year 2020, the cash flow servicing debt amounts to Euro 15,245,195 and is sufficient to repay the resources obtained from the lenders.

## Cash flow statement OIC 10

	2017	2018	2019	2020
	Euro	Euro	Euro	Euro
<b>A. Cash flows from operations (Indirect method)</b>				
<b>Profit (loss) for the year</b>	<b>563,905</b>	<b>970,333</b>	<b>4,388,240</b>	<b>1,207,885</b>
Income taxes	1,175,310	1,837,846	1,155,133	1,612,820
Interest expenses/(interest income)	1,129,318	1,249,008	1,233,444	1,529,025
(Dividends)	0	0	0	0
(Gains)/losses from disposal of assets	5,347,530	1,791,465	(1,502,869)	5,007,147
<b>1. Profit before tax, int., dividends and gains/losses</b>	<b>8,216,063</b>	<b>▼5,848,652</b>	<b>▼5,273,948</b>	<b>▲9,356,877</b>
<i>Adjustments for non-monetary items that had no balancing entry in NWC</i>				
Allocations to provisions	783,052	1,768,384	1,947,877	2,224,999
Amortisation/Depreciation of fixed assets	394,691	488,703	1,976,869	4,878,781
Write-downs for impairment losses	52,328	207,694	216,626	374,940
Other adjustments for non-monetary elements	0	0	0	(42,226)
<b>2. Cash flow before changes in NWC</b>	<b>1,230,071</b>	<b>▲2,464,781</b>	<b>▲4,141,372</b>	<b>▲7,436,494</b>
<i>Changes in net working capital</i>				
Decrease/(increase) in inventories	11,096	2,942	(720)	280
Decrease/(increase) in receivables from customers	(8,006,375)	(9,211,438)	(2,127,324)	(25,002,532)
Increase/(decrease) in payables to suppliers	1,795,466	2,091,756	4,756,685	34,679,118
Decrease/(increase) in accrued and deferred assets	(3,174,494)	(2,138,193)	1,934,657	1,667,525
Increase/(decrease) in accrued and deferred liabilities	169,393	57,335	380,847	681,195
Other changes in net working capital	2,040,810	2,863,400	11,890,488	6,555,286
<b>3. Cash flow after changes in NWC</b>	<b>(7,164,104)</b>	<b>▲(6,334,198)</b>	<b>▲16,834,633</b>	<b>▲18,580,872</b>
<i>Other adjustments</i>				
Interest collected/(paid)	(1,129,318)	(1,249,008)	(1,233,444)	(1,529,025)
(Income taxes paid)	(1,175,310)	(1,837,846)	(1,155,133)	(1,612,820)
Dividends collected	0	0	0	0
(Use of provisions)	(855,706)	474,941	(428,683)	1,632,771
<b>4. Cash flow after other adjustments</b>	<b>(3,160,334)</b>	<b>(2,611,913)</b>	<b>(2,817,260)</b>	<b>(1,509,074)</b>
<b>Cash flow from operating activities (A)</b>	<b>(878,304)</b>	<b>▲(632,678)</b>	<b>▲23,432,693</b>	<b>▲33,865,169</b>
<b>B. Cash flows from investment activities</b>				
<i>Tangible assets</i>				
(Investments)	1,202,617	(64,664)	(280,236)	(2,482,367)
Disinvestment realisation price	0	0	0	0

*Intangible assets*

(Investments)	(86,642)	(580,937)	(21,968,578)	(23,426,705)
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Disinvestment realisation price	0	0	0	0
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*Financial assets*

(Investments)	(1,806,151)	(775,688)	4,209,351	(7,418,602)
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Disinvestment realisation price	0	0	0	0
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*Short-term financial assets*

(Investments)	(5,382,628)	(1,847,535)	(4,427,589)	(6,570,513)
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Disinvestment realisation price	0	0	0	0
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*Acquisition (disposal) of subsidiaries or business units, net of cash and cash equivalents*

<b>Cash flow from investment activities (B)</b>	<b>(6,072,804)</b>	<b>▲ (3,268,824)</b>	<b>▼ (22,467,052)</b>	<b>▼ (39,898,187)</b>
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**C. Cash flows from financing activities***Third-party equity*

Increase (decrease) in short-term payables to banks	6,566,857	5,240,475	(1,530,368)	1,290,982
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New loans	29,359	7,917	8,347	6,680,720
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Repayment of loans	(834,662)	(718,205)	(439,454)	(1,600,000)
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*Equity*

Paid share capital increase	116,544	0	1,187,767	12,057,189
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Sale (purchase) of treasury shares	0	0	0	0
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Dividends (and interim dividends) paid	0	(31,809)	0	0
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<b>Cash flow from financing activities (C)</b>	<b>5,878,098</b>	<b>▼ 4,498,378</b>	<b>▼ (773,708)</b>	<b>▲ 18,428,891</b>
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Increase (decrease) in cash and cash equivalents (A+B+C)	(1,073,010)	596,876	191,933	12,395,873
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Cash and cash equivalents at 1 January	2,779,043	1,706,033	2,302,909	2,494,842
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<b>Cash and cash equivalents at 31 December</b>	<b>1,706,033</b>	<b>2,302,909</b>	<b>2,494,842</b>	<b>14,890,715</b>
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## Cash-flow analysis OIC 10

	2017	2018	2019	2020
	Euro	Euro	Euro	Euro
<b>1. Profit before tax, int., dividends and gains/losses</b>	<b>8,216,063</b>	<b>▼5,848,652</b>	<b>▼5,273,948</b>	<b>▲9,356,877</b>
<i>% change</i>	-	-28.8%	-9.8%	+77.4%
<b>2. Cash flow before changes in NWC</b>	<b>1,230,071</b>	<b>▲2,464,781</b>	<b>▲4,141,372</b>	<b>▲7,436,494</b>
<i>% change</i>	-	+100.4%	+68.0%	+79.6%
<b>3. Cash flow after changes in NWC</b>	<b>(7,164,104)</b>	<b>▲(6,334,198)</b>	<b>▲16,834,633</b>	<b>▲18,580,872</b>
<i>% change</i>	-	+11.6%	+365.8%	+10.4%
<b>4. Cash flow after other adjustments</b>	<b>(3,160,334)</b>	<b>▲(2,611,913)</b>	<b>▼(2,817,260)</b>	<b>▲(1,509,074)</b>
<i>% change</i>	-	+17.4%	-7.9%	+46.4%
<b>Cash flow from operating activities (A)</b>	<b>(878,304)</b>	<b>▲(632,678)</b>	<b>▲23,432,693</b>	<b>▲33,865,169</b>
<i>% change</i>	-	+28.0%	+3,803.7%	+44.5%
<b>Cash flow from investment activities (B)</b>	<b>(6,072,804)</b>	<b>▲(3,268,824)</b>	<b>▼(22,467,052)</b>	<b>▼(39,898,187)</b>
<i>% change</i>	-	+46.2%	-587.3%	-77.6%
<b>Cash flow from financing activities (C)</b>	<b>5,878,098</b>	<b>▼4,498,378</b>	<b>▼(773,708)</b>	<b>▲18,428,891</b>
<i>% change</i>	-	-23.5%	-117.2%	+2,481.9%
<b>Cash and cash equivalents at 31 December</b>	<b>1,706,033</b>	<b>▲2,302,909</b>	<b>▲2,494,842</b>	<b>▲14,890,715</b>
<i>% change</i>	-	+35.0%	+8.3%	+496.9%

# Net Financial Position

## Net Financial Position

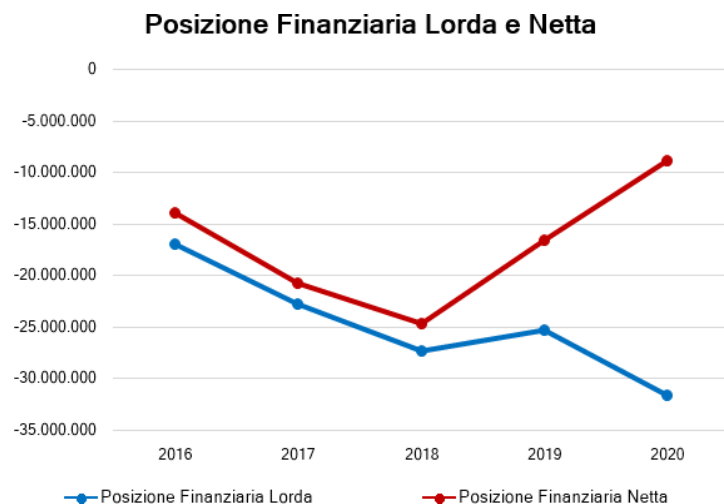
	2016	2017	2018	2019	2020
	Euro	Euro	Euro	Euro	Euro
<b>Liquidity</b>	<b>2,779,043</b>	<b>▼ 1,706,033</b>	<b>▲ 2,302,909</b>	<b>▲ 2,494,842</b>	<b>▲ 14,890,715</b>
Financial receivables from third parties	30,000	30,000	30,000	0	35,712
Current financial assets	221,455	255,499	298,115	6,228,573	7,825,961
Short-term financial receivables from group companies	0	0	0	0	0
<b>Current financial receivables</b>	<b>251,455</b>	<b>▲ 285,499</b>	<b>▲ 328,115</b>	<b>▲ 6,228,573</b>	<b>▲ 7,861,673</b>
Short-term payables to banks	(9,934,682)	(16,501,539)	(21,742,014)	(20,211,646)	(21,502,628)
Bonds	0	0	0	0	0
Current portion of bank loans	0	0	0	0	0
Payables to factoring companies	0	0	0	0	0
Lease payables	0	0	0	0	0
Current portion of payables to other lenders	(511)	(22,362)	(15,722)	(9,762)	(20,653)
Short-term financial payables to group companies	0	0	0	0	0
Other current financial liabilities	0	0	0	0	0
<b>Current financial debt</b>	<b>(9,935,193)</b>	<b>▲ (16,523,901)</b>	<b>▲ (21,757,736)</b>	<b>▼ (20,221,408)</b>	<b>▲ (21,523,281)</b>
<b>Net current financial debt</b>	<b>(6,904,695)</b>	<b>▼ (14,532,369)</b>	<b>▼ (19,126,712)</b>	<b>▲ (11,497,993)</b>	<b>▲ 1,229,107</b>
Payables to banks	(2,143,437)	(1,308,775)	(597,210)	(163,716)	(6,833,545)
Bond	(4,864,483)	(4,871,991)	(4,879,908)	(4,888,255)	(3,288,255)
Lease payables	0	0	0	0	0
Payables to other lenders	0	0	0	0	0
Financial payables to group companies	0	0	0	0	0
Other non-current financial liabilities	0	0	0	0	0
<b>Non-current financial debt</b>	<b>(7,007,920)</b>	<b>▼ (6,180,766)</b>	<b>▼ (5,477,118)</b>	<b>▼ (5,051,971)</b>	<b>▲ (10,121,800)</b>
<b>Net financial position</b>	<b>(13,912,615)</b>	<b>▼ (20,713,135)</b>	<b>▼ (24,603,830)</b>	<b>▲ (16,549,964)</b>	<b>▲ (8,892,693)</b>

Pursuant to the Consob Communication of 28 July 2006 and in accordance with the CESR Recommendation of 10 February 2005

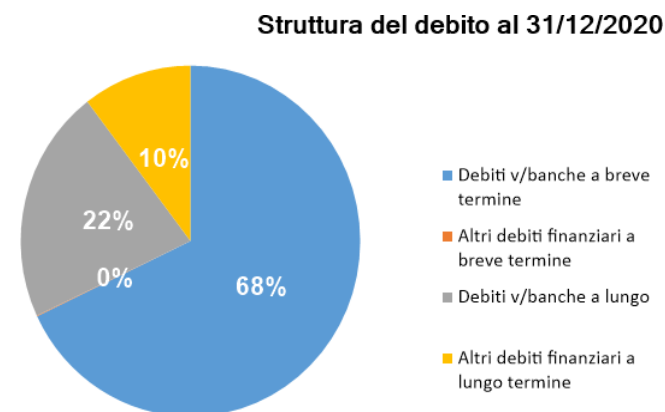
## Gross and Net Financial Position

	2016		2017		2018		2019		2020	
	Euro	% change	Euro	% change	Euro	% change	Euro	% change	Euro	% change
Short-term payables to banks	(9,934,682)	-	▲(16,501,539)	+66.1%	▲(21,742,014)	+31.8%	▼(20,211,646)	-7.0%	▲(21,502,628)	+6.4%
Other short-term financial payables	(511)	-	(22,362)	+4,276.1%	(15,722)	-29.7%	(9,762)	-37.9%	(20,653)	+111.6%
Other current financial liabilities	0	-	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Tot. Short-term financial payables</b>	<b>(9,935,193)</b>	-	<b>▲(16,523,901)</b>	<b>+66.3%</b>	<b>▲(21,757,736)</b>	<b>+31.7%</b>	<b>▼(20,221,408)</b>	<b>-7.1%</b>	<b>▲(21,523,281)</b>	<b>+6.4%</b>
Long-term payables to banks	(2,143,437)	-	▼(1,308,775)	-38.9%	▼(597,210)	-54.4%	▼(163,716)	-72.6%	▲(6,833,545)	+4,074.0%
Other long-term financial payables	(4,864,483)	-	(4,871,991)	+0.2%	(4,879,908)	+0.2%	(4,888,255)	+0.2%	(3,288,255)	-32.7%
Other non-current financial liabilities	0	-	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Tot. Long-term financial payables</b>	<b>(7,007,920)</b>	-	<b>▼(6,180,766)</b>	<b>-11.8%</b>	<b>▼(5,477,118)</b>	<b>-11.4%</b>	<b>▼(5,051,971)</b>	<b>-7.8%</b>	<b>▲(10,121,800)</b>	<b>+100.4%</b>
<b>GROSS FINANCIAL POSITION (GFP)</b>	<b>(16,943,113)</b>	-	<b>▼(22,704,667)</b>	<b>-34.0%</b>	<b>▼(27,234,854)</b>	<b>-20.0%</b>	<b>▲(25,273,379)</b>	<b>+7.2%</b>	<b>▼(31,645,081)</b>	<b>-25.2%</b>
(Current financial assets)	251,455	-	285,499	+13.5%	328,115	+14.9%	6,228,573	+1,798.3%	7,861,673	+26.2%
(Cash and cash equivalents)	2,779,043	-	1,706,033	-38.6%	2,302,909	+35.0%	2,494,842	+8.3%	14,890,715	+496.9%
<b>NET FINANCIAL POSITION (NFP)</b>	<b>(13,912,615)</b>	-	<b>▼(20,713,135)</b>	<b>-48.9%</b>	<b>▼(24,603,830)</b>	<b>-18.8%</b>	<b>▲(16,549,964)</b>	<b>+32.7%</b>	<b>▼(8,892,693)</b>	<b>+46.3%</b>

## Gross and Net Financial Position



## Debt Structure at 31/12/2020



## Financial Debt Rating

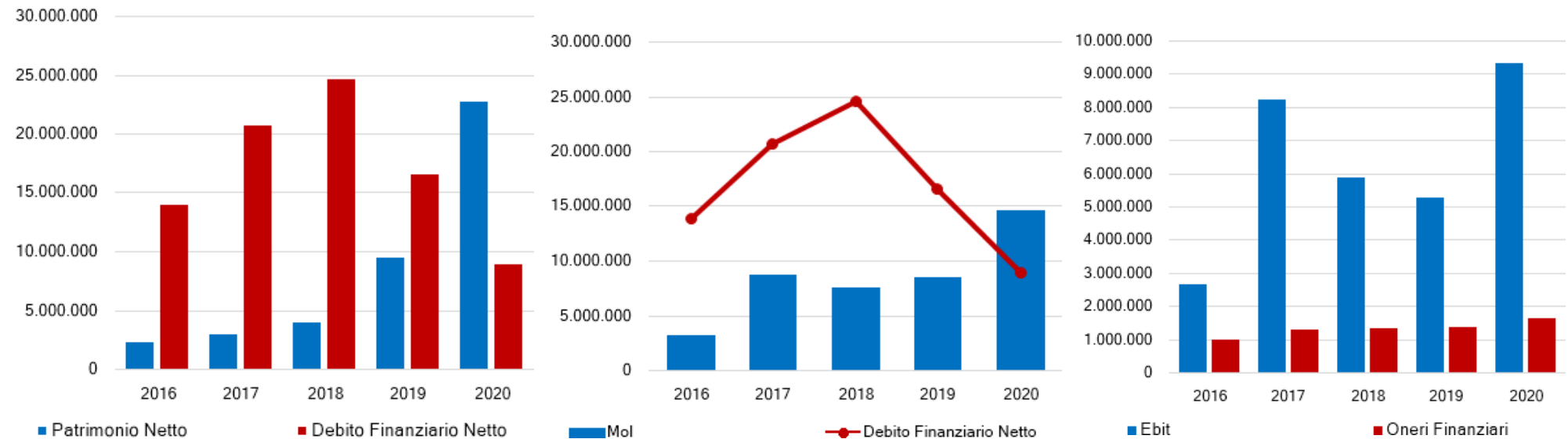
AA

### The company has little debt

At 31/12/2020, net financial debt (NFP) finances 5.3% of the company's assets and is equal to 39.1% of equity.

