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PRESS RELEASE

MONNALISA: 2020 REVENUES OF EURO 33.6 MILLION (EURO 47.9 MILLION IN 2019), OF WHICH 68% OVERSEAS, ALSO THANKS TO THE RECOVERY IN THE SECOND HALF OF THE YEAR.

ONLINE CHANNEL GROWS 21%

- **Despite the pandemic and industry difficulties, results exceeded expectations**
- **Revenues of Euro 33.6 million (Euro 47.9 million in 2019), of which 68% overseas**
- **Revenues up 22% compared to the first half of 2020**
- **High double-digit online channel growth through proprietary digital platform (+21% at current and like-for-like exchange rates), with revenues of Euro 1.8 million (Euro 1.5 million in 2019)**
- **Direct and indirect online revenues account for 14% of total (10% in 2019)**
- **Adjusted EBITDA[1] reports loss of Euro 2.2 million (Euro 0.2 million in 2019)**
- **Adjusted Net Result reports loss of Euro 2.5 million in line with 2019**
- **Net financial debt of Euro 8 million (net financial debt of Euro 3.4 million at December 31, 2019) improving on HY net financial debt of Euro 9.5 millions**
- **8 new direct sales points, including 3 concessions at Galeries Lafayette, 1 concession at Rinascente Milan, 2 sales points at Marina Bay Sands in Singapore and in Taipei (Taiwan), in locations which reflect the luxury positioning of the Monnalisa brand; balance of 47 direct sales points at 31/12/20 (48 at 31/12/19)**
- **Excellent results from initial sales campaign of Chiara Ferragni line**
- **Group seeks in 2021 to consolidate online channel positioning and strengthen partnership with Ferragni Group for kids line**

Arezzo (AR), April 30, 2021

The Board of Directors of **Monnalisa S.p.A.**, the operative holding company of the Monnalisa Group, the high-end childrenswear leader and listed on the AIM Italia market organised and managed by Borsa Italiana, met today and approved the consolidated and separate financial statements at December 31, 2020.

CEO Christian Simoni will meet the financial community on Tuesday 4 May 2021 at 11.30 a.m. during a web conference, registration required, at the following link:

https://us02web.zoom.us/webinar/register/WN_5oAZ8-NKTdOsT4HGxE72OA

Christian Simoni, Chief Executive Officer of Monnalisa, stated:

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[1] EBITDA adjusted for extraordinary costs for DOS openings and closures in the year and a number of one-off costs incurred, in addition to the review of a number of financial statement items following the estimate of the impacts of COVID-19 in particular on the valuation of inventories and receivables.

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"These financial statements are a reflection of Monnalisa, its responsiveness and its approach to the future. Comparison with the half-year results, a product of the unforeseen and rapidly spreading pandemic, in addition to the expectations of analysts, highlight the capacity to react and the solidity of the organisation of individuals and relationships woven over the course of the company's over fifty years of existence. The values of sustainability, solidarity, respect for the contribution of those participating in the life of our company are behind and have supported our daily actions during this period. I am very proud of how our employees have been able to, although while making sacrifices, look forward, persevering in building our future and maintaining a high quality level in their work, products and processes, while redesigning and introducing new ones, with expertise, determination and confidence. Our customers and suppliers have continued to place this same confidence in the company and in our brand, and it has been renewed by the owners, the founders and the investors with whom we have had the pleasure of working with. In spite the emergency spending review policy required to reduce the impact from the drop in revenues and therefore in the company's profitability, we have continued to invest, although in a careful and targeted way, particularly in terms of the company's digitalisation, with tangible results already emerging and which shall materialise even more in the near future. We have further developed a sustainability supply chain research and development project that has been underway for a few years. Right in the middle of the chaos caused by the pandemic, we have designed, produced and delivered special editions for individual wholesale customers, a capsule for Ramadan, delivered well in advance and particularly, in record time, we have launched the Chiara Ferragni kids line. We believe that this is a critical achievement over recent months as it is the first step on a new and differing growth path for Monnalisa, which can lay the foundations for new future developments.

This is a solid foundation upon which the coming months and years shall be built. Although against a generally uncertain environment, particularly in Europe, decisively positive signals have emerged from a number of markets which are in a more advanced stage in the fight against the pandemic, such as China, Russia, the United States, in addition to the online channel, which gives us confidence in the future. It is certain that a return to a new normality shall be gradual, although it is equally true that we will be ready.

Consolidated Key Financial Highlights

The Monnalisa Group reports **revenues** of Euro 33.6 million for 2020, compared to Euro 47.9 million in 2019 (-30% at like-for-like exchange rates, -29% at current exchange rates), reporting a significant improvement in the second half of 2020 (+22% on H1).

Distribution by revenue channel saw **YoY growth of 21% for the e-commerce channel through the proprietary digital channel.** The increase reflects a highly-focused strategy with investment targeting major technological development to support the digital platform and the positioning on the online channels also internationally, on which the Group has achieved approx. Euro 3 million of revenues. The excellent Q3 and Q4 2020 performances with reference to all KPI's concerning online sales more than offset that of Q1, impacted by the change of digital platform which prompted a 17% YoY contraction in the first half of the year.
The **wholesale channel**, considering the ongoing pandemic, was down 28% - while however seeing a major recovery in the second half of the year of 14% compared to the first. The **retail channel** declined 38%, recovering three percentage points of the YoY half-year contraction.

The movement in revenues was caused by the extraordinary COVID-19 pandemic event which led to the shutdown of commercial activity across the globe, in addition to international traffic bans and restrictions, and consequently the closure of the direct and indirect distribution network for a significant portion of the first half of the year. In the remaining months, after the reopening, traffic continued to be dampened and particularly in tourist hotspots. Finally, the last few months of the year witnessed a spike in the pandemic (the "second wave"), which led to fresh lockdowns and closures and mainly in Europe, major reductions of in-person consumption in other countries and the almost total absence of tourists internationally.