### Financial Debt is Sustainable

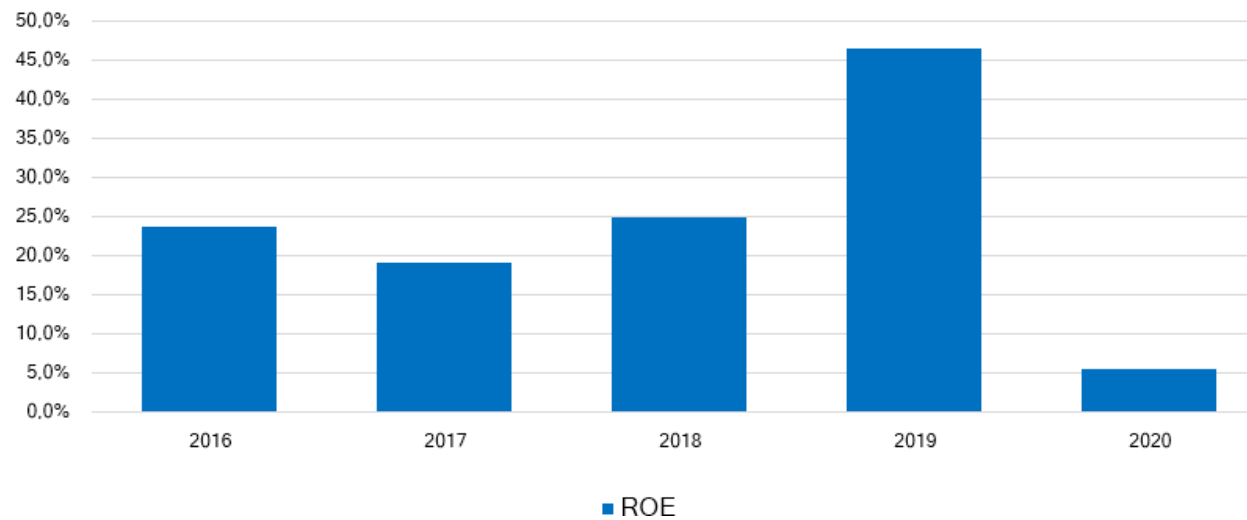
Furthermore, the analysis of the financial coverage ratios shows that this level of debt is perfectly sustainable, as the operating income generated by the company in 2020 is adequate to repay the debt and bear the financial expenses. Specifically, the NFP/EBITDA ratio is 0.6 and the EBITDA/Of ratio is 8.9, both of which indicate a satisfactory balance between operating income and debt servicing expenditures.



AS

# Profitability Indices

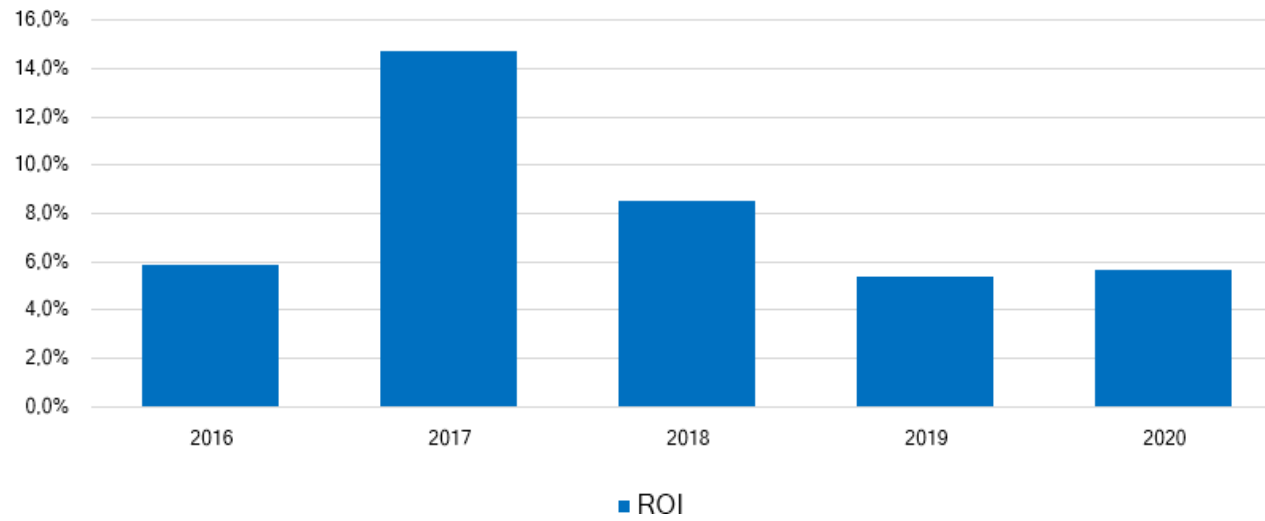
ROE	2016	2017	2018	2019	2020
Net Result / Equity	23.6% ●	↓19.1% ●	↑24.9% ●	↑46.3% ●	↓5.3% ●





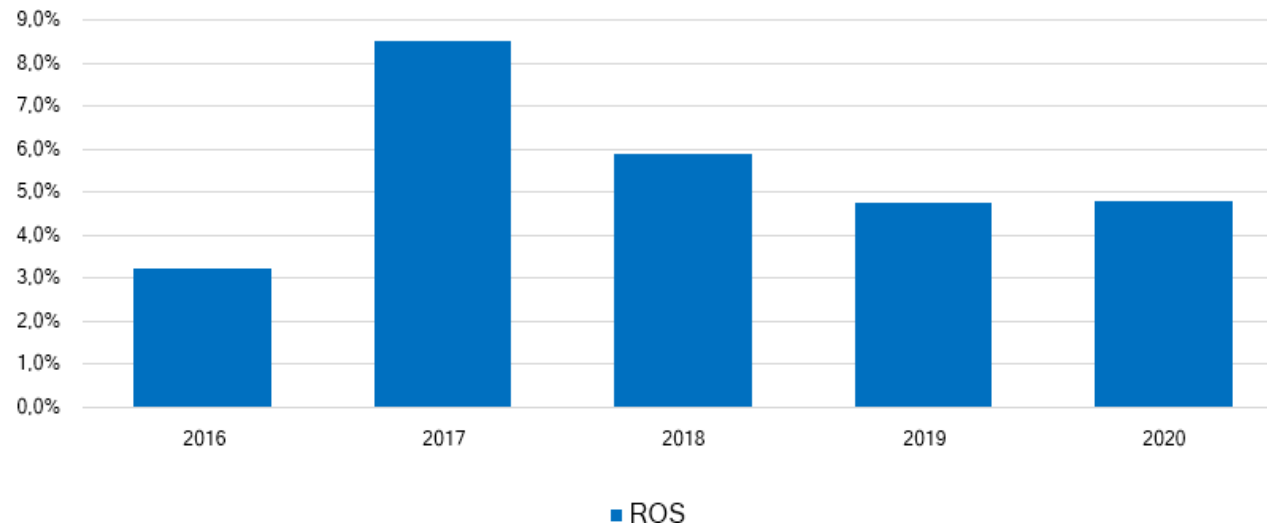
## ROI

2016	2017	2018	2019	2020
5.8% ●	↑14.7% ●	↓8.5% ●	↓5.4% ●	↑5.6% ●



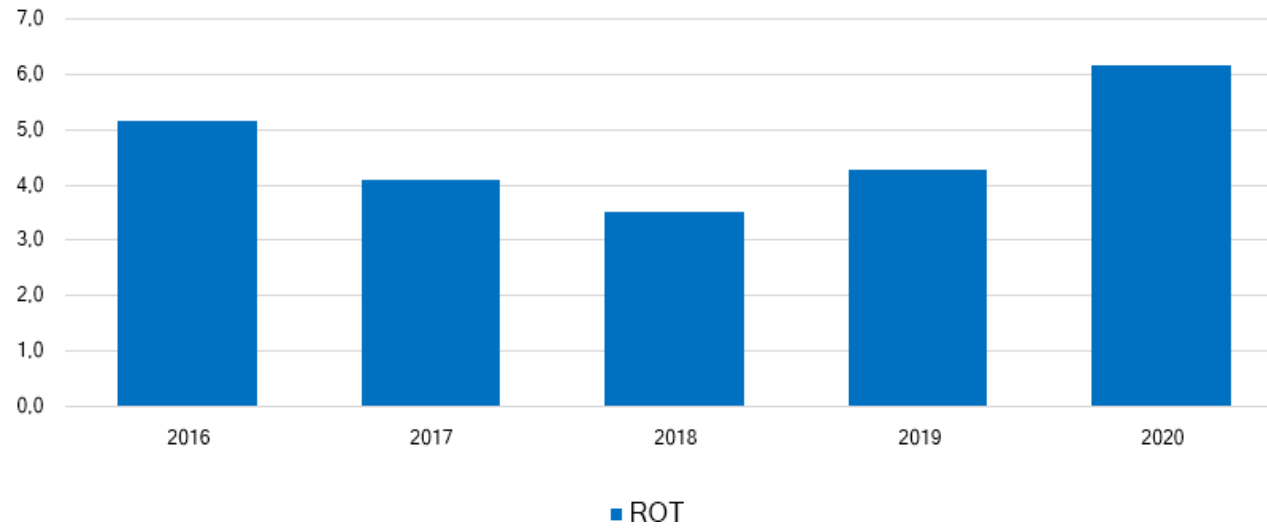
## ROS

	2016	2017	2018	2019	2020
Operating Profit/Sales	3.2% ●	↑8.5% ●	↓5.9% ●	↓4.7% ●	↑4.8% ●



**ROT**

	2016	2017	2018	2019	2020
Sales / Net Invested Operating Capital	5.1 ●	↓4.1 ●	↓3.5 ●	↑4.3 ●	↑6.1 ●



## Economic Margins

	2016	2017	2018	2019	2020
Revenues from sales	83,222,644	▲96,676,950	▲100,036,262	▲111,144,231	▲194,532,365
Added Value	21,838,145	▲28,716,979	▲29,292,235	▲32,659,279	▲71,378,737
Gross Operating Margin (EBITDA)	3,175,179	▲8,663,082	▼7,471,809	▲8,467,443	▲14,568,372
Operating Result (EBIT)	2,670,324	▲8,217,117	▼5,862,106	▼5,273,948	▲9,322,855
Pre-tax result (Ebt)	1,381,187	▲1,739,215	▲2,808,179	▲5,543,373	▼2,820,705
Net profit	537,453	▲563,905	▲970,333	▲4,388,240	▼1,207,885
Operating Cash Flow	-	1,058,257	▼(345,638)	▲2,088,424	▲9,090,599

## Other Profitability Indices

	2016	2017	2018	2019	2020
NOPAT	n.a.	6,733,075	▼3,707,893	▲3,789,916	▲7,315,512
ROIC	n.a.	33.8%	▼14.2%	▼13.9%	▲25.4%

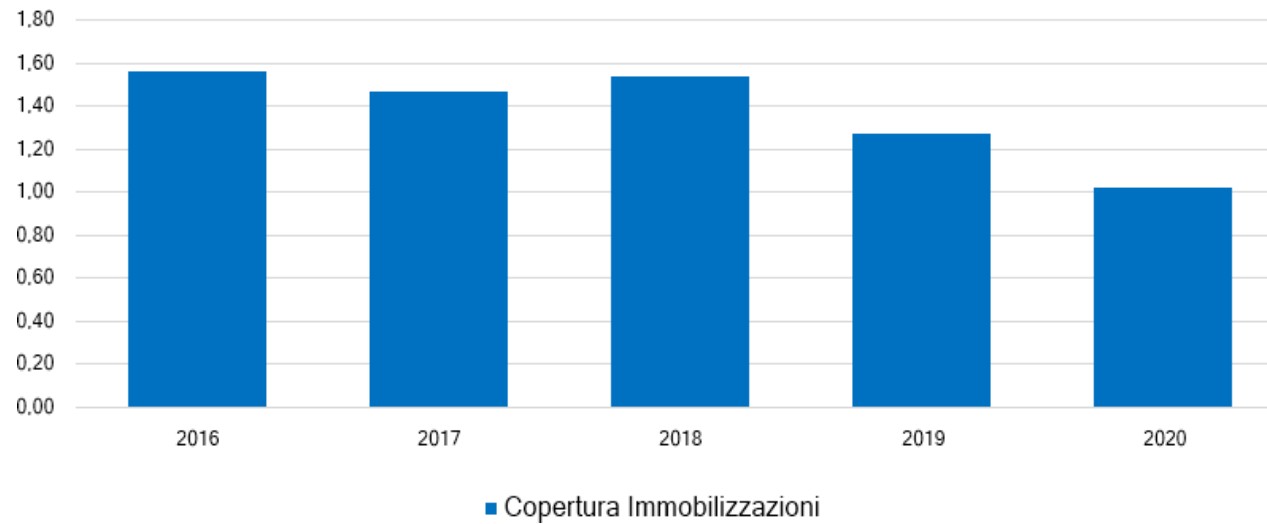
## Economic margins



# Solidity Indices

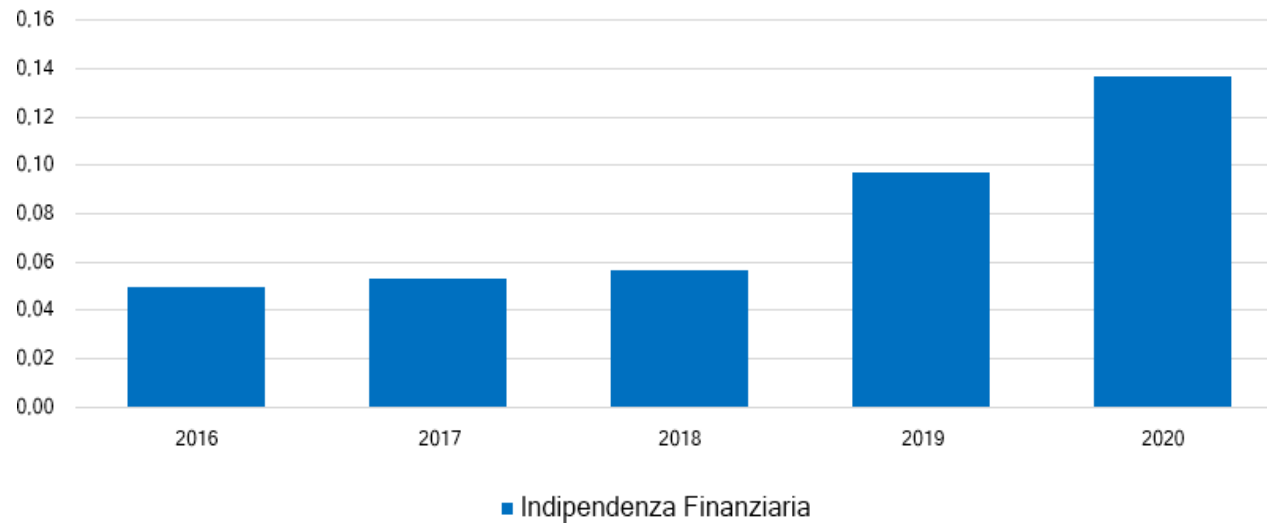
## Fixed Assets Coverage

	2016	2017	2018	2019	2020
Shareholders' Equity + Long-Term Liabilities / Fixed Assets	1.56 ●	↔1.47 ●	↔1.53 ●	↓1.27 ●	↓1.02 ●



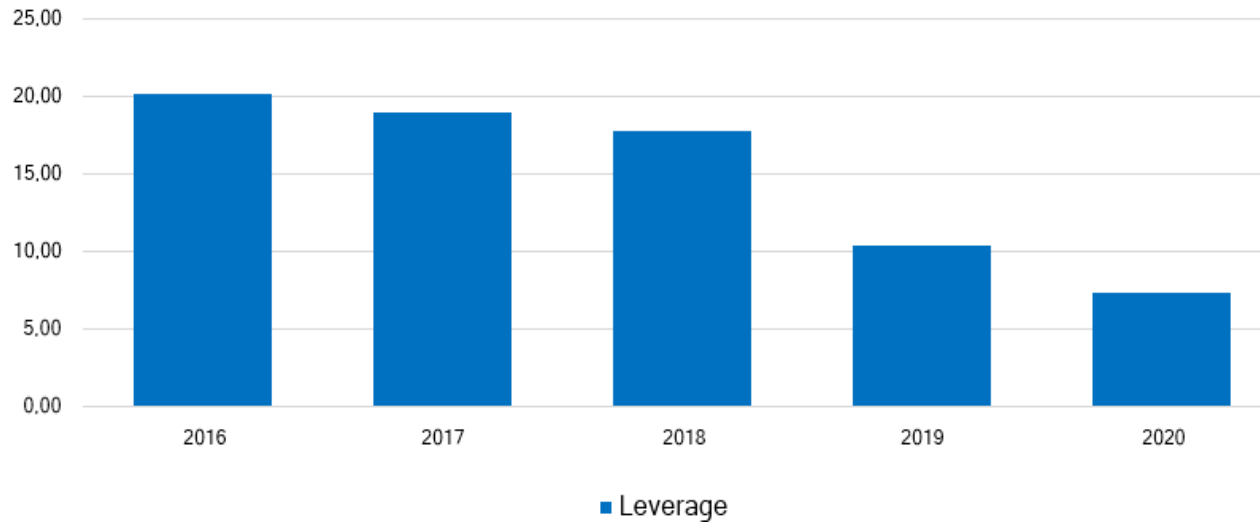
## Financial Independence

	2016	2017	2018	2019	2020
Shareholders' Equity/Total Assets	<b>0.05</b> ●	↔ <b>0.05</b> ●	↔ <b>0.06</b> ●	↔ <b>0.10</b> ●	↔ <b>0.14</b> ●



## Leverage

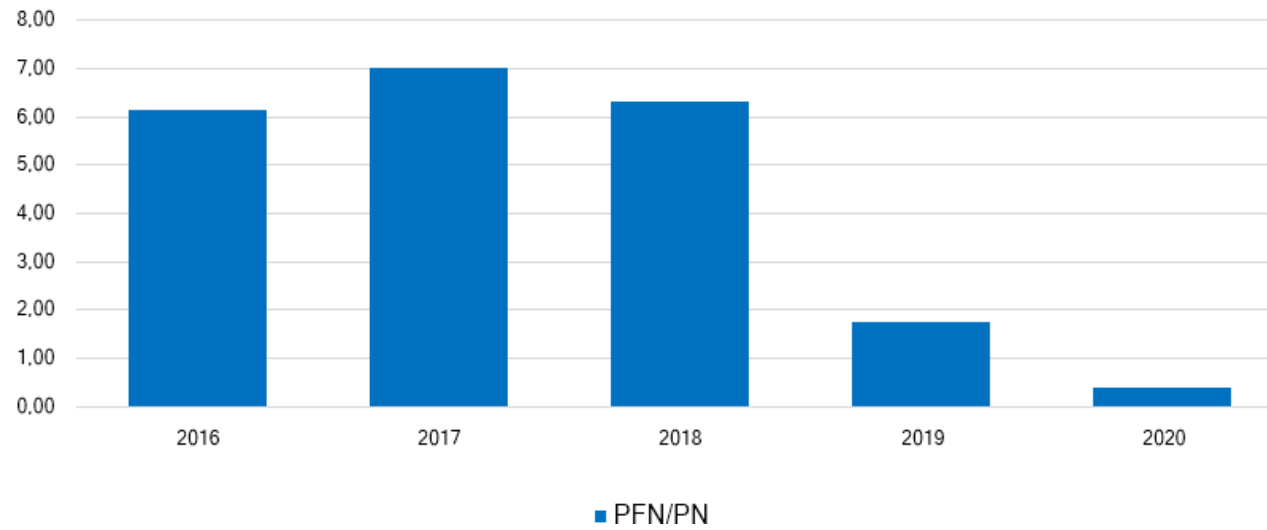
	2016	2017	2018	2019	2020
Total Assets / Shareholders' Equity	20.16 ●	↓18.93 ●	↓17.68 ●	↓10.35 ●	↓7.32 ●