31 December at current exchange rates						
In thousands of €	**2020**	**Inc, %**	**2019**	**Inc. %**	**Var**	**Var %**
Retail	9,625	29%	15,531	32%	(5,906)	-38%
Wholesale	22,232	66%	30,950	65%	(8,718)	-28%
B2C	1,755	5%	1,453	3%	303	21%
Total	**33,612**	**100%**	**47,934**	**100%**	**(14,321)**	**-30%**

31 December at like-for-like exchange rates						
In thousands of €	**2020**	**Inc %**	**2019**	**Inc. %**	**Var**	**Var %**
Retail	9,943	29%	15,531	33%	(5,587)	-36%
Wholesale	22,507	66%	30,950	27%	(8,443)	-27%
B2C	1,758	5%	1,453	40%	305	21%
Total	**34,209**	**100%**	**47,934**	**100%**	**(13,725)**	**-29%**

Revenues by region indicate a reduction in sales on the Italian market of 32% on 2019, due to the pandemic, with Europe similarly seeing a contraction of 33%. The drop in Rest of the World revenues was 26% (-23% at like-for-like exchange rates), indicating the quicker recovery of these markets in the second half of the year.

31 December at current exchange rates						
In thousands of €	**2020**	**Inc, %**	**2019**	**Inc. %**	**Var**	**Var %**
Italy	10,752	32%	15,745	33%	(4,993)	-32%
Europe	8,700	26%	13,011	27%	(4,311)	-33%
Rest of the world	14,159	42%	19,178	40%	(5,019)	-26%
Total	**33,612**	**100%**	**47,934**	**100%**	**(14,322)**	**-30%**

31 December at like-for-like exchange rates						
In thousands of €	**2020**	**Inc, %**	**2019**	**Inc. %**	**Var**	**Var %**
Italy	10,752	612%	15,745	33%	(4,993)	-32%
Europe	8,706	495%	13,011	27%	(4,305)	-33%
Rest of the world	14,751	839%	19,178	40%	(4,427)	-23%
Total	**34,209**	**1946%**	**47,934**	**100%**	**(13,725)**	**-29%**

In terms of **mono-brand stores**, the Group implemented its development plan in 2020 following the openings already contracted and undertaking new ones on the outlet sub-channel. 8 new direct sales points were opened, 5 of which in the June-December period alone. In particular, in the initial months of the year three concessions were opened at Galeries Lafayette (Paris, Nice Cap and Nice Massena), while in the second half of the year sales points were opened at the outlets in Noventa and Barberino, a concession at Rinascente in Milan, a sales point at Marina Bay Sands in Singapore, in addition to a sales point in Taipei (Taiwan). During the year, 9 sales points were closed, 6 of which in the second half of the year, in order to improve the channel's earnings. A number of closures ahead of that stipulated contractually impacted the income statement, in support of "way out" costs and for losses incurred.

Reported EBITDA saw a loss of Euro 6.5 million (Euro 6.9 million at like-for-like exchange rates), compared to a loss of Euro 3 million in 2019. It should be noted that at 30/06/20, reported EBITDA[2] was Euro -6 million.

Personnel costs decreased by 24% during the year compared with the previous year, partly due to the benefits and concessions obtained from government authorities, as forms of employment support, and partly due to the effects of the launch of an organisational simplification plan. In addition, the Group's management has voluntarily decided to waive part of its remuneration for the current year. Similarly, in light of the pandemic and its impact on business, the Chief Executive Officer, the Chairman of the Board of Directors and the Creative Director partially waived their remuneration for 2020.

Contacts with property owners were immediately initiated, so as to suspend rents at least for the period of closure of the sales outlets, for their restructuring or at least for the revision of payment terms. All costs not considered strictly necessary

[2] Calculated using the same income statement reclassification used for 31/12/20, with foreign exchange management within financial management.

have been minimised, both at the direct store level and at corporate level, in addition to those dedicated to sales support.

Cost containment actions combined with the negotiation of service and rental costs were the main levers used to compensate as much as possible for the loss of profitability resulting from the substantial drop in turnover caused by the pandemic. In particular, rent, lease and similar costs fell by 21% compared with the previous year, marketing costs by 41% and service costs by 21%.

Adjusted EBITDA was a loss approx. Euro 2.2 million (Adjusted EBITDA in 2019 was a profit of Euro 0.2 million). The adjustments to EBITDA concern the DOS openings and closures in the year and a number of one-off costs incurred, in particular the closure of all sales points in Brazil and the closure of the store at Istanbul airport.

Two stores in Brazil became TPOS (third party operated store) managed by the company owning, among others, the well-known Cidade Jardim shopping centre in San Paolo, where one of the stores is located, thereby maintaining a presence in a key market. In Turkey, on the other hand, a store was opened in January 2021 at Istinye Park, the luxury mall located in the Istanbul district of the same name.

In view of the challenging economic environment arising from the pandemic, the company also reviewed its assumptions and estimates to prepare the consolidated financial statements, carrying out an extraordinary adjustment to the expected realisable value of inventories - both raw materials and finished products - for a total of Euro 1.8 million and allocating a larger accrual to the Doubtful debt provision in view of possible wholesale customer insolvencies, in light of the pandemic events. Both these adjustments were included in the EBITDA adjustment.

The consolidated financial statements reflect the effects of the exemption, introduced by Article 60 of Law No. 126 of October 13, 2020, with regards to the suspension of depreciation. The exemption has been applied to the amortisation and depreciation of the Parent Company only, in keeping with the literal tone of the rule, which provides for the application of the exemption at consolidated level only for consolidated companies that make use of it when drawing up their financial statements.

Reported EBIT was substantially unchanged at a loss of Euro 7.4 million (loss of Euro 7.5 million in 2019), while **adjusted EBIT** was a loss of Euro 2.8 million (loss of Euro 2.9 million in 2019).

The **Net Result** was a loss of Euro 7.8 million (loss of Euro 8.4 million in 2019).

The **Adjusted Net Result** was in line with 2019 at a loss of Euro 2.5 million (loss of Euro 2.5 million in 2019), also due to the multiple non-recurring factors as indicated above.

The **Net Financial Debt** was Euro 8 million, compared to Euro 3.4 million at December 31, 2019 (debt).

The Group reports **shareholders' equity** of Euro 30.5 million.

Proposal for the allocation of the result for the year

The Board of Directors approved the proposal to the Shareholders' Meeting to approve the separate financial statements at December 31, 2020 and to cover the loss by using prior year profits carried forward.

Significant events in 2020

2020 began with the unforeseeable effects of the COVID-19 pandemic, which continues to impact the globe.

The developing situation was tackled immediately, with the activation of exceptional measures to reduce the risks of spreading the virus and ensure the safety of employees and customers in direct stores, in Italy and in all other countries where Monnalisa is present. A dedicated emergency management team was set up at the beginning of March, executing all possible initiatives to prepare the Group for the altered environment.

From the middle of March, in advance of parliament, the Company ordered the closure of the showrooms and direct sales points in Italy and thereafter, from March 23, the closure of the company in compliance with the applicable rules.

The stores managed directly by the Group's subsidiaries have been gradually closed, adapting to the spread of the pandemic, first in the East, and then since March, in France, the United States, Spain, Belgium, Brazil, the United Kingdom, Russia and Turkey, in accordance with local legislation.

The Group's stores were therefore closed for several months during the year, peaking in April and May. During the second half of the year, as a second wave of the virus spread, new lockdowns were imposed in Europe and later in other countries around the world. In the periods when the stores were open, the low propensity to consume of customers and the absence of tourist flows further affected the sales performance of Monnalisa, like all enterprises with a major retail focus.

The e-commerce channel continued to operate regularly, being among the few activities permitted during the lockdown.

Each of the subsidiaries has made use, within its remit, of the national legislation in force regarding social security benefits for its sales staff, and therefore using leave and holidays accrued in the first instance as well as applying the local lay-off schemes, or opting for the payment by each State of part or all of the cost of personnel, or putting employees on unpaid leave so as to allow them to receive unemployment benefits. Not all governments introduced extraordinary measures to contain personnel costs in view of the pandemic, leaving the entire cost of the emergency to be borne by businesses.

In terms of the Italian parent company's personnel, a process has been launched to completely restructure working methods according to the tasks performed by employees. Individuals working in the administrative-financial, sales, style, design and production planning departments were encouraged to adopt an agile/smart-working approach, with 58 contracts drawn up, in addition to the remote contracts that were already in place. Before the site was closed, production department employees saw their working hours reduced to six continuous hours. An alternate-day shift system was also put in place to reduce the number of employees on site at the same time, so that social distancing could be properly enforced. Employees not belonging to the previous categories were encouraged to take leave or make use of paid holidays, while thereafter utilising the temporary lay-off scheme on the basis of the COVID-19 outbreak, which was partially and for certain periods utilised also by staff working remotely. The lay-off scheme was paid in advance by the company and then reconciled with the INPS Uniemens system. As a corporate welfare measure, the company management team took out an insurance policy for all Monnalisa employees in Italy in the event of contagion from Covid-19 and set up a tele-medicine service.

On the wholesale channel, summer merchandise had already been almost fully supplied before the pandemic began, but the closure of multi-brand customer outlets inevitably lengthened the time to collect trade receivables. The order backlog for the winter collection, on the other hand, which was also almost completely collected before the emergency, was subject to some cancellations, both to eliminate customer orders and due to the consequences of the pandemic on sales were considered to be at greater risk, both to lessen procurement and the consequent risk of an increase in inventories linked to possible requests for order reductions or customer closures. However, management has worked to focus such cancellations or quantity reductions on lower margin models.

The production of surgical masks using non-woven fabric began, which were subsequently donated to the local government, police forces and to Arezzo Hospital in order to strengthen the company's social responsibility projects.

The Group has also launched a series of digital-oriented initiatives to adapt the working methods of the commercial network and maintain interaction with customers. In particular, a project was completed for the creation of virtual showrooms, as well as the redefinition of the relationship with boutique customers through a "fashion atelier" type service, and with whom contents and product presentations are shared through social media casting. Through the virtual showroom it was possible to conduct sales campaigns for order collection normally and safety.

At the end of November 2020, a multi-year license agreement was signed with Fenice S.r.l. (company owning the "Chiara Ferragni" brand). The agreement targets the growth worldwide in the children's fashion 0-10 years segment of the brand founded by Chiara Ferragni, through the structure and experience of Monnalisa, which through this partnership can further expand its customer base, in line with the digital transformation undertaken. The first collection under the brand licensing strategy was dedicated to Fall/Winter 2021/2022. The sales campaign now concluded performed well, exceeding the set sales targets.

Total investments for the year amounted to Euro 1.3 million. The investment in software (PLM and new e-commerce platform) was completed, while in the retail channel only the investments already contracted were carried out.