**NFP/SE**

Net Financial Position / Shareholders' Equity

2016	2017	2018	2019	2020
6.10 ●	↑7.00 ●	↓6.31 ●	↓1.75 ●	↓0.39 ●





## Other solidity indices

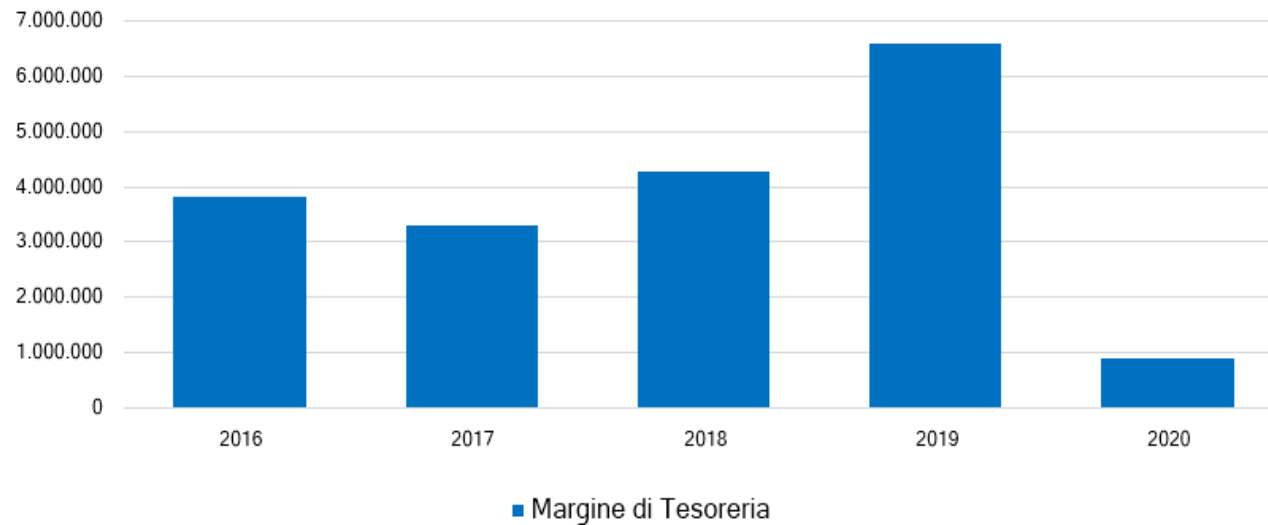
	2016	2017	2018	2019	2020
Banks on working capital	0.31	▲0.36	▲0.37	▼0.28	▼0.25
Short-term banks on working capital	0.25	▲0.34	▲0.36	▼0.27	▼0.19
Debt Ratio	95.0%	▼94.7%	▼94.3%	▼90.3%	▼86.3%
Working capital rotation	2.13	▼1.98	▼1.64	▼1.51	▲1.71
Inventory rotation	3,146.65	▲6,297.35	▲8,060.94	▲8,464.91	▲15,138.71
Capitalisation Index SE/NFP	16.4%	▼14.3%	▲15.8%	▲57.2%	▲255.7%
Intensity Rate Current Assets	47.0%	▲50.6%	▲60.8%	▲66.4%	▼58.5%

# Liquidity Indices

## Treasury Margin

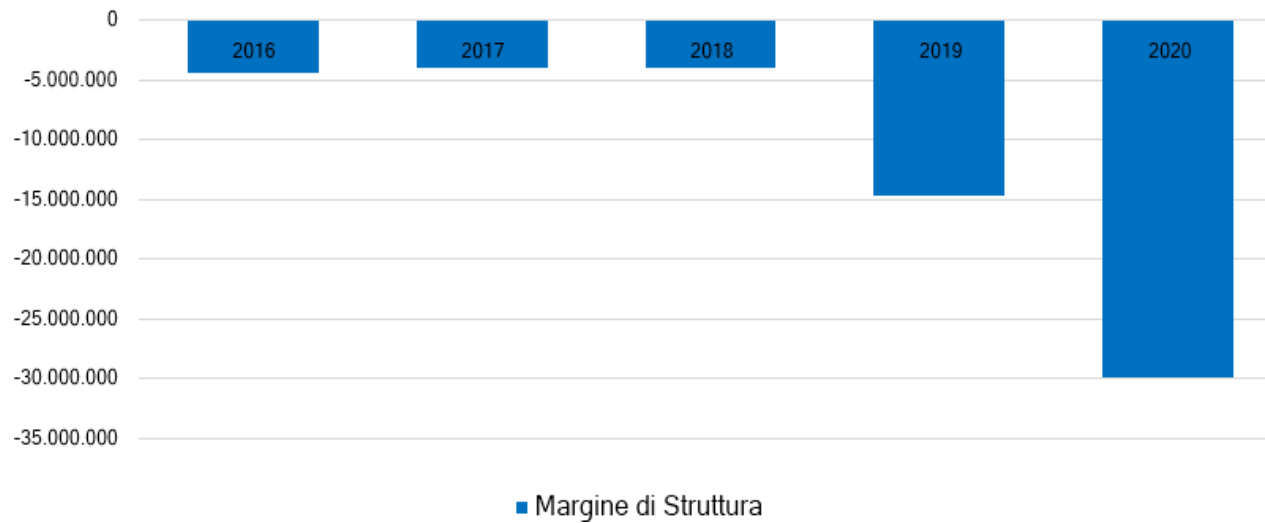
(Short-term assets - Inventories) - Short-term liabilities

	2016	2017	2018	2019	2020
	3,790,353 ●	↓3,287,855 ●	↑4,255,505 ●	↑6,564,680 ●	↓877,794 ●



## Structure Margin

	2016	2017	2018	2019	2020
Structure Margin	-4,528,754 ● ↑	-4,142,540 ● ↔	-4,137,628 ● ↓	-14,770,788 ● ↓	-29,906,123 ● ↓



## Quick Ratio

(Short-term assets - Inventories) / Short-term liabilities

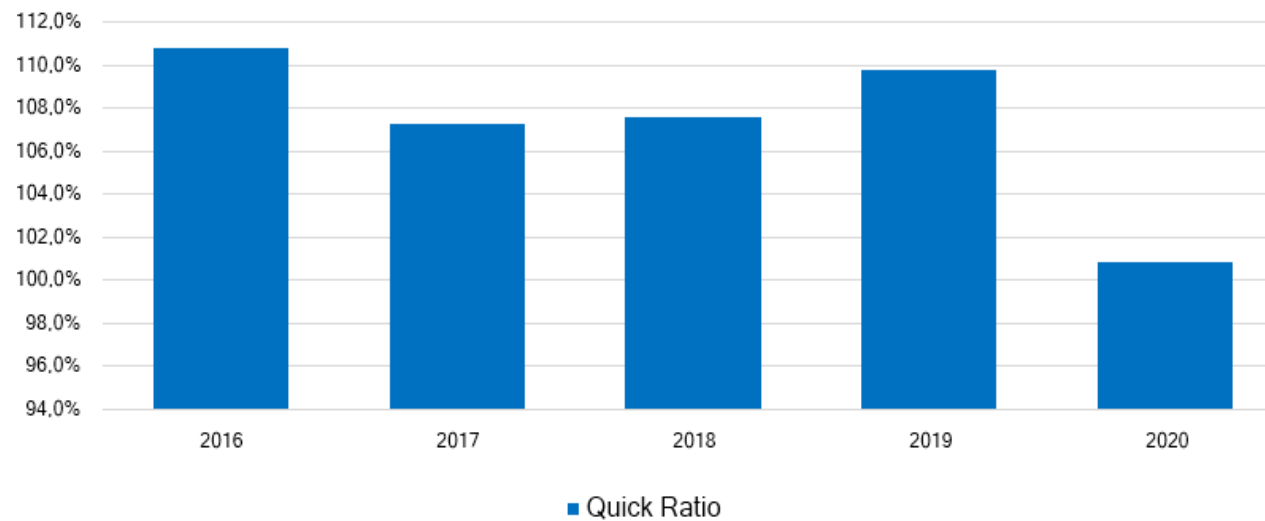
2016

2017

2018

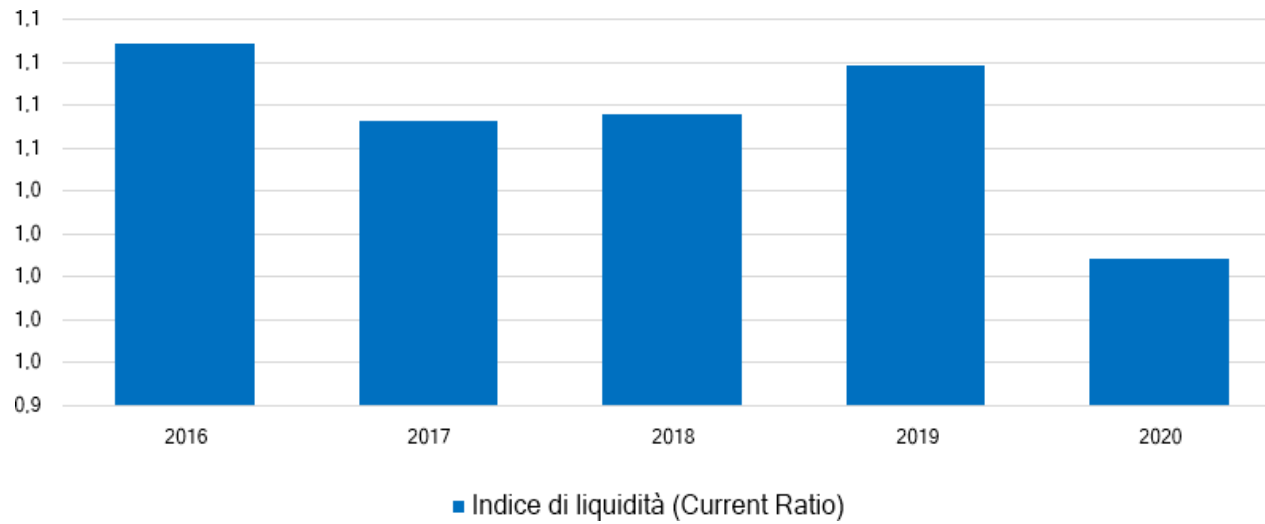
2019

2020

**110.7%** ●↔ **107.2%** ●↔ **107.5%** ●↔ **109.8%** ●↓ **100.8%** ●

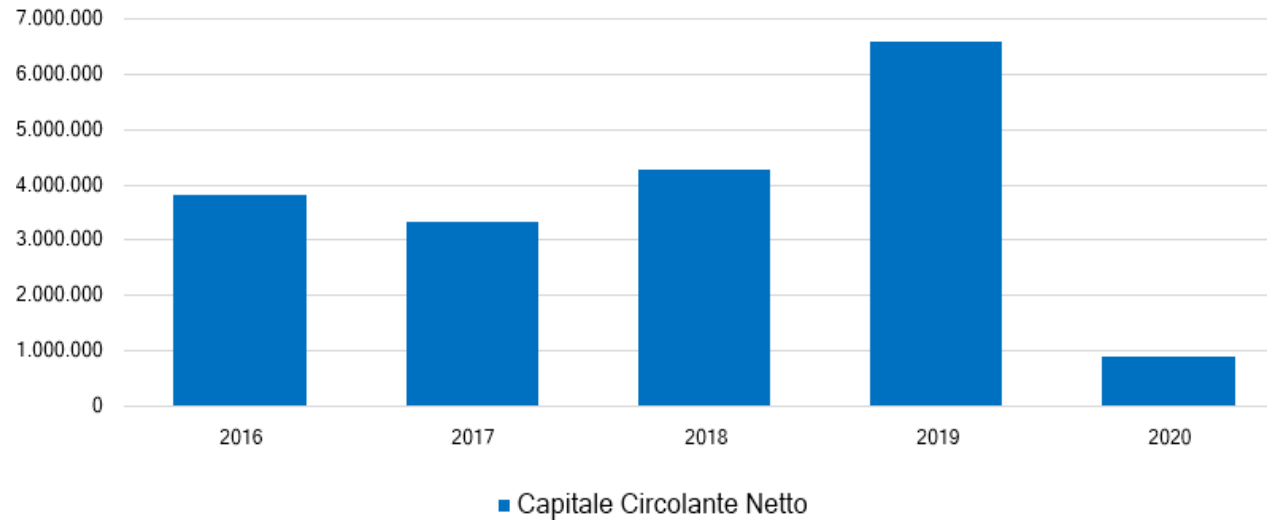
## Liquidity index (Current Ratio)

	2016	2017	2018	2019	2020
Short-term assets / Short-term liabilities	1.1 ●	↔1.1 ●	↔1.1 ●	↔1.1 ●	↔1.0 ●



## Net Working Capital

	2016	2017	2018	2019	2020
Short-term assets - Short-term liabilities	3,816,801 ●	↓3,303,207 ●	↑4,267,915 ●	↑6,577,810 ●	↓890,644 ●



## Other Liquidity Indices

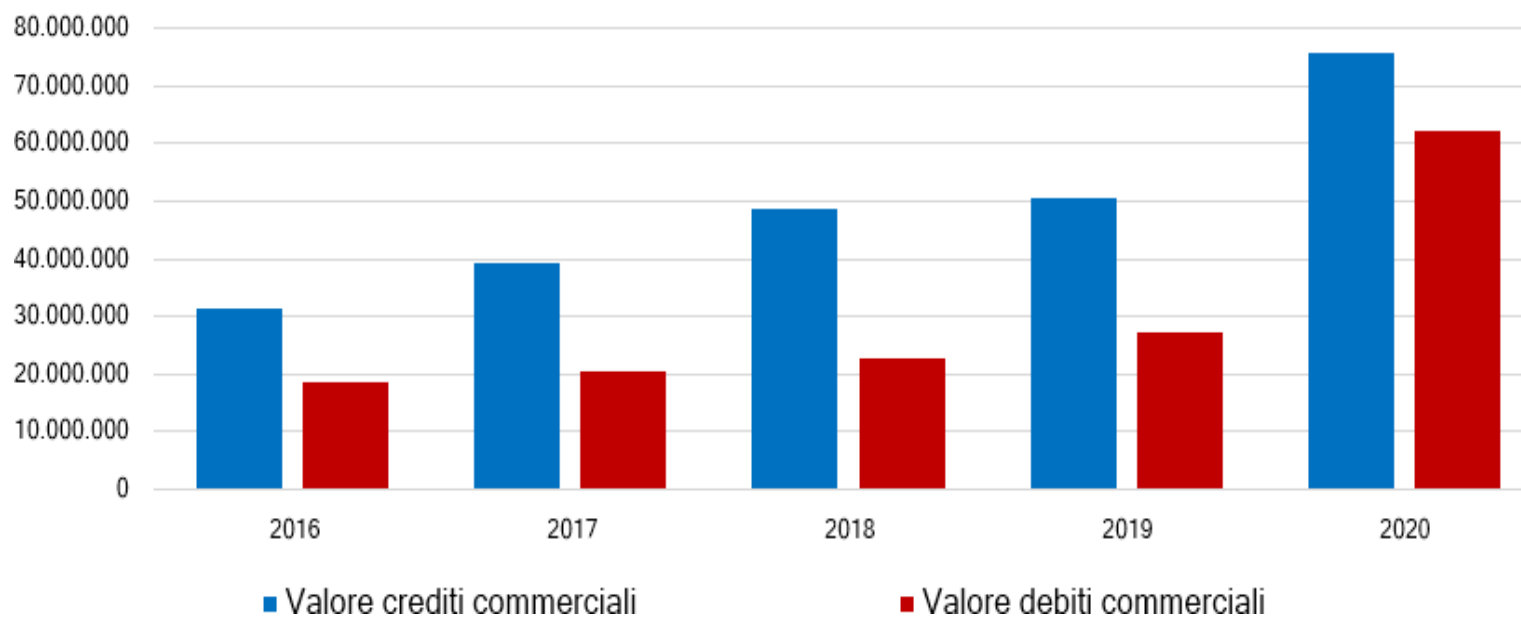
	2016	2017	2018	2019	2020
Customer credit days	131	▲ 136	▲ 165	▼ 155	▼ 131
Supplier credit days	108	▼ 105	▲ 114	▲ 116	▲ 179
Stock days	0	0	0	0	0
Stock duration	13	9	7	7	1

## Productivity Indices

	2016	2017	2018	2019	2020
Labour costs on Turnover	22.4%	▼ 20.7%	▲ 21.8%	21.8%	▲ 29.2%
Value Added on Turnover	26.2%	▲ 29.7%	▼ 29.3%	▲ 29.4%	▲ 36.7%
Value Added/Production Value	25.9%	▲ 28.4%	▲ 28.8%	▼ 27.4%	▲ 36.5%

## Trade Receivables/Payables

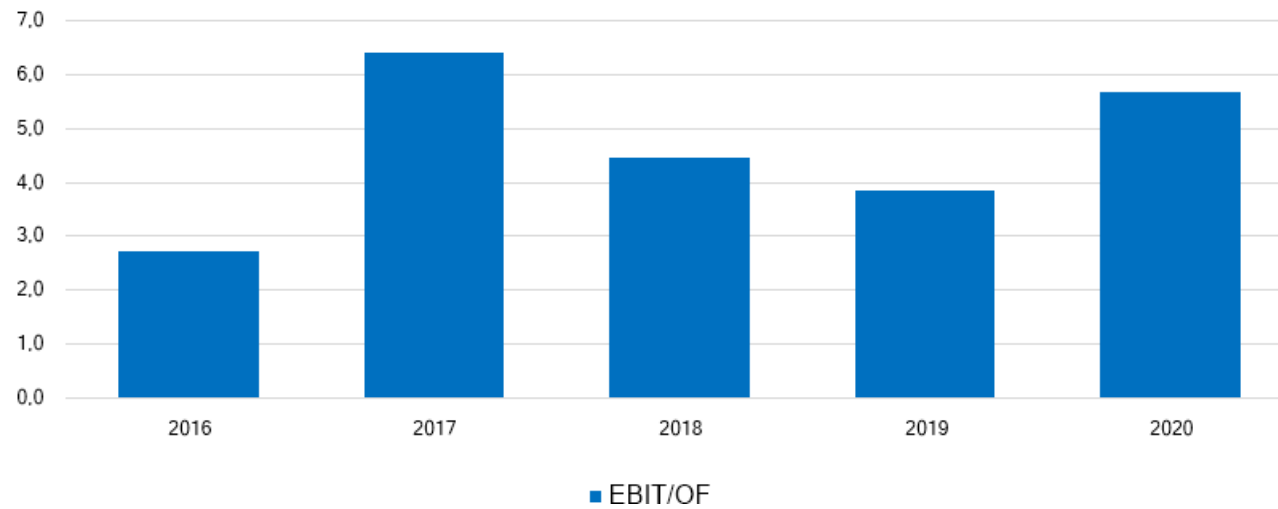
### Crediti/Debiti commerciali



# Financial Coverage Ratios

## EBIT/OF

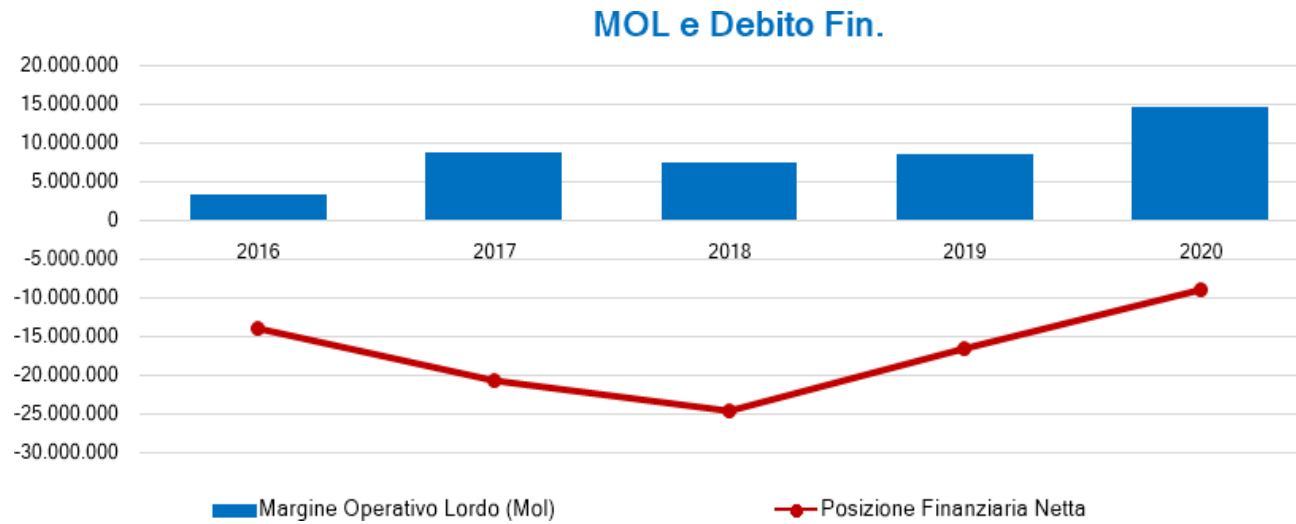
	2016	2017	2018	2019	2020
Operating Result / Financial Expenses	2.7 ●	↑6.4 ●	↓4.4 ●	↓3.8 ●	↑5.7 ●





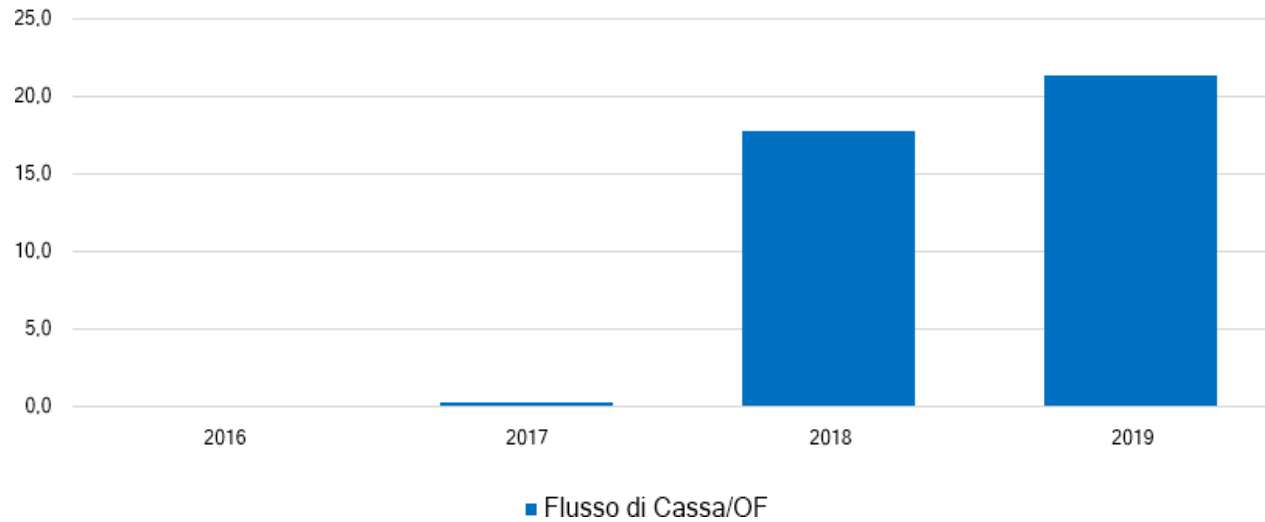
## EBITDA/NFP

	2016	2017	2018	2019	2020
Gross Operating Margin / Net Financial Position	22.8% ●	↑41.8% ●	↓30.4% ●	↑51.2% ●	↑163.8% ●



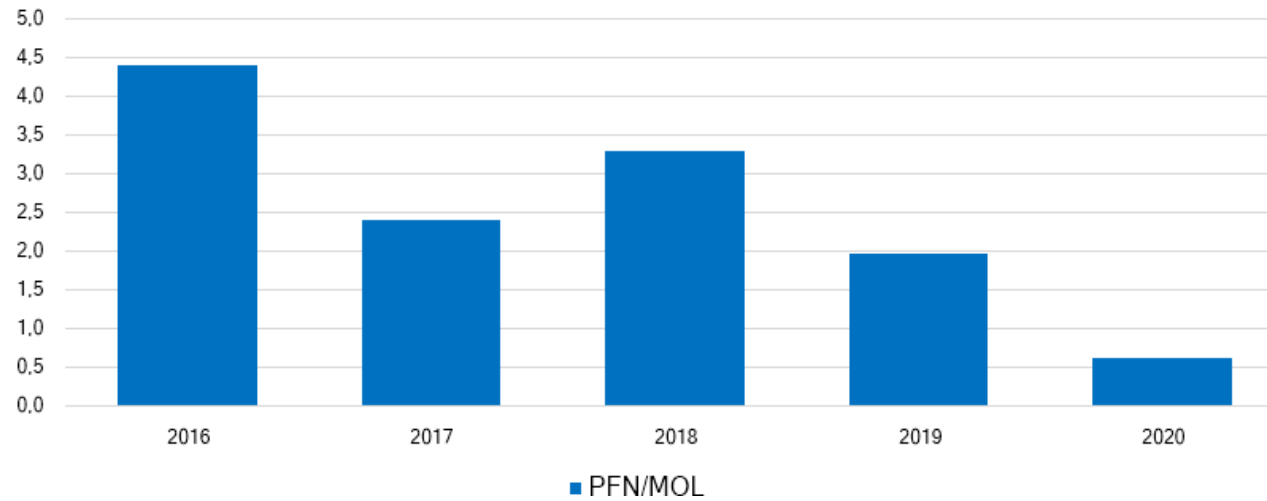
## Cash Flow/OF

	2016	2017	2018	2019	2020
Cash Flow from Current Operations / Financial Expenses	n.a.	NO CF ●	0.2 ●	↑ 17.8 ●	↑ 21.3 ●



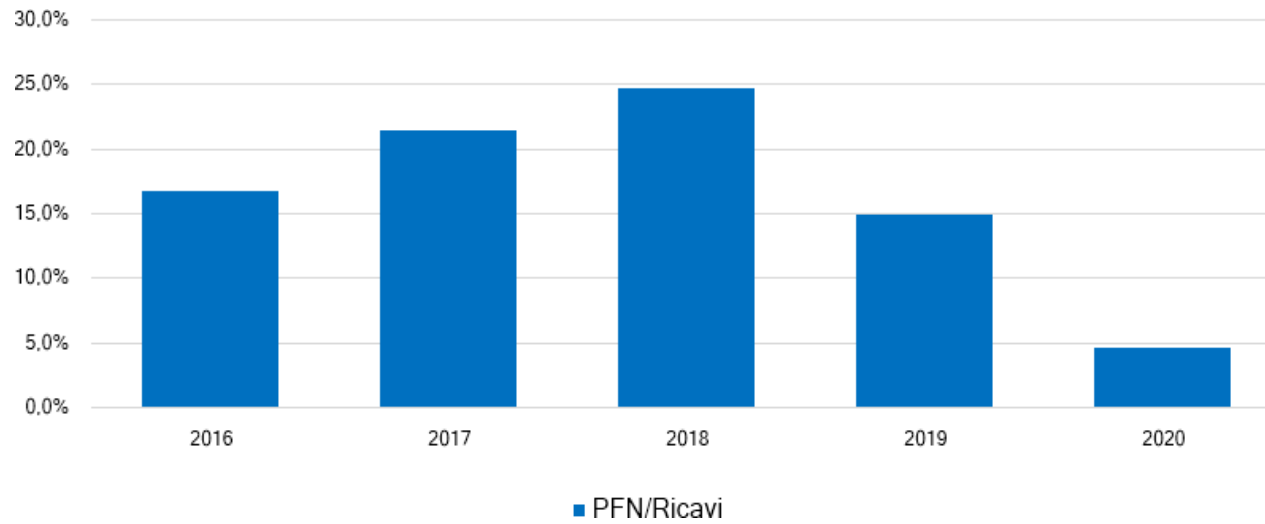
**NFP/EBITDA**

	2016	2017	2018	2019	2020
Net Financial Position / Gross Operating Margin	4.4 ●	↓2.4 ●	↑3.3 ●	↓2.0 ●	↓0.6 ●



## NFP/Revenues

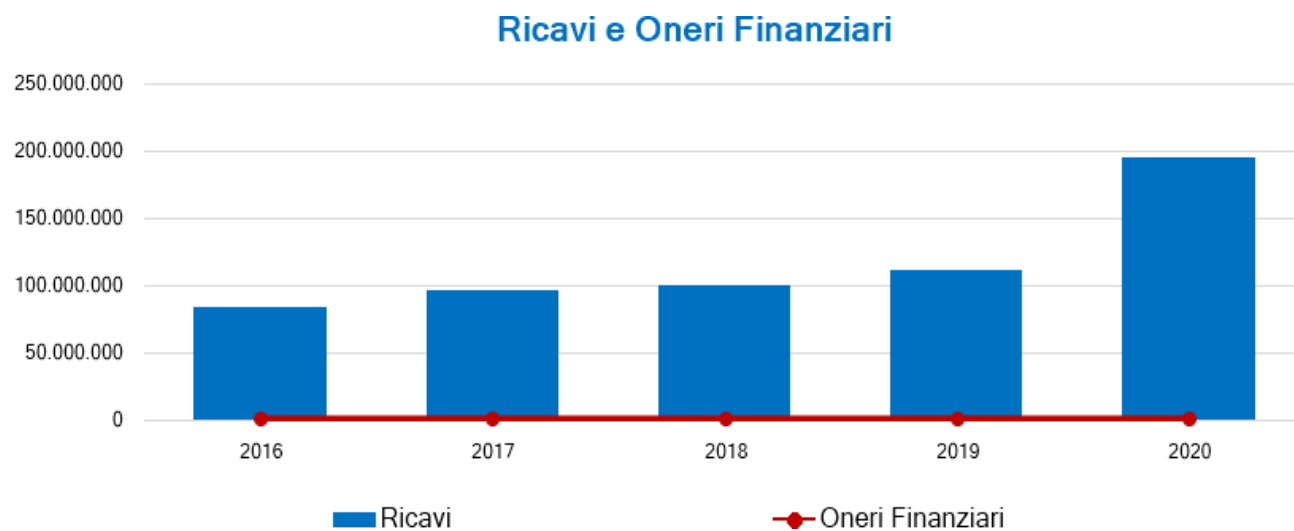
	2016	2017	2018	2019	2020
Net Financial Position / Revenues	16.7% ●	↑21.4% ●	↑24.6% ●	↓14.9% ●	↓4.6% ●



## Other Indices Financial Coverage

	2016	2017	2018	2019	2020
Financial expenses on Turnover	1.2%	▲ 1.3%	1.3%	▼ 1.2%	▼ 0.8%
Financial expenses on EBITDA	31.0%	▼ 14.8%	▲ 17.6%	▼ 16.2%	▼ 11.3%
EBITDA/Of	3.2	▲ 6.7	▼ 5.7	▲ 6.2	▲ 8.9
EBITDA on Turnover	0.04	▲ 0.09	▼ 0.07	▲ 0.08	▼ 0.07

## Financial Income and Expenses



# Rating Analysis

Financial Balance - Standard & Poor's Method

## Benchmarks

<b>Risk Factor</b>	<b>EBIT/OF</b>	<b>EBITDA /Of</b>	<b>Ro/V</b>	<b>D/(D+CN)</b>	<b>CFfO/D</b>
<i>A = Very safe</i>	> 5	> 7	> 5 %	< 30 %	> 40 %
<i>B = Safe</i>	> 2	> 2.5	> 5 %	> = 30 %	< = 40 %
<i>C = Moderate risk</i>	> 2	> 2.5	< = 5 %		
<i>D = Risky</i>	< = 2 > 1	> 2.5			
<i>E = Very risky</i>	< = 2 > 1	< = 2.5			
<i>F = Insolvent</i>	< = 1				

	<b>2019</b>	<b>2020</b>
<b>EBIT/OF</b>	<b>3.85</b>	<b>5.67</b>
<b>EBITDA/Of</b>	<b>6.18</b>	<b>8.86</b>
<b>Ro/V</b>	<b>4.7%</b>	<b>4.8%</b>
<b>D/(D+CN)</b>	<b>72.7%</b>	<b>58.2%</b>
<b>CFfO/D</b>	<b>96.3%</b>	<b>110.6%</b>

The Standard & Poor's rating model uses financial indices, leaving out, unlike those used by Italian banks, purely equity-accounting profiles such as the Debt/Equity ratio. That is why it is always good to compare it with the value of this index as well.

Evaluation over the last 2 years

**RATING**

**B**

corresponding to a financial balance

**Sicuro**



# Performance Evaluation

## Economic balance

### ROI Return invested capital

Year	Value	Trend	Ind.
2016	5.8%	—	neutral
2017	14.7%	↑	positive
2018	8.5%	↓	neutral
2019	5.4%	↓	neutral
2020	5.6%	↔	neutral

### ROE Return on equity

Year	Value	Trend	Ind.
2016	23.6%	—	positive
2017	19.1%	↓	positive
2018	24.9%	↑	positive
2019	46.3%	↑	positive
2020	5.3%	↓	neutral

### ROS Return on sales

Year	Value	Trend	Ind.
2016	3.2%	—	neutral
2017	8.5%	↑	positive
2018	5.9%	↓	neutral
2019	4.7%	↓	neutral
2020	4.8%	↔	neutral

### ROT Rotation invested capital

Year	Value	Trend	Ind.
2016	5.1	—	positive
2017	4.1	↓	positive
2018	3.5	↓	positive
2019	4.3	↑	positive
2020	6.1	↑	positive

Economic evaluation

BB+



## Equity balance

### NFP/SE

Year	Value	Trend	Ind.
2016	6.10	—	negative
2017	7.00	↓	negative
2018	6.31	↑	negative
2019	1.75	↑	positive
2020	0.39	↑	positive

### SE/Payables

Year	Value	Trend	Ind.
2016	5.4%	—	neutral
2017	5.7%	↔	neutral
2018	6.2%	↔	neutral
2019	11.1%	↔	neutral
2020	16.6%	↑	neutral

### SE/Assets Financial independence

Year	Value	Trend	Ind.
2016	0.05	—	negative
2017	0.05	↔	negative
2018	0.06	↔	negative
2019	0.10	↔	negative
2020	0.14	↔	negative

### Fixed assets Coverage

Year	Value	Trend	Ind.
2016	1.56	—	positive
2017	1.47	↔	positive
2018	1.53	↔	positive
2019	1.27	↓	positive
2020	1.02	↓	positive

Equity  
evaluation

BBB



## Financial balance

NFP/EBITDA				OF/EBITDA				CFfO/Revenues				Cost of third-party assets			
Year	Value	Trend	Ind.	Year	Value	Trend	Ind.	Year	Value	Trend	Ind.	Year	Value	Trend	Ind.
2016	4.4	—	neutral	2016	0.3	—	neutral	2016	n.a.	—	-	2016	2.3%	—	positive
2017	2.4	↑	positive	2017	0.1	↑	positive	2017	1.1%	—	neutral	2017	2.5%	—	positive
2018	3.3	↓	neutral	2018	0.2	↔	positive	2018	-0.3%	↓	negative	2018	2.1%	↔	positive
2019	2.0	↑	positive	2019	0.2	↔	positive	2019	1.9%	↑	neutral	2019	1.6%	↑	positive
2020	0.6	↑	positive	2020	0.1	↔	positive	2020	4.7%	↑	neutral	2020	1.2%	↔	positive

Financial evaluation

BBB



## Liquidity

Quick Ratio Immediate Liquidity				Current Ratio Current Liquidity				Treasury Margin				Structure Margin			
Year	Value	Trend	Ind.	Year	Value	Trend	Ind.	Year	Value	Trend	Ind.	Year	Value	Trend	Ind.
2016	110.7%	—	positive	2016	1.11	—	neutra 	2016	3,790,353	—	positive	2016	-4,528,754	—	negativ e
2017	107.2%	↔	positive	2017	1.07	↔	neutra 	2017	3,287,855	↓	positive	2017	-4,142,540	↑	negativ e
2018	107.5%	↔	positive	2018	1.08	↔	neutra 	2018	4,255,505	↑	positive	2018	-4,137,628	↔	negativ e
2019	109.8%	↔	positive	2019	1.10	↔	neutra 	2019	6,564,680	↑	positive	2019	-14,770,788	↓	negativ e
2020	100.8%	↓	positive	2020	1.01	↓	neutra 	2020	877,794	↓	positive	2020	-29,906,123	↓	negative