With a view to strengthening its structure and capital solidity, the Group deemed it appropriate to increase its credit lines with diversified banking counterparties by taking out short and medium/long-term credit lines, taking advantage of the national measures to support credit and liquidity in favour of companies within the context of the "Liquidity Decree". In particular, the company has concluded with the main banks a total transaction of Euro 5.8 million, of which Euro 3.3 million new funding, with the residual through the consolidation of existing debts and a consequent extension of the original repayment period. Guarantees have been released for all transactions by the Central Guarantee Fund for SME's up to the maximum permitted amount of Euro 5 million. In addition to the above, the company obtained an additional loan of over Euro 0.8 million from Simest S.p.A. to support the launch of Italian enterprises on non-EU markets and particularly for the opening of the new sales point in Singapore at the luxury "Marina Bay Sands" in August. Thanks to the Relaunch Decree, this loan was disbursed without guarantees. The first tranche, accounting for 50% of the total, has already been disbursed, with the remainder to be released within 29 months from the contract conclusion date.

Outlook and subsequent events

Monnalisa continues to pursue the consolidation of its competitive position, working to limit the impact of the pandemic with a careful management of costs, continuing to strengthen its financial position and capital base, while making further efforts on the sustainability front.

In particular, the Group will continue to strengthen its competitive position in the online channel both through its proprietary digital platform and through international marketplaces which, according to sector analysts' estimates, will become increasingly important in the luxury segment.

In Q1 2021, two subsidised loans were signed with Simest S.p.A.. The first of Euro 0.8 million to improve and safeguard the capital base of the exporting businesses presents a rate of 0.55% and a subsidised rate of 0.055%, in addition to a 40% grant (Euro 0.32 million) and no guarantee from the company. The second loan of Euro 0.9 million is to execute a plan to launch on overseas markets (Turkey) and presents a rate of 0.55% and a subsidised rate of 0.055%, in addition to a 40% grant (Euro 0.35 million) and no guarantee from the company.

Calling of the Ordinary and Extraordinary Shareholders' Meeting

The Board of Directors, in accordance with the applicable statutory and regulatory provisions, called the Shareholders' Meeting for May 31, 2021 in first call, and for June 3, 2021 in second call, to approve the 2020 Annual Accounts and allocate the net result; the appointment of the members of the Board of Directors, the duration of office and the establishment of the relative remuneration; the appointment of the members of the Board of Statutory Auditors and the establishment of the relative remuneration; the appointment of an audit firm as per Article 13 of Legislative Decree No. 39/2010. In an extraordinary session, the Shareholders' Meeting shall be called to discuss and consider the proposal to amend a number of items of the By-Laws in light of the recent amendments to Borsa Italiana's AIM Regulation. The Shareholders' Meeting call notice shall be published in accordance with law and as per the By-Laws. The documentation concerning the 2020 Statutory and Consolidated Annual Accounts shall be filed at the registered office and will be made available on the company website (www.monnalisa.com).

Given the recent changes introduced to the Issuers' Regulations of AIM Italy, which require the prior identification/positive evaluation by the Nominated Adviser of the Company of candidates who meet the independence requirements, the Board of Directors of Monnalisa resolved to comply immediately with these provisions in order to allow for the establishment of a new Board of Directors that is already aligned with these new best practices. With this in mind, in the explanatory report, which will be published on the company's website, shareholders who intend to submit slates of candidates for the office of director are asked to follow the indications provided in the specific "Procedure for Approval of Independent Candidates", previously agreed with CFO SIM S.p.A. as Nominated Adviser of Monnalisa and published on the Company's website for the purposes of sharing with, and prior approval by, the Nominated Adviser of the Company of the candidates meeting the independence requirements and the issuance by the Nominated Adviser of the appropriate certification. The procedure is available at monnalisa.com, Investor Relations, Corporate Governance, Corporate Documents section.

This Press Release is available on the company website www.monnalisa.com, in the "Investor Relations/Press Releases" section and at www.emarketstorage.com.

Monnalisa SpA (**Aim Italia -Ticker MNL**), listed on the AIM Italia market since July 12, 2018 and engaged in the high-end childrenswear segment, was founded in Arezzo in 1968. It distributes **in over 60 countries**, both through direct flagship stores and at the world's best-known Department Stores and more than 500 multibrand sales points. Focusing on high-quality and made in Italy style, its research and development investment is matched by a commitment to sustainability. The company complies with the SA8000 regulation and environmental certification ISO 14001.

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The following financial statements are attached to this press release:

Appendix 1 - Consolidated Balance Sheet as at 31/12/2020

Appendix 2 - Consolidated Income Statement as at 31/12/2020

Appendix 3 - Consolidated Cash Flow Statement as at 31/12/2020

Appendix 4 - Statutory balance sheet as at 31/12/2020

Appendix 5 - Statutory Income Statement as at 31/12/2020

Appendix 6 – Statutory Statement of Cash Flows as at 31/12/2020

Appendix 1 - Consolidated Balance Sheet as at 31/12/2020

ASSETS	31.12.2020	31.12.2019
A) Subscribed capital unpaid		
B) Fixed Assets		
I - Intangibles Assets		
1) Start-up and expansion costs	805,583	859,656
3) Industrial Patent and Intellectual Property Rights	642,008	318,551
5) Goodwill	816,599	909,103
6) Work in progress and advance payments	108,294	0
7) Other	1,611,442	2,074,589
Total Intangible assets	**3,983,926**	**4,161,899**
II - Tangible Assets		
1) Land and Buildings	10,998,874	10,991,664
2) Plants and equipment	3,823,074	3,811,577
3) Industrial and commercial equipment	379,359	518,590
4) Other Assets	3,050,073	3,011,673
5) Work in progress and advance payments	23,742	5,400
Total Tangible Assets	**18,275,120**	**18,338,905**
III - Financial Assets		
1) Equity investments in:		
D bis) other companies	8,624	8,624
Total Equity Investments	**8,624**	**8,624**
2) Receivables		
d bis) due from others	1,205,114	1,712,281
3) Other Securities	1,200,000	1,200,000
Total Financial Assets	**2,413,738**	**2,920,906**
B) Total Fixed Assets	**24,672,784**	**25,421,710**
C) Current Assets		
I - Inventory		
1) Raw, supplies and consumable materials	2,203,903	2,351,518
2) Work in progress and semi-finished products	805,726	1,734,271
4) Finished products and goods	13,397,466	14,339,822
5) Advances	27,493	84,393
Total inventory	**16,434,588**	**18,510,004**
II - Receivables		
1) Due from customers		
- within 12 months	7,202,591	9,611,253
Total Due from customers	**7,202,591**	**9,611,253**
5-bis) Tax Receivables		
- within 12 months	1,956,740	3,231,350
Total Tax Receivables	**1,956,740**	**3,231,350**
5-ter) Deferred tax assets		
- within 12 months	273,233	105,077
- beyond 12 months	2,339,613	1,054,113
Total Deferred tax assets	**2,612,846**	**1,159,190**
5-quater) Due from others		
- within 12 months	160,597	825,071
Total Due from others	**160,597**	**825,071**
Total Receivables	**11,932,774**	**14,826,864**
III - Financial Assets (other than fixed assets)		
5) Derivative financial instrument assets	3,833	11,811
Total financial assets (other than fixed assets)	**3,833**	**11,811**
IV - Cash and cash equivalents		
1) Bank and postal deposits	4,044,177	8,280,643

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3) Cash on hand	34,711	76,242
Total cash and cash equivalents	**4,078,887**	**8,356,884**
C) Totale current assets	**32,450,082**	**41,705,563**
D) Accrued income and prepaid expenses		
Prepaid expenses	1,105,853	891,683
D) Total accrued income and prepaid expenses	**1,105,853**	**891,683**
TOTAL ASSETS	**58,228,720**	**68,018,956**

LIABILITIES AND SHAREHOLDERS' EQUITY	**31.12.2020**	**31.12.2019**
A) Shareholders' Equity		
I Share capital	10,000,000	10,000,000
II Share premium reserve	9,063,125	9,063,125
III Revaluation reserve	2,959,446	2,959,446
IV Legal reserve	1,108,276	1,108,276
VI Other reserves, indicated separately		
Translation differences	(1,159,058)	(608,669)
Other reserves	1,751,853	189,187
Total other reserves	592,795	(419,482)
VII Cash flow hedge reserve	(21,243)	8,364
VIII Profit (loss) carried forward	14,762,460	24,740,642
IX Profit (loss) for the period	(7,805,982)	(8,415,516)
X Negative reserve for own portfolio shares	(149,915)	(149,915)
Total Group Shareholder's Equity	**30,508,962**	**38,894,939**
Third Party capital and reserves	4,971	12,394
Profit (loss) attributable to minority interests	(6,717)	(6,691)
Total Minority Shareholder's Equity	**(1,746)**	**5,703**
Total Shareholder's Equity	**30,507,216**	**38,900,642**
B) Provisions for risks and charges		
1) Provisions for pensions or similar obligations	62,165	59,397
2) Provisions for taxes, including deferred	795,148	264,928
3) Provisions for derivative financial instrument liabilities	30,978	0
4) Other	461,855	489,175
Total provisions for risks and charges	**1,350,145**	**813,499**
C) Employee termination indemnities	**2,020,841**	**1,809,749**
D) Payables		
4) Payables due to banks	4,204,347	8,127,152
- within 12 months	10,140,004	6,564,737
- beyond 12 months	**14,344,351**	**14,691,889**
Total payables due to banks		
5) Payable due to other financial institutions		
- within 12 months	166,085	0
Total payable due to other financial institutions	**166,085**	0
6) Advances		
- within 12 months	407,195	951,813
Total advances	**407,195**	**951,813**
7) Trade payables		
- within 12 months	6,788,986	7,942,570
Totale trade payables	**6,788,986**	**7,942,570**
12) Tax payables		

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- within 12 months	506,745	580,504
Total tax payables	**506,745**	**580,504**
13) Payables to pension funds and social security agencies		
- within 12 months	634,852	540,079
Total payables to pension funds and social security funds	**634,852**	**540,079**
14) Other payables		
- within 12 months	1,114,499	1,252,322
- beyond 12 months	87,804	87,804
Total other payables	**1,202,303**	**1,340,126**
Total payables	**24,050,518**	**26,046,982**
E) Accrued liabilities and deferred income		
Accrued liabilities	0	148,084
Deferred Income	300,000	300,000
Total accrued liabilities and deferred income	**300,000**	**448,084**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**58,228,720**	**68,018,956**