Liquidity evaluation

BBB

## Global evaluation

Global evaluation

BB+



# Information Notes

## **Information regarding the environment and personnel**

*In view of the company's social role as highlighted in the document on the Report on Operations of the National Council of Certified Accountants and accounting experts, it is considered appropriate to provide the following information pertaining to the environment and personnel.*

### **Personnel**

*During the financial year, there were no deaths at work or serious accidents resulting in serious or very serious injuries to either company personnel or personnel of subsidiary and/or associated companies.*

*During the year, there were no charges for occupational diseases of employees or former employees and mobbing claims.*

*The company is attentive to the health and safety of workers in the workplace, both its own personnel and the personnel of its subsidiaries and/or associated companies, arranging audits and inspections of workplaces, in order to verify the correct compliance with the provisions of Legislative Decree 81/2018.*

*This is also thanks to a high level of attention and management of the procedures implemented following the ISO 18001 certification.*

### **Environment**

*During the financial year, no damage was caused to the environment for which the company was held liable, and therefore no penalties were imposed on the company for environmental offences.*

*This is also thanks to a high level of attention and management of the procedures implemented following the ISO 14001 certification.*

### **Investments**

*During the year, significant investments were made in software to control the efficiency and quality of the services provided, software for order management control, software for financial analysis and company cash flow analysis, in addition to what has already been extensively illustrated in this report with regard to optimisation, training, research and development projects.*



### **Research and development activities**

*The group strongly believes in research and development, which, for the sector in question, means the search for the best process solution to improve the productivity of orders.*

*In this sense, the development of the research and optimisation programmes foreseen in the 'Strategy' network contract represent the fundamental plus for the growth and strengthening of the Group.*

### **Treasury shares and shares/units of parent companies**

*The company has no direct or indirect ownership of treasury shares.*

### **Information related to risks and uncertainties pursuant to article 2428, paragraph 3, point 6-bis, of the Civil Code**

*Pursuant to article 2428, paragraph 3, point 6-bis of the Civil Code, below is information on the company's exposure to price, credit, liquidity and market risks*

#### **Price risk**

*Any changes in interest rates would have a limited impact on the income statement and shareholders' equity, as any change in interest rates could reflect an estimated impact on financial expenses of approximately Euro 100,000, for each percentage point, of increase with respect to a net financial debt of Euro 10,043,308 corresponding to what was recognised at the end of 2020.*

### **Credit risk**

*It shall be considered that the company's financial assets have good credit quality. Suffice it to say that no defaults or insolvencies were recorded during 2020.*

### **Liquidity risk**

*Given the logistics sector and, more generally, the conditions governing business relations in Italy, the liquidity risk for the logistics sector in Italy may be moderately high. However, the implementation of the Reverse Factoring project, together with the other interventions aimed at improving the quality of the customer portfolio and improving performance, now allow us to state that the liquidity risk for the group can be absolutely contained.*

### **Market risk**

*The logistics market, especially that of warehouse operators, is currently a stable market as a whole, but with strong and rapid processes of market evolution and concentration, determined by the objective impossibility of still being able to chase old market logics of 'lowest price', it is believed to be already moving towards logics of 'most efficient qualitative and economic price'.*

# Outlook

*Although Legislative Decree 139/2015 has abolished article 2428, paragraph 3, No. 5 of the Civil Code, which required that events subsequent to the closing date of the financial year be reported in the report on operations, it is nonetheless deemed useful to point out that: with the aim of pursuing the economic/equity growth of the group in a constantly evolving services market scenario, and at the same time continuing the action of rationalisation of the group's corporate structure, the following operations were undertaken:*

- By resolution of the Board of Directors dated 29/10/2020, the Chair of the Board of Directors was mandated to initiate and conclude negotiations for the possible sale of the shares in the subsidiaries CBS Magyarorszag Kft and DL Direzione Logistica Srl, due to the limitations imposed by the Covid-19 pandemic, the resolved process had to be slowed down, which nevertheless resumed in April/May 2021 and is estimated to be completed shortly.*
- On 23 February 2021, with a notarial deed drawn up by Notary Angelo Busani (Milan), Samag Holding acquired, finalised the acquisition, from the international group BLG HANDELSLOGISTIK GMBH & Co., of 100% of the shares of their Italian subsidiary, the company BLG LOGISTICS SOLUTIONS ITALIA SRL. With this acquisition, the Samag group has enhanced a primary importance customer portfolio operating in product sectors complementary to the group's current portfolio.  
The organisation promptly took steps to integrate the newly acquired reality into the new organisational context of the group and the Strategy Network in order to fully exploit all synergies.*
- On 23 February 2021, by a notarial deed drawn up by Notary Angelo Busani (Milan) Samag Holding Logistics took over the minority shares of ROL Logistics Srl equal to 10% of the company shares and of Macro Srl equal to 5% of the company shares;*
- This transaction is part of the project to rationalise the corporate structure, which is based on the resolution of the Shareholders' Meeting of 9 March 2021, whereby the Shareholders' Meeting gave a mandate to the Chair of the Board of Directors to start the preparatory activities for the merger by incorporation into Samag Holding Logistics Spa of 100% of the shares of the subsidiaries ROL Logistics Srl, MTL Srl, Macro Service Srl and BLG Logistics Solutions Srl.*



*These merger transactions will only become effective after the approval of the individual merging companies and the acquiring company, as well as the consolidated financial statements of the group.*

- *On 29 March 2021, by means of a notarial deed drawn up by Notary Angelo Busani (Milan), the Company extended its corporate purpose to 'Benefit Company', pursuant to and in accordance with paragraphs 376 et seq. of article 1 Law 208/2015, whereby the company in the exercise of its economic activity pursues purposes of common benefit and operates in a responsible, sustainable and transparent manner towards third parties.*

*With this transition, which represents a positive evolution of the company concept itself, SAMAG will adopt a sustainable business model, committing to:*

- *pursue objectives of common benefit in addition to profit;*
- *operating in a responsible, sustainable and transparent manner towards people, communities, territories and the environment.*

*Samag has incorporated into its Articles of Association the decision to operate with high standards in a responsible, sustainable and transparent manner towards customers, suppliers, people, the environment and all other stakeholders (lenders, creditors, public administration and civil society within the meaning and for the purposes of the content of paragraphs 376 to 384 of article 1 of Law no. 208 of 28.12.2015, with the aim of creating a positive impact on society, territory, environment and people.*

*The impetus to qualify Samag as a Benefit Corporation came from the realisation that our company has grown steadily in size and complexity in recent years.*

*This, coupled with our historic policy of continuous improvement, has forced us to reflect on the impact SAMAG has in the system in which it inter-relates, and thus on the responsibility of SAMAG to help create a system suitable for the entrepreneurial, commercial, sustainable development and common benefit of all stakeholders through:*

- a) *protection of the employment of its employees;*

- b) *business sustainability by creating favourable conditions for social and environmental prosperity; responsibility, committing to consider the impact of its activities on society itself and the environment in which it operates in order to create long-term sustainable value;*
- c) *transparency, by communicating annually the results achieved, their progress and future commitments towards achieving social and environmental impact, both to their own organisation and to third parties. Subsequent to the activities leading up to the drafting and approval of the 2020 annual financial statements, SAMAG will identify the impact manager whose functions may be identified in activities aimed at the pursuit of common benefit purposes, such as supporting the Chair of the Board of Directors in monitoring actions, periodically assessing the impacts generated and supporting the preparation of the annual report.*
- *After obtaining the certification from the Biagi Foundation of the Strategy Business Network at the end of 2018, the company started in early 2021, again with the Biagi Foundation, the process of certifying individual Contracts; in April 2021, the first four contracts referring to a single customer developing a total turnover of approximately Euro 20 million were certified, and the activities for the certification of another three contracts, again referring to a single customer developing a turnover of approximately Euro 18 million, are underway.*
  - *Continuing the activities begun in 2019 in relation to the search for structured finance to support the 2019-2024 business plan, updated and approved by the Shareholders' Meeting in its minutes of 9 March 2021, other financing transactions were finalised during the first few months of 2021 that are currently able to support the development plan envisaged in the plan.*
  - *Due-diligence activities are also underway to analyse certain M&A opportunities consistent with the business plan approved on 9 March 2021.*



## *Information pertaining to the impacts of Covid-19*

*The provisions of the authorities on the subject and the continuous focus of Samag on the safety of its workers led the Group to immediately adopt the relevant protocols with strict health standards, which inevitably led both to consequences on the operation of the plants managed and to the incurring of costs for the purchase of devices to prevent the spread of the virus.*

*In particular, interpersonal distancing between workers has been adopted within the plants, which has led to a reduction in the number of available sorting and parcel distribution stations (in the case of production lines or sorting). In addition, the obligation to measure body temperature each time one enters the facilities was introduced, as well as the periodic change of masks and hand washing. These measures inevitably had a negative impact on the Group's productivity.*

*Despite timely efforts, there were cases of employees contracting the infection and consequently the workplaces had to be sanitised by specialised companies, causing temporary production stoppages and additional service costs.*

*The company also incurred costs for the purchase of Personal Protective Equipment (FPP masks, hand sanitising liquid, body temperature gauges) and for periodic indoor sanitisation.*

*The company also utilised the Salary Supplement Fund for the months of March-April 2020 due to the reduction in activity caused by a heavy climate of uncertainty during the early stages of the pandemic.*



*Consistent with the principles of prudence required in a situation of general uncertainty and in line with the resolution of the General Meeting of Shareholders of 9 March 2021, the Board of Directors recommends allocating the profit earned during the financial year ending 31 December 2019 to a reserve, suspending and paying out dividends, and increasing the share capital free of charge by allocating the equity reserves to share capital.*

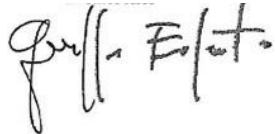
***Revaluation of company assets pursuant to Decree Law no. 185/2008***

*Your company did not make use of the optional revaluation of company assets under Law No. 342/2000.*

*We would like to thank you for the trust placed in us and kindly request that you approve the financial statements as presented.*

*The Chair of the Board of Directors*

*Giuseppe Esposito*



**SAMAG HOLDING LOGISTICS S.P.A.**

Based in PIAZZA DI PIETRA 26 - 00186 ROME (RM) Share capital Euro 800,000.00 fully paid-up

**Consolidated Financial Statements at 31/12/2020**

<b>Balance sheet assets</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>A) Receivables from shareholders for payments still due</b>		
(of which already mentioned)		
<b>B) Fixed assets</b>		
<i>I. Intangible assets</i>		
1) Start-up and expansion costs	2,736,444	404,816
2) Development costs	7,172,135	4,491,877
3) Industrial patents and intellectual property rights	1,687,208	343,441
4) Concessions, licenses, trademarks and similar rights	18,712,200	9,213
5) Goodwill	6,748,563	1,791,354
6) Assets in progress and advances		14,271,187
7) Other	4,015,891	991,763
	41,072,441	22,303,651
<i>II. Tangible assets</i>		
1) Land and buildings	655,917	
2) Plants and machinery	151,224	47,450
3) Industrial and commercial equipment	417,982	162,959
4) Other assets	1,613,759	328,847
5) Assets in progress and advances	36,009	74,134
	2,874,891	613,390
<i>III. Financial</i>		
1) Investments in:		
a) non-consolidated subsidiaries	112,628	252,009
b) associated companies	1,000	
c) parent companies		
d) companies subject to the control of the parent companies		
d-bis) other companies	7,993,683	470,971
	8,107,311	722,980
2) Receivables		
a) non-consolidated subsidiaries		
- due within one year		
- due beyond one year		
b) associated companies		
- due within one year		
- due beyond one year		

c) parent companies			
- due within one year			
- due beyond one year			
d) companies subject to the control of the parent companies			
- due within one year			
- due beyond one year			
d-bis) others			
- due within one year	35,712		
- due beyond one year	127,805		49,246
	<u>163,517</u>		<u>49,246</u>
		163,517	49,246
3) Other securities		292,371	372,371
4) Derivative financial instruments receivable			
		<u>8,563,199</u>	<u>1,144,597</u>
<b>Total fixed assets</b>		<b>52,510,531</b>	<b>24,061,638</b>

### C) Current assets

#### I. Inventories

1) Raw and ancillary materials and consumables		12,850	13,130
2) Products in progress and semi-finished goods			
3) Contract work in progress			
4) Finished products and goods			
5) Advances			
		<u>12,850</u>	<u>13,130</u>

#### II. Receivables

1) Customers			
- due within one year	70,744,646		47,813,325
- due beyond one year			21,559
		<u>70,744,646</u>	<u>47,834,884</u>
2) Non-consolidated subsidiaries			
- due within one year	4,390,259		2,589,687
- due beyond one year			
		<u>4,390,259</u>	<u>2,589,687</u>
3) Associated companies			
- due within one year	232,581		15,616
- due beyond one year			
		<u>232,581</u>	<u>15,616</u>
4) Parent companies			
- due within one year			
- due beyond one year			
5) Companies subject to the control of the parent companies			
- due within one year	75,233		
- due beyond one year			
		<u>75,233</u>	

5-bis) Tax receivables			
- due within one year	1,996,910		6,151,553
- due beyond one year			
		1,996,910	6,151,553
5-ter) Deferred tax assets			
- due within one year	649,902		153,396
- due beyond one year	184,978		100,100
		834,880	253,496
5-quater) Others			
- due within one year	10,976,660		4,758,584
- due beyond one year	134,674		161,599
		11,111,334	4,920,183
		89,385,843	61,765,419
<i>III. Financial assets not held as</i>			
<i>Fixed assets</i>			
1) Investments in non-consolidated subsidiaries		1,150,615	
2) Investments in associates			
3) Investments in parent companies			
3-bis) Investments in companies subject to the control of the parent companies			
4) Other investments			
5) Derivative financial instruments receivable			
6) Other securities		6,675,346	6,228,573
6) Financial assets for centralised treasury management			
		7,825,961	6,228,573
<i>IV. Cash and cash equivalents</i>			
1) Bank and postal deposits		14,862,952	2,473,110
2) Cheques			5,000
3) Cash and equivalents on hand		27,763	16,732
		14,890,715	2,494,842
<b>Total current assets</b>		<b>112,115,369</b>	<b>70,501,964</b>
<b>D) Accruals and deferrals</b>		<b>1,816,215</b>	<b>3,483,740</b>
<b>Total assets</b>		<b>166,442,115</b>	<b>98,047,342</b>
<b>Balance sheet liabilities</b>		<b>31/12/2020</b>	<b>31/12/2019</b>
<b>A) Equity</b>			
I. Capital		800,000	800,000
II. Share premium reserve			
III. Revaluation reserve		11,060,261	
IV. Legal reserve		106,447	10,000
V. Statutory reserves			
VI. Other reserves, indicated separately			

Extraordinary reserve	2,151,724	319,240
Reserve for exceptions pursuant to article 2423 Civil Code.		
Reserve for parent company shares (quotas)		
Reserve for revaluation of equity investments		
Capital increase contributions		
Future capital increase contributions		
Capital increase contributions		
Loss coverage contributions		
Share capital reduction reserve	2,879,843	2,879,843
Merger surplus reserve		
Unrealised exchange rate gains reserve		
Profit adjustment reserve Sundry other reserves		
Provision for capital contributions (art. 55 T.U.)		
Provisions for tax-deferred reserves		
Reserves from subsidised contributions (Law no. 576/1975)		
Provisions for gains under art. 2 of Law no. 168/12		
Provisions for gains under Legislative Decree no. 124/1933		
Non-distributable reserve art. 2426		
Euro conversion reserve		
Amnesty reserve		
Customisable account		
Customisable account		
Difference from rounding to the Euro	1	(2)
Other...		
Reserve from third-party relationships to earmarked assets		
Foreign consolidation translation reserve		
Consolidation reserve	340.692	183.370
		5,372,260
		3,382,451
<i>VII. Reserve for hedging transactions of expected financial flows</i>		
<i>VIII. Profits (losses) carried forward</i>	3,666,904	(115,393)
<i>IX. Profit (loss) of the year</i>	1,189,070	4,064,210
Loss covered in the year		
<i>X. Negative reserve for portfolio treasury shares</i>		
<b>Total group equity</b>	<b>22,194,942</b>	<b>8,141,268</b>
-) Minorities' capital and reserves	525,325	1,008,710
-) Profit (loss) for the year attributable to minorities	18,815	324,030
Total minorities' equity	544,140	1,332,740
<b>Total consolidated shareholders' equity</b>	<b>22,739,082</b>	<b>9,474,008</b>
<b>B) Provisions for risks and charges</b>		
1) Provisions for pensions and similar obligations	195,079	131,939
2) Provisions for taxes, including deferred	2,305,650	
3) Derivative financial instruments payable		
4) Others	1,060,000	1,060,000
5) Provision for consolidation for future risks and charges		

<b>Total provisions for risks and charges</b>		<b>3,560,729</b>	<b>1,191,939</b>
<b>C) Employee severance indemnity (TFR)</b>		<b>3,397,781</b>	<b>1,908,801</b>
<b>D) Payables</b>			
1) Bonds			
- due within one year	3,288,255		4,888,255
- due beyond one year			
		3,288,255	4,888,255
2) Convertible bonds			
- due within one year			
- due beyond one year			
3) Payables to shareholders for loans			
- due within one year			
- due beyond one year			
4) Payables to banks			
- due within one year	21,502,628		20,211,646
- due beyond one year	6,833,545		163,716
		28,336,173	20,375,362
5) Payables to other lenders			
- due within one year	20,653		9,762
- due beyond one year			
		20,653	9,762
6) Advances			
- due within one year	46,675		46,998
- due beyond one year			
		46,675	46,998
7) Payables to suppliers			
- due within one year	55,811,182		27,045,432
- due beyond one year	5,349,603		
		61,160,785	27,045,432
8) Payables represented by credit securities			
- due within one year			
- due beyond one year			
9) Payables to non-consolidated subsidiaries			
- due within one year	159,087		787
- due beyond one year			
		159,087	787
10) Payables to associated companies			
- due within one year			112,974
- due beyond one year			
			112,974
11) Payables to parent companies			
- due within one year			
- due beyond one year			

11-bis) Payables to companies subject to the control of the parent company			
- due within one year	518,762		
- due beyond one year			
			518,762
12) Tax payables			
- due within one year 17,529,144 11,155,611			
- due beyond one year			187,514
		17,529,144	11,343,125
13) Payables to pension and social security institutions			
- due within one year 3,618,071 951,287			
- due beyond one year			
		3,618,071	951,287
14) Other payables			
- due within one year	12,284,200		6,955,570
- due beyond one year	8,366,854		13,008,373
		20,651,054	19,963,943
<b>Total payables</b>		<b>135,328,659</b>	<b>84,737,925</b>
<b>E) Accruals and deferrals</b>		<b>1,415,864</b>	<b>734,669</b>
<b>Total liabilities</b>		<b>166,442,115</b>	<b>98,047,342</b>

**Income Statement****31/12/2020****31/12/2019****A) Production value**

1) Revenues from sales and services		194,532,365	111,144,231
2) Change in inventories of work in progress, semi-finished and finished goods			
3) Changes in contract work in progress			
4) Increases in fixed assets for internal work			5,614,844
5) Other revenues and income, with separate indication of capital contributions:			
- others	6,084,405		2,325,174
- contributions in the year	425,167		4,499,257
		6,509,572	6,824,431
<b>Total production value</b>		<b>201,041,937</b>	<b>123,583,506</b>

**B) Production costs**

6) Raw and ancillary materials, consumables and goods		4,983,978	718,581
7) Services		110,889,623	80,426,347
8) Rents and leases		6,857,842	3,500,498
9) Personnel			
a) Wages and salaries	42,682,925		18,532,516



b) Social security contributions	11,403,971	4,662,808
c) Employee severance indemnity (TFR)	2,181,424	942,845
d) Pensions and similar obligations	43,575	5,032
e) Other costs	498,470	48,635
		56,810,365
10) <i>Amortisation, depreciation and write-downs</i>		24,191,836
a) Amortization of intangible assets	4,657,915	1,832,404
b) Depreciation of tangible assets	220,866	144,465
c) Other write-downs of fixed assets		
d) Write-downs of receivables included in current assets and cash and cash equivalents	366,736	216,626
		5,245,517
11) <i>Changes in inventories of raw and ancillary materials, consumables and goods</i>		280
		(720)
12) <i>Provisions for risks</i>		1,000,000
13) <i>Other allocations</i>		
14) <i>Other operating expenses</i>		11,938,624
		4,776,652
<b>Total production costs</b>		<b>196,726,229</b>
		<b>116,806,689</b>

<b>Difference between production value and costs (A-B)</b>	<b>4,315,708</b>	<b>6,776,817</b>
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### C) Financial income and expenses

15) *Income from equity investments with separate disclosure of those relating to subsidiaries and associated companies and those relating to parent companies and companies controlled by them:*

- subsidiaries		
- associated companies		
- parent companies		
- companies subject to the control of the parent companies		
- others		32,999
		32,999

16) *Other financial income:*

a) *receivables recorded as fixed assets with separate indication of those relating to subsidiaries and associated companies and those relating to parent companies and companies controlled by the latter:*

- subsidiaries		
- associated companies		
- parent companies		
- companies subject to the control of the parent companies		
- other		

b) from securities classified as assets not held as investments		17,291
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c) from securities classified as current assets not held as investments	110,897	81,667
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d) *income other than the above with separate disclosure of income from subsidiaries and associated companies and income from parent companies and companies subject to control*

of the latter:

- subsidiaries			
- associated companies			
- parent companies			
- companies subject to the control of the parent companies			
- others	3,923		5,012
		3,923	5,012
		114,820	103,970

17) Interest and other financial expenses with separate disclosure of those relating to subsidiaries and associates and those relating to parent companies and companies controlled by them:

- non-consolidated subsidiaries	152,448		
- associated companies			
- parent companies			
- companies subject to the control of the parent companies			
- others	1,491,397		1,370,375
		1,643,845	1,370,375

17-bis) Exchange rate gains and losses (38)

**Total financial income and expenses (1,529,025) (1,233,444)**

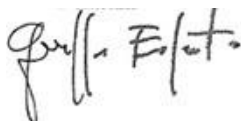
#### D) Value adjustments of financial assets

18) Revaluations:

a) of investments			
in associated companies			
in subsidiary companies			
in parent companies			
in companies controlled by parent companies			
in other companies			
b) of financial assets not held as investments			
c) of securities classified as current assets not held as investments	42,226		
d) of derivative financial instruments			
e) of financial assets for centralised treasury management			
f) with equity method			
		42,226	
19) Write-downs:			
a) of investments	8,204		
b) of financial assets not held as investments			
c) of securities classified as current assets not held as investments			
d) of derivative financial instruments			
e) of financial assets for centralised treasury management			
f) with the equity method			
		8,204	

<b>Total value adjustments of financial assets</b>		<b>34,022</b>	
<b>Pre-tax result (A-B±C±D±E)</b>		<b>2,820,705</b>	<b>5,543,373</b>
<i>20) Income taxes for the year, current, and deferred tax liabilities and assets</i>			
Current taxes	2,490,879		1,274,997
Taxes related to previous years	124,963		
Deferred tax liabilities and assets	(75,186)		(119,864)
Income (expenses) from participation in tax consolidation / tax transparency	(927,836)		
		<u>1,612,820</u>	<u>1,155,133</u>
<b>21) Profit (Loss) for the year</b>		<b>1,207,885</b>	<b>4,388,240</b>
-) Group profit (loss) for the year		1,189,070	4,064,210
-) Profit (loss) for the year attributable to minorities		18,815	324,030

Chair of the Board of Directors Giuseppe Esposito



## SAMAG HOLDING LOGISTICS S.P.A.

Based in PIAZZA DI PIETRA 26 - 00186 ROME (RM) Share capital Euro 800,000.00 fully paid-up

### Notes to the Consolidated Financial Statements at 31/12/2020

#### Notes - Initial Part

Your Company, as a holding company, represents a business organisation that boasts a great deal of experience and expertise in the management and development of specialised services in the areas of logistics and outsourcing processes, in particular, but not limited to: administrative, accounting, management and financial services, etc.

It proposes itself to contractors as an alternative partner for outsourcing processes, providing in an all-inclusive package several interrelated services, while maintaining a high degree of flexibility that is increasingly appreciated today, especially in the wake of the CoViD-19 pandemic that has affected the entire planet.

Ensuring proper bureaucratic and administrative management and absolute compliance with workplace safety regulations.

The Group brings together multiple skills and expertise under the single mission of being a leading player in the supply chain sector and beyond, generally in the tertiarisation of services.

#### Activities carried out and significant events during the year concerning the Group

Significant events that occurred during the year are as follows:

- On 4 June 2020 by Deed of Antonio Cimmino, Notary in Desio (MB), the company Chef@Home S.r.l. was incorporated with registered office in Milan, share capital Euro 10,000.00. Samag Holding Logistics S.p.A. intervened by subscribing 10% of the share capital;
- On 29 May 2020, with Sale Deed of Notary Luca Sabbadini, notary in Rome, file no. 14562 registered in Rome on 03/06/2020 under no. 14119 series 1T, we acquired 100% of the share capital of the company Cedica S.r.l. with registered office in Rome, share capital Euro 300,000.00 fully subscribed and paid-up, fiscal code and registration number in the register of companies at the Chamber of Commerce of Rome no. 10784021007, REA 1255586;
- On 16 July 2020 with Deed of Notary Manuela Agostini, notary in Milan, file no. 83562 registered in Milan on 17/07/2020 under no. 53546 series 1T, we transferred our registered office to Rome Piazza di Pietra no. 26;
- On 29 July 2020, by Deed of Sale of Notary Marco Sormani, notary in Milan, file no. 4739 registered in Milan on 05/08/2020 under no. 62542 series 1T, we acquired 100% of the share capital of the company MTL S.r.l. with registered office in Milan, share capital Euro 10,000.00 fully subscribed and paid-up, fiscal code and registration number in the register of companies at the Chamber of Commerce of Milan Monza Brianza no. 11000150968, REA 2571934;
- On 12 November 2020 by deed of Angelo Busani, notary in Milan, the company Samag Treasury S.r.l. was incorporated with registered office in Rome, share capital Euro 10,000.00. Samag Holding Logistics S.p.A. intervened by subscribing 51% of the share capital;
- On 21 December 2020, with a Deed of Transfer of shares of a Limited Liability Company signed by Cella Salvatore and registered at the Revenue Office of Milan 6 UT DPMI2 no.276 series 3s, we acquired 100% of the share capital of the company Crearts S.r.l. with registered office in Seregno (MB), share capital Euro 33,000.00 fully subscribed and paid-up, fiscal code and registration number in the register of companies at the Chamber of Commerce of Milan Monza Brianza no.07247590966, REA 1911638.

The company Cbs lavoro S.p.A. availed itself of the option to fully suspend depreciation for the year 2020.

The company Integrated International Logistics S.r.l. has availed itself of the option to suspend the amortisation of 'Start-up and expansion costs - start-up' relating to the 2020 financial year envisaged by article 60, paragraphs 7-bis to 7-quinquies of Decree Law 104/2020 (converted by Law 126/2020) in order to favour an economic and financial representation of the company more in line with its real value, thus mitigating the negative effect caused by Covid-19.

The following notes indicate (analytically for the individual companies and fixed assets concerned) the amount of suspended depreciation and amortisation, the influence on the presentation of the balance sheet and financial position and the economic result for the year, and the recognition and amount of the corresponding unavailable reserve.

### **Preparation criteria**

The consolidated financial statements, consisting of the balance sheet, income statement and notes, have been prepared in compliance with article 29 of Legislative Decree 127/91, as is clear from these notes, prepared pursuant to article 38 of the same decree. Where necessary, the accounting standards laid down by the National Council of Accountants and Tax Advisors were applied and, where these were lacking, the accounting standards recommended by the IASB and referred to by Consob.

In addition to the annexes required by law, they also include the statements of reconciliation between the net result and shareholders' equity of the consolidating company and the respective values resulting from the consolidated financial statements.

These notes provide the data and information required by article 38 of the same decree.

Pursuant to article 29, paragraph 4, of Legislative Decree 127/91 it should be noted that no exceptions were applied.

### **Scope and methods of consolidation**

The consolidated financial statements originate from the annual financial statements of SAMAG HOLDING LOGISTICS S.P.A. (Parent Company) and the Companies in which the Parent Company directly or indirectly holds a controlling interest in the capital or exercises control. The financial statements of the Companies included in the scope are consolidated according to the line-by-line method. A list of these Companies is given in the annex.

Subsidiaries excluded from consolidation pursuant to Legislative Decree 127/91 are valued according to the cost method. The list is given in an annex to the notes, with an indication of the reasons for exclusion. For consolidation purposes, the financial statements of the individual companies, already approved by the Shareholders' Meetings/prepared by the Boards of Directors for approval, were used, reclassified and adjusted to align them with the accounting standards and presentation criteria adopted by the Group.

There are no companies whose financial year-end date differs from the reference date of the consolidated financial statements; the reference date of the latter is 31 December 2020.

### **Consolidation criteria**

The book value of investments in consolidated Companies is eliminated against the corresponding fraction of equity. Differences resulting from the elimination are allocated to the individual financial statements items justifying them, and the remainder, if positive, will be recorded under an asset item called 'goodwill', unless all or part of it is to be charged to the income statement under item B14. The amount entered as an asset is amortised over the period provided for in article 2426, paragraph 1, no. 6. If negative, the difference is allocated, where possible, as a deduction to assets carried at values higher than their recoverable amount and to liabilities carried at a value lower than their settlement value. The remaining negative difference is entered in the equity item 'Consolidation reserve' or in the special 'Consolidation reserve for future risks and charges', in accordance with article 33, paragraph 3, of Legislative Decree 127/91.

The provision is used in subsequent years to reflect the assumptions made when it was estimated at the time of purchase.

The portions of equity attributable to minority shareholders are recorded under the specific item in the balance sheet. In the income statement, the share of earnings attributable to minority interests is presented separately.

Financial and economic relations between the Companies included in the scope of consolidation have been entirely eliminated.

Gains and losses arising from transactions between consolidated Companies, that are not realised through transactions with third parties are eliminated.  
During pre-consolidation, items of exclusive tax relevance were eliminated and the relevant deferred taxes were provided for.

### **Valuation criteria**

The criteria used in the preparation of the consolidated financial statements for the year ended 31/12/2020 are those used in the financial statements of the parent company that prepared the consolidated financial statements and do not differ from those used in the preparation of the consolidated financial statements for the previous year, particularly in the valuations and continuity of the same principles.  
The valuation of financial statement items was based on general criteria of prudence and competence and on a going concern basis.

In accordance with the principle of relevance, the obligations regarding recognition, evaluation, presentation and disclosure were not respected when compliance thereof had irrelevant effects in order to provide a true and fair representation.

Recognition and presentation of the items of the financial statements was made taking into account the substance of the transaction or contract.

In particular, the valuation criteria adopted in the preparation of the financial statements were the following.

### **Fixed assets**

#### *Intangible assets*

They are recognised at historical cost of acquisition and are stated net of accumulated amortisation during the years and recorded directly under individual items.

Start-up and expansion costs and development costs with long-term utility have been capitalised with the approval of the Board of Auditors. Start-up and expansion costs are amortised over a period not exceeding five years. Development costs are amortised systematically over their useful life: in exceptional cases where their useful life cannot be reliably estimated, they are amortised over a period not exceeding five years.

The item 'Goodwill' includes the consolidation difference consisting of the residual portion of the higher value paid with respect to the book equity of the consolidated companies resulting at the date of their acquisition, after taking into account the gains allocable to specific asset items. The consolidation difference is shown net of the amortisation allowance determined according to the period of expected future usefulness, which was determined in the previous year to be 10 years.

Industrial patent and intellectual property rights, licenses, concessions and trademarks are amortised at an annual rate of 20%.

Leasehold improvements are amortised at rates based on the duration of the contract.

If, regardless of accumulated amortisation, there is an impairment loss, the asset is written down accordingly. If in future years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for amortisation.

#### *Tangible assets*

These have been recorded at their purchase cost and adjusted by the relevant accumulated depreciation. For the carrying value of the financial statements, account was taken of ancillary charges and costs incurred for the use of the asset, leading to a reduction in the cost of trade discounts and cash discounts of a significant amount.

The depreciation charged to the income statement was calculated according to the use, allocation and economic-technical life of the assets, based on the criterion of remaining useful life that we deem to be well represented by the following rates, unchanged from the previous year and reduced by half in the year of entry into operation of the asset:

Asset Type	% Depreciation
Office equipment	20%
Vehicles	20%
Office furniture	12%
Plants and machinery	20%
Equipment	15%
Other assets	20%

If, regardless of accumulated depreciation, there is an impairment loss, the asset is written down accordingly. If in future years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for amortisation.

Tangible assets have not been revalued.

### **Financial lease transactions (leasing)**

Financial lease transactions are recognised in the consolidated financial statements using the equity method, recording in the income statement the fees paid according to the principle of accrual.

### **Receivables**

The amortised cost criterion was not applied as the effects are irrelevant to provide a true and correct representation. Receivables are therefore stated at their estimated realisable value, subject to the application of the discounting process. In particular, receivables with a maturity of less than 12 months have not been discounted, as the effects are insignificant compared to the non-discounted value.

With reference to receivables recorded in the financial statements prior to the year beginning on or after 1 January 2016, they are recorded at the estimated realizable value since, as required by accounting standard OIC 15, it was decided not to apply the amortised cost criterion and discounting.

The nominal value of receivables is adjusted to their estimated realisable value by means of a special provision for bad debts, taking into account the existence of indicators of permanent loss.

### **Payables**

The amortised cost criterion was not applied as the effects are irrelevant to provide a true and correct representation; therefore, payables are stated at nominal value.

With reference to payables recorded in the financial statements prior to the year beginning on or after 1 January 2016, they are recorded at their nominal value since, as required by accounting standard OIC 19, it was decided not to apply the amortised cost criterion and discounting.

### **Accruals and deferrals**

They were determined on the accrual basis of the year.

For long-term accruals and deferrals, the conditions that had led to the original entry have been verified, adopting, where necessary, the appropriate changes.

### **Inventories**

Inventories are stated at purchase cost, including directly attributable expenses.

### **Securities**

Securities recorded as current assets are valued at the lower of the purchase cost and the realisable value based on market trends.

### **Investments**

Investments in (non-consolidated) subsidiaries and associated companies that are intended to be held on a long-term basis are valued using the purchase cost method, as well as the other investments that are intended to be held on a long-term basis.

### **Derivative financial instruments**

No derivative financial instruments are held.

### **Provisions for risks and charges**

They are set aside to cover losses or payables that are certain or probable, however for which the amount or date of occurrence at year-end could not be determined.

In the evaluation of said provisions, the general criteria of prudence and competence were complied with and no provisions were established for general risks without economic justification.

Contingent liabilities were recognised in the financial statements and recorded in provisions as deemed probable and as the amount of the related expense can be estimated with reasonableness.

### **TFR Provision**

Represents the actual amount accrued due to the employees in accordance with law and labour contracts in force, considering all forms of ongoing remuneration.

The provision corresponds to the total indemnities accrued due to employees at year-end, net of advances paid, and is equal to the amount that should have been paid to employees in the event of termination of employment on that date.

### **Income taxes**

Taxes are allocated according to the accrual principle. They therefore represent:

- accruals for taxes paid or to be paid for the year, determined in accordance with the rates and regulations in force;
- the amount of deferred taxes or paid in advance in respect of temporary differences arisen or cancelled during the year.

Deferred tax liabilities and assets are calculated on temporary differences between the values of assets and liabilities determined according to statutory criteria and the corresponding tax values.

### **Revenue recognition**

Revenue from sales of products is recognised at the time of the transfer of risks and rewards, which is normally identified with the delivery or shipment of the goods.

Financial revenues and those deriving from service provisions are recognised on an accrual basis.

### **Adjustment Criteria**

#### **Exceptions**

No exceptions to the above were applied.

#### **Changes to the valuation criteria**

The valuation criterion used did not vary or change from the previous year.

#### **Employment figures**

The average number of employees of the companies consolidated on a line-by-line basis is shown separately by category.