Appendix 2 - Consolidated Income Statement as at 31/12/2020

INCOME STATEMENT	31.12.2020	31.12.2019
A) Value of Production		
1) Revenues from sales	33,612,162	47,933,614
2) Changes in inventories of work in progress, semi-finished goods and finished products	(1,401,669)	605,945
4) Capitalization of internal work	16,975	115,404
5) Other revenues and income	809,358	1,449,109
Total value of production	**33,036,826**	**50,104,072**
B) Costs of Production		
6) Raw materials, consumables and goods for resale	10,808,571	14,560,070
7) Services	12,080,916	17,749,429
8) Use of third-party assets	5,712,395	7,219,293
9) Personnel Costs		
a) Wages and salaries	7,205,519	9,488,898
b) Social security charges	1,698,983	2,173,685
c) Termination indemnities	280,814	304,053
d) Pensions and similar obligations	215,904	233,571
e) Other costs	72,340	238,925
Total personnel Costs	*9,473,561*	*12,439,131*
10) Amortization, depreciation and write-downs		
a) Amortization of intangible fixed assets	667,754	1,667,622
b) Depreciation of tangible fixed assets	213,432	1,798,122
c) Write-downs of other assets	-	1,087,556
d) Write-downs of receivables in current assets and cash and cash equivalents	504,397	146,630
Totale amortization, depreciation and write-downs	*1,385,583*	*4,699,930*
11) Change in inventory of raw, ancillary, consumable materials and goods	139,227	63,332
14) Other operating costs	858,270	952,186
Total production costs	**40,458,523**	**57,683,370**
Difference between value and production costs (A-B)	**(7,421,697)**	**(7,579,298)**
C) Financial income and expenses		
16) Other financial income:		
a) from receivables classified as fixed assets	8,800	0
b) from securities classified as fixed assets	30,000	30,000
d) others	7,465	12,988
Totale financial income	*46,265*	*42,988*
17) Interests and other financial expenses		
-other	407,890	430,289
Total financial expenses	*407,890*	*430,289*
17-bis) Losses and gains on currency exchange	(943,236)	87,101
Total financial income and expenses	**(1,304,860)**	**(300,200)**
D) Value adjustments to financial assets		
19) Write-downs:		
d) financial derivative instruments	19,744	17,125
Total write-downs	19,744	17,125
Total value adjustments to financial assets (D)	**19,744**	**(17,125)**
Profit/(Loss) before taxes (A-B±C±D)	**(8,746,301)**	**(7,896,623)**
a) Current taxes	0	22,999
b) Deferred taxes	(933,602)	502,585
Total Income, current, deferred taxes	(933,602)	525,584
21) Profit (loss) for the period	**(7,812,699)**	**(8,422,207)**
Profit (loss) attributable to the Group	(7,805,982)	(8,415,516)
Profit (loss) attributable to minority interests	(6,717)	(6,691)

Appendix 3 - Consolidated Cash Flow Statement as at 31/12/2020

CASH FLOW STATEMENT CASH AND CASH EQUIVALENTS	31.12.2020	31.12.2019
A) Cash flow from operating activities (indirect method)		
Profit for the period	(7,812,699)	(8,422,207)
Income tax	933,602	525,584
Interest expenses/(income)	361,624	387,301
(Dividends)		
(Gains)/losses on asset disposals	0	(525)
1) Profit for the period before taxes, interest, dividends and capital gains/losses on disposals	**(6,517,473)**	**(7,509,847)**
Non-cash adjustments not impacting working capital		
Provisions	581,423	661,373
Amortisation & depreciation	881,184	3,465,744
Impairments	324,379	1,087,556
Adjustments to non-cash financial instrument assets and liabilities	(24,542)	19,547
Other non-cash increases/(decreases)	(197,650)	3,543
Non-cash adjustments not impacting working capital	**1,564,794**	**5,237,764**
2) Cash flow before working capital changes	**(4,952,679)**	**(2,272,084)**
Change in net working capital		
Decrease/(Increase) in inventories	2,075,416	(683,204)
Decrease/(Increase) in trade receivables	2,408,662	1,229,127
Increase/(Decrease) in trade payables	(1,153,583)	183,883
Decrease/(Increase) in accrued income and prepaid expenses	(214,170)	(535,330)
Increase/(Decrease) in accrued liabilities and deferred income	(148,084)	315,213
Other Decreases/(Other Increases) in net working capital	(406,747)	408,480
Total changes in net working capital	**2,561,494**	**918,169**
3) Cash flow after net working capital changes	**(2,391,186)**	**(1,353,914)**
Other adjustments		
Interest received/(paid)	(361,624)	(387,301)
(Income taxes paid)	(169,723)	(406,548)
Dividends received		
(Utilisation of provisions)	(363,905)	(385,587)
Other receipts/(payments)	727,295	0
Total other adjustments	**(167,957)**	**(1,179,436)**
Cash flow from operating activities (A)	**(2,559,143)**	**(2,533,350)**
Tangible fixed assets	(398,083)	(1,643,032)
(Investments)	(423,147)	(1,959,859)
Divestments	25,064	316,827
Intangible fixed assets	(919,190)	(1,738,032)
(Investments)	(924,762)	(1,738,032)
Divestments	5,572	0
Financial fixed assets	(54,042)	(336,519)
(Investments)	(54,042)	(479,664)
Divestments	0	143,145
Current financial assets		
(Investments)		
Divestments		
Cash flow from investing activities (B)	**(1,371,316)**	**(3,717,583)**
Third party funds		
Increase/(Decrease) in short-term bank payables	(3,884,029)	1,749,498
New loans	7,170,295	2,000,000
(Repayment of loans)	(3,633,804)	(2,570,514)

Own funds		
Paid-in share capital increase		
(Repayment of share capital)		
Disposal/(Acquisition) of treasury shares	0	(149,915)
(Dividends and advances on dividends paid)		
Cash flow from financing activities (C)	**(347,538)**	**1,029,069**
Increase/(decrease) in cash and cash equivalents (A ± B ± C)	**(4,277,996)**	**(5,221,864)**

Opening cash and cash equivalents	**8,356,885**	**13,578,750**
Bank and postal deposits	8,280,643	13,518,370
Cheques		
Cash on hand	76,242	60,379

Closing cash and cash equivalents	**4,078,887**	**8,356,885**
Bank and postal deposits	4,044,177	8,280,643
Checks		
Cash on hand	34,711	76,242

Appendix 4 – Statutory balance sheet as at 31/12/2020

ASSETS	31.12.2020	31.12.2019
A) Subscribed capital unpaid		
B) Fixed Assets		
I - Intangibles Assets		
1) Start-up and expansion costs	801,718	801,718
3) Industrial Patent and Intellectual Property Rights	629,266	292,352
5) Goodwill	816,599	816,599
7) Other	714,818	606,479
Total Intangible assets	**2,962,401**	**2,517,147**
II - Tangible Assets		
1) Land and Buildings	10,998,874	10,991,664
2) Plants and equipment	3,662,783	3,614,796
3) Industrial and commercial equipment	50,461	49,961
4) Other Assets	2,764,134	2,533,885
5) Work in progress and advance payments	0	5,400
Total Tangible Assets	**17,476,252**	**17,195,707**
III - Financial Assets		
1) Equity investments in:		
a) Subsidiary companies	9,765,502	5,607,869
d bis) other companies	8,624	8,624
Total Equity Investments	**9,774,126**	**5,616,493**
2) Receivables		
a) due from subsidiary companies		
- within 12 months	621,701	5,288,274
- beyond 12 months	2,671,939	486,137
d bis) due from others	**3,293,640**	**5,774,411**
- within 12 months	260,380	223,689
- beyond 12 months	**260,380**	**223,689**
3) Other Securities	1,200,000	1,200,000
Total Financial Assets	**14,528,146**	**12,814,594**
B) Total Fixed Assets	**34,966,799**	**32,527,447**
C) Current Assets		
I - Inventory		
1) Raw, supplies and consumable materials	2,198,822	2,343,643
2) Work in progress and semi-finished products	805,726	1,734,271
4) Finished products and goods	10,433,565	11,009,408
5) Advances	27,493	84,393
Total inventory	**13,465,606**	**15,171,715**
II - Receivables		
1) Due from customers		
- within 12 months	7,157,968	9,486,407
Total Due from customers	**7,157,968**	**9,486,407**
2) due from subsidiary companies		
- within 12 months	6,180,777	7,799,480
Total Due from subsidiary companies	**6,180,777**	**7,799,480**
5-bis) Tax Receivables		
- within 12 months	1,519,121	2,196,843
Total Tax Receivables	**1,519,121**	**2,196,843**
5-ter) Deferred tax assets		
- within 12 months	273,233	105,077
- beyond 12 months	1,592,933	273,646
Total Deferred tax assets	**1,866,166**	**378,723**
5-quater) Due from others		

- within 12 months	113,233	715,412
Total Due from others	**113,233**	**715,412**
Total Receivables	**16,837,265**	**20,576,864**
III - Financial Assets (other than fixed assets)		
5) Derivative financial instrument assets	3,833	11,811
Total financial assets (other than fixed assets)	**3,833**	**11,811**
IV - Cash and cash equivalents		
1) Bank and postal deposits	2,593,078	6,429,861
3) Cash on hand	19,713	49,533
Total cash and cash equivalents	**2,612,791**	**6,479,394**
C) Totale current assets	**32,919,495**	**42,239,784**
D) Accrued income and prepaid expenses		
Prepaid expenses	964,229	765,693
D) Total accrued income and prepaid expenses	**964,229**	**765,693**
TOTAL ASSETS	**68,850,523**	**75,532,924**

LIABILITIES AND SHAREHOLDERS' EQUITY	**31.12.2020**	**31.12.2019**
A) Shareholders' equity		
I Share capital	10,000,000	10,000,000
II Share premium reserve	9,063,125	9,063,125
III Revaluation reserve	2,959,446	2,959,446
IV Legal reserve	1,108,276	1,108,276
VI Other reserves, indicated separately		
Other reserves	1,751,858	189,187
Total other reserves	*1,751,858*	*189,187*
VII - Cash flow hedge reserve	(21,243)	8,364
VIII Profit (loss) carried forward	21,393,442	28,033,652
IX Profit (loss) for the period	(4,544,205)	(5,077,544)
X Negative reserve for own portfolio shares	(149,915)	(149,915)
Total Equity	**41,560,784**	**46,134,591**
B) Provisions for risks and charges		
1) Provisions for pensions or similar obligations	62,165	59,397
2) Provisions for taxes, including deferred	741,709	193,042
3) Provisions for derivative financial instrument liabilities	30,978	0
4) Other	571,479	1,412,828
Total provisions for risks and charges	**1,406,331**	**1,665,267**
C) Employee termination indemnities	**2,020,841**	**1,809,749**
D) Payables		
4) Payables due to banks		
- within 12 months	4,204,347	8,127,152
- beyond 12 months	10,140,004	6,564,737
Total payables due to banks	**14,344,351**	**14,691,889**
6) Advances		
- within 12 months	302,758	719,059
Total advances	**302,758**	**719,059**
7) Trade payables		
- within 12 months	6,213,397	7,540,878
Totale trade payables	**6,213,397**	**7,540,878**
9) Payables to subsidiary companies		
- within 12 months	590,885	565,401
Total payables to subsidiary companies	**590,885**	**565,401**
12) Tax payables		
- within 12 months	417,411	371,547

Total tax payables	**417,411**	**371,547**
13) Payables to pension funds and social security agencies		
- within 12 months	634,852	537,102
Total payables to pension funds and social security funds	**634,852**	**537,102**
14) Other payables		
- within 12 months	971,109	1,107,670
- beyond 12 months	87,804	87,804
Total other payables	**1,058,913**	**1,195,474**
Total payables	**23,562,567**	**25,621,351**
E) Accrued liabilities and deferred income		
Accrued liabilities	0	1,967
Deferred income	300,000	300,000
Total accrued liabilities and deferred income	**300,000**	**301,967**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**68,850,523**	**75,532,924**