<b>Workforce</b>	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Changes</b>
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Executives	1	1	
Managers	4	1	3
Clerks	136	74	62
Workers	1272	436	836
Others	6	8	-2
<b>Total</b>	<b>1419</b>	<b>520</b>	<b>899</b>

## Intangible assets

The breakdown of the item is as follows:

Description	31/12/2019	Increases	Of which for capitalised costs	Decreases	Consolidation entries	31/12/2020
Start-up and expansion	404,816	2,566,354		234,726		2,736,444
Development	4,491,877	4,738,750		2,058,492		7,172,135
Industrial patent rights	343,441	2,304,937		388,191	(572,979)	1,687,208
Concessions, licenses, trademarks	9,213	19,405,663		702,676		18,712,200
Goodwill	1,791,354			400,703	5,357,912	6,748,563
Assets in progress and advances	14,271,187			14,271,187		
Other	991,763	3,444,312		420,184		4,015,891
<b>Total</b>	<b>22,303,651</b>	<b>32,460,016</b>		<b>18,476,159</b>	<b>4,784,933</b>	<b>41,072,441</b>

By virtue of the provisions introduced by article 60, paragraphs 7-bis to 7-quinquies, of Decree Law 104/2020 (converted by Law 126/2020).

The company Integrated International Logistics S.r.l. decided not to recognise in the income statement the amortisation allowances for the year 2020 relating to the following categories of assets for the following amounts:

Start-up and expansion costs - Euro 207,678;

The non-recognition was made after careful evaluation of the recoverability of the quotas at the end of the originally planned amortisation period, calculated over three years.

The impact on the result for the year is Euro 207,678.

The company Cbs Lavoro S.p.a. decided not to recognise in the income statement the amortisation allowances for the year 2020 relating to the following categories of assets for the following amounts:

Start-up and expansion costs - Euro 66,926;

Industrial patent and intellectual property rights - Euro 68,403; Concessions, licences, trademarks and similar rights. - Euro 217;

Other intangible assets - Euro 20,754. The impact on

the result for the year is Euro 156,300.

## Reclassification from one item to another

In the financial statements at 31/12/2020, it was deemed appropriate to reclassify intangible assets compared to the previous financial statements, in order to provide a more transparent and correct accounting representation.

In particular, Intangible assets in progress and advances have entered into the production process of Samag Holding Logistics spa and have been reclassified under Concessions, licences, trademarks and similar rights.

According to the provisions of article 110 of Decree Law 104/2020 (converted by Law 126/2020), the company has

deemed it appropriate to revalue the following intangible assets:  
 - Concessions, licences, trademarks and similar rights of Euro 8,814,911

### Start-up and expansion costs

The breakdown of the item is as follows:

Description of costs	31/12/2020	31/12/2019	Changes
Incorporation	478	5,651	(5,173)
Transformation			
Merger	99,033	163,624	(64,591)
Share capital increase			
Start-up costs	2,636,933	235,541	2,401,392
<b>Total</b>	<b>2,736,444</b>	<b>404,816</b>	<b>2,331,628</b>

Start-up and expansion costs are recognised by virtue of the cause-and-effect relationship between the costs in question and the benefits expected from them.

### Total revaluations of intangible assets at year-end

We list the following intangible assets still recognised in the consolidated financial statements at 31/12/2020 on which monetary revaluations and exceptions from the statutory valuation criteria have been made.

Description	Revaluation of law	Economic revaluation	Total revaluations
Start-up and expansion			
Development			
Industrial patent rights			
Concessions, licenses, trademarks	8,814,911		
Goodwill			
Assets in progress and advances			
Other			

According to the provisions of article 110 of Decree Law 104/2020 (converted by Law 126/2020), the company has

deemed it appropriate to revalue the following intangible assets:  
 - Concessions, licences, trademarks and similar rights of Euro 8,814,911

### Capitalisation of financial expenses

During the year, no financial expenses were charged to the accounts under assets.

### Tangible assets

The breakdown of the item is as follows.

Description	31/12/2019	Increases	Decreases	Consolidation entries	31/12/2020
Land and buildings		655,917			655,917
Plants and machinery	47,450	124,909	21,135		151,224
Industrial and commercial equipment	162,959	313,740	58,717		417,982
Other assets	328,847	1,429,963	145,051		1,613,759
Assets in progress and advances	74,134		38,125		36,009
<b>Total</b>	<b>613,390</b>	<b>2,524,529</b>	<b>263,028</b>		<b>2,874,891</b>

### Land and buildings

Description	Amount	
Historical cost		
Monetary revaluation		
Economic revaluation		
Depreciation previous years		
Write-down previous years		
Consolidation entries		
<b>Balance at 31/12/2019</b>		
Acquisition of the year	655,917	
Monetary revaluation		
Economic revaluation of the year		
Write-down for the year		
Disposals during the year		Monetary revaluation
Positive transfers (reclassification)		Economic revaluation
Negative transfers (reclassification)		
Interest capitalised in the year		
Other changes		
Depreciation for the year		
Consolidation entries		
<b>Balance at 31/12/2020</b>	<b>655,917</b>	

### Plants and machinery

Description	Amount	
Historical cost	232,233	
Monetary revaluation		
Economic revaluation		
Depreciation previous years	(184,783)	
Write-down previous years		
Consolidation entries		
<b>Balance at 31/12/2019</b>	<b>47,450</b>	
Acquisition of the year	124,909	
Monetary revaluation		
Economic revaluation of the year		
Write-down for the year		
Disposals during the year		Monetary revaluation
Positive transfers (reclassification)		Economic revaluation
Negative transfers (reclassification)		
Interest capitalised in the year		
Other changes		
Depreciation for the year	(21,135)	
Consolidation entries		
<b>Balance at 31/12/2020</b>	<b>151,224</b>	

### Industrial and commercial equipment

Description	Amount	
Historical cost	378,207	
Monetary revaluation		
Economic revaluation		
Depreciation previous years	(215,248)	
Write-down previous years		
Consolidation entries		
<b>Balance at 31/12/2019</b>	<b>162,959</b>	
Acquisition of the year	313,740	
Monetary revaluation		
Economic revaluation of the year		
Write-down for the year		
Disposals during the year		Monetary revaluation
Positive transfers (reclassification)		Economic revaluation
Negative transfers (reclassification)		
Interest capitalised in the year		

Other changes		
Depreciation for the year	(58,717)	
Consolidation entries		
<b>Balance at 31/12/2020</b>	<b>417,982</b>	

#### Other assets

Description	Amount	
Historical cost	697,776	
Monetary revaluation		
Economic revaluation		
Depreciation previous years	(368,929)	
Write-down previous years		
Consolidation entries		
<b>Balance at 31/12/2019</b>	<b>328,847</b>	
Acquisition of the year	1,425,926	
Monetary revaluation		
Economic revaluation of the year		
Write-down for the year		
Disposals during the year		Monetary revaluation
Positive transfers (reclassification)		Economic revaluation
Negative transfers (reclassification)		
Interest capitalised in the year		
Other changes		
Depreciation for the year	(141,014)	
Consolidation entries		
<b>Balance at 31/12/2020</b>	<b>1,613,759</b>	

The company Cbs Lavoro S.p.a. decided not to recognise in the income statement the amortisation allowances for the year 2020 relating to the following categories of assets for the following amounts:

Plants and machinery - Euro 210;  
Other assets - Euro 7,584.

The non-recognition was made after careful evaluation of the recoverability of the quotas at the end of the originally planned amortisation period.

The impact on the result for the year is Euro 7,794.

#### Assets in progress and advances

Description	Amount
<b>Balance at 31/12/2019</b>	<b>74,134</b>
Acquisition of the year	
Disposals during the year	(38,125)
Positive transfers (reclassification)	
Negative transfers (reclassification)	
Interest capitalised in the year	
Other changes	
Consolidation entries	
<b>Balance at 31/12/2020</b>	<b>36,009</b>

#### Write-downs and reversals during the year

There were no write-downs, revaluations and/or reversals in the year under review.

#### Capitalisation of financial expenses

During the year, no financial expenses were charged to the accounts under assets.

### Financial assets: investments

List of companies included in the consolidation on a line-by-line basis pursuant to article 26 of Legislative Decree 127/91 at 31/12/2020

Company name	HQ	Share capital	Shareholders	Own quota	Cons. quota
				%	
MTL S.r.l.	Milan	10,000	Samag Holding Logistics S.p.A.	100.00	100.00
Macro Service S.r.l.	Turin	10,000	Samag Holding Logistics S.p.A.	95.00	95.00
Cedica S.r.l.	Rome	300,000	Samag Holding Logistics S.p.A.	100.00	100.00
ROL Logistics S.r.l.	Milan	52,812	Samag Holding Logistics S.p.A.	90.53	90.53
General Trade Log S.r.l.	Bergamo	10,000	Samag Holding Logistics S.p.A.	100.00	100.00
CBS Lavoro S.p.A.	Seregno	600,000	Samag Holding Logistics S.p.A.	90.00	90.00
Integrated International Logistics S.r.l.	Seregno	10,000	ROL Logistics S.r.l.	100.00	100.00

### List of excluded companies

Company name	HQ	Share capital	Shareholders	Own quota	Reasons for exclusion
				%	
Rehold S.r.l.	Parma	10,000	Samag Holding Logistics S.p.A.	100.00	(6)
Crearts S.r.l.	Seregno	33,000	Samag Holding Logistics S.p.A.	100.00	(1)
Idia S.r.l.	Milan	25,000	CBS Lavoro S.p.A.	51.00	(1)
Lizard Renewables S.p.A.	Rome	100,000	Samag Holding Logistics S.p.A.	51.00	(1)
Chef@home S.r.l.	Milan	10,000	Samag Holding Logistics S.p.A.	10.00	(3)
Samag Treasury S.r.l.	Rome	10,000	Samag Holding Logistics S.p.A.	51.00	(6)

### Reasons for exclusion

- (1) Heterogeneity of activity
- (2) Limitation in the exercise of control
- (3) Irrelevance of the subsidiary
- (4) Company in liquidation or insolvency proceedings
- (5) Shares or quotas held exclusively for subsequent disposal
- (6) Other

Investment shares in Confidi and trade associations are recorded under 'other financial assets' and are valued at purchase or subscription cost.

The shares of the business network called 'Strategy' are recorded in other companies and have been revalued.

The investments recorded in the fixed assets other companies referring to the shares in the business network called 'Strategy' represent a lasting and strategic investment by the group. Their value as of 31/12/2020 totalled Euro 7,530,412.

With regard to participation in the network, it should be noted that the consolidated companies, like all other networks, present themselves to the market under the brand name 'STRATEGY', understood and represented as an 'aggregation for the exercise of business activity', with its own business organisation.

The valuation in addition to the brand/royalties is justified in accounting terms by the following analysis.

**a. The further quantification of the values that the network is able to generate in the exchange of services and information and in the joint performance of activities.**

**b.1** In addition to as represented in the preceding section, we report in tabular form the essential numbers of the *Strategy* network, as clear evidence of how the network has enabled the increase in value:

**STRATEGY NETWORK YEAR 2020**

<b>NUMBER OF CONTRACTS MANAGED</b>	<b>114</b>
<b>NETWORK TURNOVER</b>	315,241,813.87
<b>TURNOVER WITH THIRD-PARTY CUSTOMERS</b>	169,192.73
<b>GROSS NETWORK REMUNERATION</b>	125,706,877.23
<b>NET REMUNERATION</b>	104,929,880.31
<b>AVERAGE NUMBER OF WORKERS</b>	4,897
<i>of which Workers</i>	4,803
<i>Clerks</i>	82
<i>Executives/Managers</i>	12
<b>NUMBER OF HOURS WORKED</b>	6,995,974
<b>NUMBER OF HOURS SECONDED IN CO-EMPLOYERSHIP</b>	643,406
<b>TOTAL BANK CREDIT LINES</b>	56,000,000.00
<b>TOTAL CASH FLOW BANKING CIRCUIT</b>	1,730,628,633.10
<b>NUMBER OF LOCAL AND HQ UNITS</b>	183
<i>Number Provinces</i>	32
<i>Number Regions</i>	10

For the purpose of valorising the business occurrence of this segment, we represent that royalties accrued in the financial years 2016 to 2020 were not paid to the affected network companies.

The quantitative value attributed to them has, since 2016, contributed to the financial resources necessary for and related to the integrated logistics implementation project, which can be traced back to the concepts of indivisibility of scale and techniques, indivisibility of time and financial, as well as indivisibility of *minimum and mixed* (*Bibliography: Belandi and Petretto 2002; Ponti 2006*).

The implementation of the *Strategy* network has enabled networks to directly manage a logistics centre (*referring to private logistics centres of large integrated logistics operators and large retailers*) through investment and financing decisions that appear much closer to those that characterise a normal investment project.

In particular, the integrated logistics project does not have an intermodal value, the main decisions to be made consist of optimising the logistics system and assessing its economic viability. This assessment involves comparing the increased costs for the network company arising from site management against the cost savings achieved and the increased level of quality provided to the customer.

In project management, in general, a distinction can be made between: operational personnel directly involved (handling of loading units at the yard, handling of goods at the warehouse, maintenance and repair etc.); personnel for safety and control of vehicles, UTI and goods; personnel with administrative functions, related to document process management, management control and human resources management; commercial personnel with customer interface functions (before, during and after) in the context of activities (project management).

The *Strategy* network also makes it possible to offer a very relevant set of information for the definition of the service package offered and an information flow of exchange, between those interested in the management of the site, also through the interface in a functional manner of the technical equipment (falling under intangible equipment such as hardware and software).

Accurate demand forecasting analyses must be associated with the site layout planning activity, from which an information base can be drawn to formulate medium- and long-term capacity management choices, capable of circumscribing the risks connected with the formation of production capacities that are structurally surplus or, on the contrary, qualitatively and quantitatively deficient with respect to the expressed needs of the customer.

This is a profile that becomes more critical the higher the production capacities to be provided, in function of a demand characterised by elements of marked variability and, what is more important multi-dimensional, relating to the variety of the commodity categories with which it manifests itself, the type of flows handled and the services offered and requested.

The issues under consideration, in particular, are realised in the context of the operation of the *Strategy* network in:

- periods of site operation in a state of *overcapacity*, which occurs when the site, in order to cope with the estimated future growth in demand (day/week/month ahead), is forced to operate with organisations that are significantly oversized in relation to demand;
- or, *saturation* conditions occur when the site is unable to cope with peaks or unexpected increases in demand.

Both situations (*overcapacity and saturation*) present obvious operational, organisational and economic risks and complications for the operator (*Bibliography: Notterboom and Rodrigue, 2005; Monios, 2011*).

In situations of *overcapacity*, the risk for the operator is to operate at utilisation rates below those required for economic *break-even*, obviously leading to a worsening of costs. If *overcapacity* is cyclical, the resulting negative effects can be limited by raising the level of service quality and improving business relations with customers.

In the case of saturation, on the other hand, the issues to be addressed are considerably different. In general, congestion and decay in service levels and concomitant loss of productivity.

In relation to the above, Samag Holding Logistics SpA, either as a common body or directly and/or through its consolidating and affiliated companies) and the other networks, acting as a contracting station, which network the orders, through the *Strategy* project obtain a twofold benefit pertaining to both the total out hours and the marginality of the hours.

In particular, by analysing the hours actually worked within the *Strategy* network, in the performance of the services provided in the exercise of the business activity in a direct and/or outsourced manner, amounting to approximately 7,690,000, it is verifiable, for the year 2020, through the data processed and recorded in the software and management system adopted by the network, the total quantity, by day, week, month and year, of the hours of the individual networks *sent out*, described as *out* or unproductive hours.

The Management Software supporting the management of the Network covers the following Areas:

- 1) *Management control of orders and companies*
- 2) *Attendance management and related data collection*
- 3) *Cash-Flow Management*

They:

- are proprietary, unique and cannot be resold, made to specifications that reflect the needs and peculiarities of the *Network and the individual companies belonging to it*.
- are undergoing '*Continuous Improvement*' with the aim of creating a single relational *database* such that it can be interrogated, through *Business Intelligence* tools, for the complete and integrated control of operational, economic and financial management.

Concerning the hours in question:


- a) if they were not effectively placed, towards a receiving company, which needs the external hours to manage production peaks, the amount of these would determine a non-marginalisation of the order, shifting onto Samag and/or the network operator concerned, the burden of revising the contract rates;
- b) the companies receiving the hours in question, in the absence of the *Strategy* project, would purchase outside the network what was needed, paying, for the same labour costs, a markup, estimated at between 8% and 12%, which would add to the management costs of the order with a consequent, certain loss of profitability/marginality of the order.

Working conservatively and not capitalising for previous years, it can be reasonably explained that the value brought in by *Strategy* in the year 2020 for the management of out hours in the orders is Euro 450,137, as shown below:

$$\frac{254.315 \times 17.70 \text{ (average cost per hour worked)} = 4.501.375.50}{\text{divided by } 10\% \text{ (average markup 8-12\%)} = 450,137}$$

**b.2** In addition, the organisation of the *Strategy* network, including in the area of co-employership, generates additional non-quantifiable utilities and/or benefits such as:

- c) the reduction and/or elimination of charges and/or penalties related, for example, to the punctuality of orders being processed and/or greater redundancy in terms of in-plant testing;
- d) the reputation of the image of Samag and/or the direct contractor, in the execution of the order (quality and punctuality of the service), demonstrable by customer retention over the years.

For the latter utility, the value of the networks' reputation attributable to participation in the *Strategy* project can be quantified as 20% of the margin on the turnover of each order managed for at least three years. 

For the purposes of the quantitative valuation of letter d) above, the table below represents the percentage of 2020 turnover with third-party customers based on the year in which the customer relationship began,

In this respect, it is noted that 49% of the 2020 turnover consists of business relations with customers who have been present for more than five years, 14% for three to five years and 36% for up to two years.

The above represents both the ability to maintain solidity in historical relationships and an excellent propensity for growth and innovation in the customer portfolio.