Appendix 5 – Statutory Income Statement as at 31/12/2020

INCOME STATEMENT	**31.12.2020**	**31.12.2019**
A) Value of Production		
1) Revenues from sales	28,504,349	40,791,683
2) Changes in inventories of work in progress, semi-finished goods and finished products	(1,511,025)	45,200
5) Other revenues and income	1,007,653	1,712,057
Total value of production	**28,000,977**	**42,548,940**
B) Costs of Production		
6) Raw materials, consumables and goods for resale	10,371,881	14,393,905
7) Services	10,281,516	14,865,300
8) Use of third-party assets	2,489,456	2,684,070
9) Personnel Costs		
a) Wages and salaries	5,088,519	6,462,884
b) Social security charges	1,499,737	1,924,987
c) Termination indemnities	263,234	294,919
d) Pensions and similar obligations	189,921	175,307
e) Other costs	32,419	139,504
Total personnel Costs	*7,073,830*	*8,997,602*
10) Amortization, depreciation and write-downs		
a) Amortization of intangible fixed assets	0	671,695
b) Depreciation of tangible fixed assets	0	1,570,687
d) Write-downs of receivables in current assets and cash and cash equivalents	502,274	130,314
Totale amortization, depreciation and write-downs	*502,274*	*2,372,696*
11) Change in inventory of raw, ancillary, consumable materials and goods	138,184	70,240
14) Other operating costs	311,667	373,304
Total production costs	**31,168,808**	**43,757,117**
Difference between value and production costs (A-B)	**(3,167,831)**	**(1,208,177)**
C) Financial income and expenses		
16) Other financial income:		
a) from receivables classified as fixed assets	8,800	-
b) from securities classified as fixed assets	30,000	30,000
d) others	34,259	57,559
Totale financial income	*73,059*	*87,559*
17) Interests and other financial expenses		
-other	364,255	373,553
Total financial expenses	*364,255*	*373,553*
17-bis) Losses and gains on currency exchange	(543,562)	222,207
Total financial income and expenses	**(834,758)**	**(63,788)**
D) Value adjustments to financial assets		
19) Write-downs:		
a) equity investments in subsidiary companies	1,451,299	3,862,385
d) financial derivative instruments	19,744	17,125
Total write-downs	1,471,043	*3,879,510*
Total value adjustments to financial assets (D)	**(1,471,043)**	**(3,879,510)**
Profit/(Loss) before taxes (A-B±C±D)	**(5,473,632)**	**(5,151,475)**
a) Current taxes		
b) Deferred taxes	(929,427)	(73,931)
Total Income, current, deferred taxes	(929,427)	*(73,931)*
21) Profit (loss) for the period	**(4,544,205)**	**(5,077,544)**

Appendix 6 – Statutory Statement of Cash Flows as at 31/12/2020

CASH FLOW STATEMENT CASH AND CASH EQUIVALENTS	31.12.2020	31.12.2019
A) Cash flow from operating activities (indirect method)		
Profit for the period	(4,544,205)	(5,077,544)
Income tax	929,427	(73,931)
Interest expenses/(income)	291,196	285,994
(Dividends)		
(Gains)/losses on asset disposals		(525)
1) Profit for the period before taxes, interest, dividends and capital gains/losses on disposals	**(3,323,582)**	**(4,866,006)**
Non-cash adjustments not impacting working capital		
Provisions	691,047	1,405,025
Amortisation & depreciation	-	2,242,382
Impairments	2,265,328	3,118,732
Adjustments to non-cash financial instrument assets and liabilities	(24,542)	19,547
Other non-cash increases/(decreases)	(1,978,793)	-
Non-cash adjustments not impacting working capital	**953,040**	**6,785,686**
2) Cash flow before working capital changes	**(2,370,542)**	**1,919,680**
Change in net working capital		
Decrease/(Increase) in inventories	1,706,108	22,745
Decrease/(Increase) in trade receivables	2,328,439	1,027,325
Increase/(Decrease) in trade payables	(1,327,481)	(863,938)
Decrease/(Increase) in accrued income and prepaid expenses	(198,536)	(469,570)
Increase/(Decrease) in accrued liabilities and deferred income	(1,967)	265,670
Other Decreases/(Other Increases) in net working capital	(1,536,252)	(1,926,616)
Total changes in net working capital	**970,313**	**(1,944,384)**
3) Cash flow after net working capital changes	**(1,400,230)**	**(24,704)**
Other adjustments		
Interest received/(paid)	(291,196)	(285,994)
(Income taxes paid)	-	(250,586)
Dividends received		
(Utilisation of provisions)	(590,683)	(385,587)
Other receipts/(payments)		
Total other adjustments	**(881,879)**	**(922,167)**
Cash flow from operating activities (A)	**(2,282,109)**	**(946,871)**
Tangible fixed assets	(280,545)	(1,444,772)
(Investments)	(286,170)	(1,447,702)
Divestments	5,625	3,455
Intangible fixed assets	(445,253)	(540,845)
(Investments)	(445,253)	(540,845)
Divestments		
Financial fixed assets	(511,159)	(2,849,117)
(Investments)	(511,159)	(2,992,262)
Divestments	-	143,145
Current financial assets		
(Investments)		
Divestments		
Cash flow from investing activities (B)	**(1,236,957)**	**(4,834,734)**

Third party funds		
Increase/(Decrease) in short-term bank payables	(3,884,029)	1,989,611
New loans	7,170,295	2,000,000
(Repayment of loans)	(3,633,804)	(2,570,514)
Own funds		
Paid-in share capital increase		
(Repayment of share capital)		
Disposal/(Acquisition) of treasury shares	-	(149,915)
(Dividends and advances on dividends paid)		
Cash flow from financing activities (C)	**(347,538)**	**1,269,182**
Increase/(decrease) in cash and cash equivalents (A ± B ± C)	**(3,866,603)**	**(4,512,423)**

Opening cash and cash equivalents	**6,479,394**	**10,991,817**
Bank and postal deposits	6,429,861	10,938,834
Cheques		
Cash on hand	49,533	52,983

Closing cash and cash equivalents	**2,612,791**	**6,479,394**
Bank and postal deposits	2,593,078	6,429,861
Checks		
Cash on hand	19,713	49,533