Network customer	▶ 5 years	From 3 to 5 years	< 2 years
% of turnover	49%	14%	36%

Applying a EBITDA of 8.53% to contracts managed for more than three years, as shown in the table below:

CALCULATION MDC-EBITDA-EBIT 2020 Euro/H		
Order revenue	24.32	100.00%
Order labour cost	17.59	72.33%
Order operating costs	1.98	8.13%
<b>Order contribution margin</b>	<b>4.75</b>	<b>19.53%</b>
Indirect operating costs	0.61	2.50%
Administrative expenses	1.22	5.00%
General expenses	0.43	1.75%
<b>Consolidated operating margin</b>	<b>2.50</b>	<b>10.28%</b>
Financial expenses	0.19	0.80%
Extraordinary expenses	0.23	0.95%
<b>Consolidated net margin</b>	<b>2.07</b>	<b>8.53%</b>

**the result is: 198,603,342 x 8.53% = 16,940,779 x 20% = 3,388,155 (year 2020)**

**b.3** With regard to the 643,406 hours under co-employership and/or generated by the networked management of procurement and related contracts for the year 2020, only 254,315 (Segment b.1) were accounted for.

The difference, amounting to 389,091 hours (643,046 *minus* 254,315), relates to the amount of hours dedicated by the network structure called *project management*, which, under the direction of OC, is placed in charge of operational management within the *Strategy* organisation chart.

It is the operational reference for all underlying functions, supervising the work of the different facilities where *Strategy* workers are employed. This function is responsible for the management of the various orders, especially from the aspect of evaluating economic performance (in cooperation with RA and CG).

In particular, it:

- studies the offer to be proposed to the client in case of a new contract (in cooperation with other functions);
- carries out different types of checks on the work of the different establishments;
- dialogues with RA regarding operational problems that have arisen;
- analyses KPIs from the different establishments under its responsibility (provided by the RA);
- provides periodic reports to OC on the economic and operational performance of the network.

Through the aforementioned hours, with the methodologies and processes described on the preceding pages, applied during the management of the *Strategy* network, several projects were completed and activated for additional sites in 2020.

In order to quantitatively value the aforementioned hours, representing the greater value generated by the network organisation for the management of the order, it is sufficient to multiply the number of hours dedicated by the cost of labour:

$$\underline{389.091 \times 17.70 \text{ (average cost per hour worked)} = 6.886.910}$$

$$\text{divided by 10\% (average markup 8-12\%)} = 688,691$$

- b.4** Lastly, the implementation of the *Strategy* network, also made it possible to manage an initial embryonic phase of tax compliance for all networks, with the integrated Model 231 for tax risk management, through procedures covering sensitive activities (Mapping), risk factors (Mapping), organisational chart, interest and benefit.

In order to attribute a value to the aforementioned activities, it is sufficient to represent that the network procedures adopted have made it possible to document the nature and quality of the following business events for the purposes of inherence, deductibility and accrual only for the year 2020:

#### STRATEGY NETWORK YEAR 2020

<b>Number of contracts managed</b>	<b>114</b>
<b>Network turnover</b>	315,241,813.87
<b>Number of hours seconded in co-employment</b>	643,406

The procedures adopted within the *Strategy* network guarantee documentary defence for the purposes of any disputes concerning income tax, VAT and social security contributions also through the implementation of a compliance procedure, which is one of the two objectives of the network for the three-year period 2021/2023, as outlined below:

<i>Objective 1</i>	- Method: organisational and management actions will be complemented by tax compliance control actions
<i>Objective 2</i>	- Customer: the services offered will be directed towards orders that guarantee a suitable profitability in compliance with occupational health and safety obligations.

In addition, on 5 December 2018, the *Network Enterprise Strategy* contract was considered *fully compliant* with the provisions of Law 33/2009, as amended and supplemented, also with reference to the regulation of secondment, hence certified by the *Marco Biagi Foundation*, the most authoritative Italian certifying body in the field of labour law.

The certification is intended to have civil, administrative and social security effects.

The certification of employment contracts was introduced into our legal system by Title VIII of Legislative Decree no. 276 of 10 September 2003, with the clear objective of giving certainty to the exact legal qualification of employment and contracting contracts, thereby reducing litigation in this area.

Specifically, the benefits of certification can be described as follows:

- 1) The Certification Commission, made up of highly qualified individuals, actively assists the parties in the drafting of the contract and verifies and validates its formal and substantive regularity, whatever the contractual model chosen by the parties. With certification, therefore, the parties are assured of the 'quality' of the contracts concluded.
- 2) Once the certified contract has been certified (by reasoned decision), it takes effect vis-à-vis third parties (INPS, ITL, INAIL, the Revenue Agency, etc.) until such time as any judicial appeal has been upheld by a judgment on the merits.
- 3) The certification of contracts (especially if carried out by university committees) has an important value in terms of corporate social responsibility and has undoubtedly positive repercussions on the company's relations both with its workers and with its stakeholders (customers, suppliers, institutions, credit institutions, etc.).

With regard to the quantitative valuation of the integrated network compliance procedure, it is sufficient to take a look at the contents of the notices of assessment drawn up in respect of certain networks, concerning periods

before the conclusion of the network contract with regard to the subjectivity criterion of the services performed in the exercise of the business activity.

Added to this is the value of the procedure and the operation in co-employership, an institution governed by article 30, paragraph 4 ter, Legislative Decree no. 276/2003, through which the existence of a single centre of imputation of labour relations is documented and represented, thus making the employer's obligation joint and several.

The rule states that the interest of the seconding party arises automatically, on the basis of the network contract, and the co-employership of employees whose work is shared by the entrepreneurs who have entered into the network contract, as agreed in the contract, is permitted.

The employment relationship of each individual worker shall remain with the Network Company, which is the owner of the relationship, and the Network Company shall continue to be responsible for all remuneration and contribution charges, as well as training charges, pursuant to article 30, paragraph 2 of Legislative Decree 276/2003 and within the limits of the law.

The user network company shall, within the mandatory limits of the law, be responsible for the safety of the worker during the period of use and shall, again within the mandatory limits of the law, be liable for any accidents occurring to the worker.

To facilitate the operation of the institute and in order to protect the remuneration position of the workers involved, the parties mutually acknowledge that the operation of the clause is conditional on the application of the CCNL Goods Transport, Shipping and Logistics, Section Cooperation, Special Part.

For the purpose of the quantitative valuation of the aforesaid procedures, representing the greater value generated by the network organisation with regard to the subjective existence of the services, the same is given by the sum of the value of the hours under co-employership for the purposes of cost deductibility and the relative VAT, equal to 22%, for the purposes of tax deductibility, without the application of penalties and interest:

$$643,406 \times 17.70 = 11,388,286.20$$

$$11,388,286.20 \times 22\% = 2,505,422.96$$

$$11,388,286.20 + 2,505,422.96 = 13,893,709.16$$

#### Financial assets: receivables

The breakdown of the item is as follows:

Description	31/12/2019	Increases	Decreases	Consolidation entries	31/12/2020	Fair value
Non-consolidated subsidiaries						
Associated companies						
Parent companies						
Companies subject to the control of the parent companies						
Others	49,246	114,271			163,517	
<b>Total</b>	<b>49,246</b>	<b>114,271</b>			<b>163,517</b>	

The changes during the year are as follows.

Description	31/12/2019	Acquisitions	Revaluations	Reclassifications	Disposals	Write-downs	Consolidation entries	31/12/2020
Subsidiaries not consolidated								

Companies								
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associated								
Parent companies								
Companies subject to the control of the parent companies								
Others	49,246	114,271						163,517
	49,246	114,271						163,517

## Inventories

Description	31/12/2019	Increases	Decreases	Consolidation entries	31/12/2020
Raw and ancillary materials and consumables	13,130		280		12,850
<b>Total</b>	<b>13,130</b>		<b>280</b>		<b>12,850</b>

It should be noted that the criteria adopted in the valuation of the individual items, constituting the inventories, led to the recording of values not particularly different from the current costs of the assets recognisable at the closing date of the financial year (article 2426, paragraph 10 of the Civil Code).

## Receivables

The balances of consolidated receivables, after the elimination of infra-group values, are broken down as follows by maturity.

Description	Within one year	Beyond one year	Beyond 5 years	Total	Of which related to transactions with obligation of forward relegation
Customers	70,744,646			70,744,646	
Non-consolidated subsidiaries	4,390,259			4,390,259	
Associated companies	232,581			232,581	
Parent companies					
Companies subject to the control of the parent companies	75,233			75,233	
Tax receivables	1,996,910			1,996,910	
Deferred tax assets	649,902	184,978		834,880	
Others	10,976,660	134,674		11,111,334	
Rounding					
	<b>89,066,191</b>	<b>319,652</b>		<b>89,385,843</b>	

## Cash and cash equivalents

Description	31/12/2019	Increases	Decreases	Consolidation entries	31/12/2020
Bank and postal deposits	2,473,110	12,389,842			14,862,952
Cheques	5,000		5,000		
Cash and equivalents on hand	16,732	11,031			27,763
<b>Total</b>	<b>2,494,842</b>	<b>12,400,873</b>	<b>5,000</b>		<b>14,890,715</b>

The balance represents the cash and cash equivalents and the existence of cash and assets at year-end.

## Accrued and deferred assets

They represent the items related to the accounting period calculated on an accrual basis. The breakdown of this item is as follows.

Description	Amount
Deferred assets on insurance	34,396
Deferred assets on rentals	23,899
Deferred assets lease fees	780,192
Deferred assets on consortium contributions	13,837
Deferred assets for various consultancy	2,582
Deferred assets on rents and leases	36,690
Deferred assets on legal fees	26,000
Deferred assets on software support	22,835
Accrued assets on rentals	3,486
Accrued assets on insurance reimbursements	99,623
Other deferred assets	772,675
<b>Total</b>	<b>1,816,215</b>

## Equity

### Statement of reconciliation between the net result and equity of the consolidating company and the respective values resulting from the consolidated financial statements

The group's consolidated shareholders' equity and consolidated results of operations at 31/12/2020 are reconciled with those of the parent company as follows:

	Equity	Result
<b>Shareholders' equity and result for the year as reported in the financial statements of the parent company</b>	18,769,156	1,770,880
Adjustments made in application of accounting standards		
Derecognition of the book value of consolidated equity investments:		
a) difference between book value and pro-rata value of equity	(3,186,041)	
b) pro-rata results achieved by investees	676,280	676,280
c) gains/losses attributed at the date of acquisition of the investees	5,357,912	(685,110)
d) consolidation difference		
Derecognition of the effects of transactions among consolidated companies	577,635	(572,980)
Shareholders' equity and result for the year attributable to the group	22,194,942	1,189,070
Shareholders' equity and result for the year attributable to minorities	544,140	18,815
<b>Consolidated equity and net result</b>	<b>22,739,082</b>	<b>1,207,885</b>

### Consolidated statement of changes in group equity

	Capital	Reserve s	Consolidatio n reserve	Conversion differences	Profit/los s Carried forward	Negative reserve for portfolio treasury shares	Profit/loss for the year	Group total
Opening balance at 31/12/2019	800,000	3,392,451	183,370		(115,393)		4,064,210	8,141,268
Changes in the year:								

Subscriptions increase share capital								
Shareholder capital contributions								
Loss coverage previous year								
Loss coverage current year								
Dividends								
Loss for the year								
Profit for the year							(4,064,210)	(4,064,210)
Decrease for equity tax in application of L.D. 394/92								
Exchange rate differences arising from the conversion of financial statements expressed in foreign currency								
Other changes		13,146,517	157,322		3,782,297		1,189,070	18,117,884
Closing balance at 31/12/2020	<b>800,000</b>	<b>16,538,968</b>	<b>340,692</b>		<b>3,666,904</b>		<b>1,189,070</b>	<b>22,194,942</b>

### Provisions for risks and charges

The breakdown of this item is as follows.

Description	31/12/2019	Increases	Decreases	Consolidation entries	31/12/2020
For pension and similar obligations	131,939	63,140			195,079
For taxes, including deferred		2,305,650			2,305,650
Derivative financial instruments payable					
Others	1,060,000				1,060,000
Provision for consolidation for future risks and charges					
<b>Total</b>	<b>1,191,939</b>	<b>2,368,790</b>			<b>3,560,729</b>

### Provisions for risks and charges - other

The breakdown of this item is as follows.

<b>Description</b>	<b>Amount</b>
Provision for disputes with	1,000,000



social security entities	
Provision for disputes with customers for damage and breakage	60,000
<b>Total</b>	<b>1,060,000</b>

### Severance pay (TFR)

The breakdown of this item is as follows.

Description	31/12/2019	Increases	Decreases	Consolidation entries	31/12/2020
TFR, changes in the period	1,908,801	1,599,510	110,530		3,397,781

The TFR provision represents the effective liability at 31/12/2020 towards its employees on the workforce as of that date, net of any advances paid.

### Payables

Consolidated payables, after the elimination of intra-group values, are stated at their nominal value and the expiration of the same is broken down as follows:

Description	Within one year	Beyond one year	Beyond 5 years	Total
Bonds	3,288,255			3,288,255
Convertible bonds				
Payables to shareholders for loans				
Payables to banks	21,502,628	6,833,545		28,336,173
Payables to other lenders	20,653			20,653
Advances	46,675			46,675
Payables to suppliers	55,811,182	5,349,603		61,160,785
Payables in the form of credit securities				
Payables to subsidiaries not consolidated	159,087			159,087
Payables to associates				
Payables to parent companies				
Payables to companies subject to the control of the parent companies.	518,762			518,762
Tax payables	17,529,144			17,529,144
Payables to social security institutions	3,618,071			3,618,071
Other payables	12,284,200	8,366,854		20,651,054
<b>Total</b>	<b>114,778,657</b>	<b>20,550,002</b>		<b>135,328,659</b>

The balance of the payable to banks at 31/12/2020, including mortgages payable, expresses the actual payable for capital, interest and ancillary charges accrued and payable.

The company made use of the option not to use the amortised cost method and/or not to discount payables. All payables are therefore recorded at nominal value.

The item 'Tax payables' includes only certain and determined tax liabilities.

The item 'Other payables' includes liabilities for commitments undertaken by the consolidating company and the consolidated company General Trade S.r.l. for subrogation payments to the tax authorities in respect of the positive settlement of the dispute between the latter and the companies performing subcontracted services.

The breakdown of payables at 31/12/2020 according to geographic area has not been shown, as they are all due to domestic operators (article 2427, first paragraph, no. 6 of the Civil Code).

### Accrued and deferred liabilities

They represent the items related to the accounting period calculated on an accrual basis. The breakdown of this item is as follows.

Description	Amount
Accrued liabilities on deferred remuneration	1,409,105
Other accrued liabilities	6,759
<b>Total</b>	<b>1,415,864</b>

### Revenues by business category

The breakdown of this item is as follows.

Category	31/12/2020	31/12/2019	Changes
Sales of goods			
Product sales			
Sales of accessories			
Provisions of services	194,532,365	111,144,231	83,388,134
Rental income			
Commission income			
Other	6,509,572	6,824,431	(314,859)
<b>Total</b>	<b>201,041,937</b>	<b>117,968,662</b>	<b>83,073,275</b>

### Revenues by geographical area

The breakdown of this item is as follows.

Area	Sales	Services	Total
Italy		201,041,937	201,041,937
<b>Total</b>		<b>201,041,937</b>	<b>201,041,937</b>

### Production costs

The breakdown of this item is as follows.

Description	31/12/2019	Increases	Decreases	Consolidation entries	31/12/2020
Raw and ancillary materials and goods	718,581	4,274,147		(8,750)	4,983,978
Services	80,426,347	35,754,222		(5,290,946)	110,889,623
Rents and leases	3,500,498	3,357,344			6,857,842
Wages and salaries	18,532,516	29,170,488		(5,020,079)	42,682,925
Social security contributions	4,662,808	6,741,163			11,403,971
Severance pay (TFR)	942,845	1,238,579			2,181,424
Pension and similar benefits	5,032	5,032			43,575
Other personnel costs	48,635	449,835			498,470
Amortisation of intangible assets	1,832,404	2,140,401		685,110	4,657,915
Depreciation of tangible assets	144,465	76,401			220,866
Other write-downs of fixed assets					
Write-downs of receivables current assets	216,626	150,110			366,736
Change in inventories of raw materials	(720)	1,000			280
Allocation for risks	1,000,000	(1,000,000)			
Other allocations					

Other operating expenses	4,776,652	7,162,070		(98)	11,938,624
<b>Total</b>	<b>116,806,689</b>	<b>89,554,303</b>		<b>(9,634,763)</b>	<b>196,726,229</b>

### Interest and other financial expenses

The breakdown of this item is as follows.

Description	31/12/2019	Increases	Decreases	Consolidation entries	31/12/2020
Non-consolidated subsidiaries		208,407		(55,959)	152,448
Associated companies					
Parent companies					
Companies subject to the control of the parent companies					
Interest and expenses on bond payables	265,597		177,667		87,930
Interest expenses on ordinary payables to credit banks	85,340	297,753			383,093
Other financial expenses	1,019,438	936			1,020,374
<b>Total</b>	<b>1,370,375</b>	<b>507,096</b>	<b>177,667</b>	<b>(55,959)</b>	<b>1,643,845</b>

### Income taxes for the year

Balance at 31/12/2020	Balance at 31/12/2019	Changes
1,612,820	1,155,133	457,687

Taxes	Balance at 31/12/2020	Balance at 31/12/2019	Changes
<b>Current taxes:</b>	2,490,879	1,274,997	1,215,882
<b>Deferred tax liabilities (assets)</b>	(75,186)	(119,864)	44,678
	<b>1,612,820</b>	<b>1,155,133</b>	<b>457,687</b>

### Deferred tax liabilities / assets

Deferred tax assets were recognised as there is reasonable certainty of the existence, in the years in which the deductible temporary differences will reverse, related to which deferred tax assets have been recognised, of a taxable income not lower than the amount of the differences that will be written off.

Temporary differences that led to the recognition of deferred tax assets refer to Euro84,298 to the amortisation of goodwill recorded as consolidation difference and Euro - 9,742 to unpaid directors' fees.

### Information on financial assets recorded at a value higher than the fair value

The financial statements do not include any financial fixed assets for amounts in excess of fair value.

### Information on transactions with related parties

Ref. article 38, first paragraph, letter o-*quinquies*), Legislative Decree no. 127/1991)

The company has not entered into any transactions with related parties.

### Information related to agreements not included in the balance sheet

(Ref. article 38, paragraph 1, letter o-*sexies*), Legislative Decree no. 127/1991

There are no agreements in place that are not reflected in the balance sheet.

These consolidated financial statements, comprising the balance sheet, income statement and notes, provide a true and fair view of the statement of financial position and consolidated results of operations and correspond to the accounting records of the parent company and the information reported from the companies included in the consolidation.

Giuseppe Esposito

