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Independent auditor's report

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

To the Shareholders of
RINA SpA

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of RINA SpA (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2020, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of the consolidated financial statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors and the board of statutory auditors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

- we identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- we concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- we obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on compliance with other laws and regulations

Opinion in accordance with article 14, paragraph 2, letter e), of Legislative Decree No. 39/10

The directors of RINA SpA are responsible for preparing a report on operations of the Group as of 31 December 2020, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of the Group as of 31 December 2020 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the consolidated financial statements of RINA SpA as of 31 December 2020 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

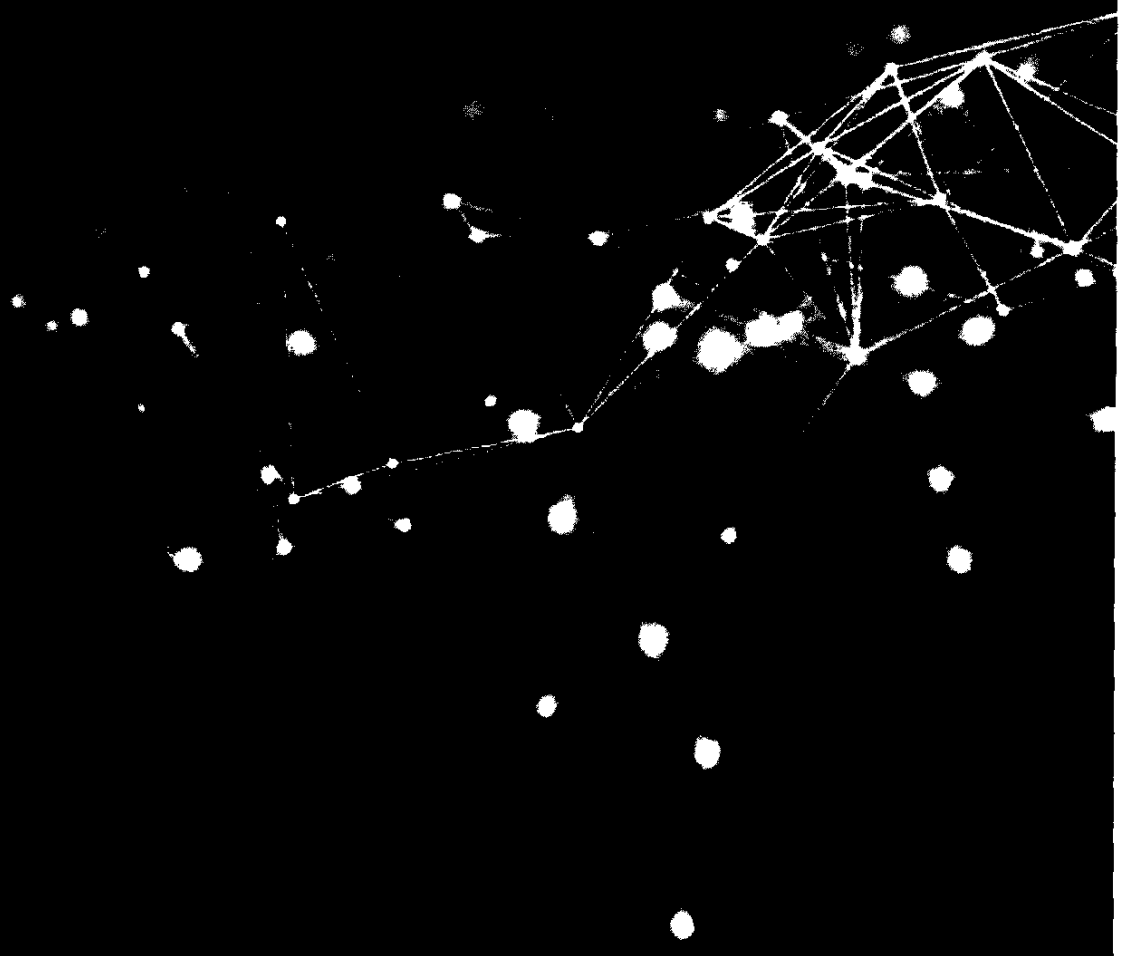
Genoa, 12 May 2021

PricewaterhouseCoopers SpA

Signed by

Andrea Manchelli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers



RI A

2020
CONSOLIDATED FINANCIAL STATEMENTS

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These financial statements have been translated into English from the Italian original solely for the convenience of international readers.

*Part of these Consolidated Financial Statements

REPORT ON OPERATIONS

at 31 December 2020

LETTER TO SHAREHOLDERS

Dear Shareholders,

These consolidated financial statements presented for your approval, with a detailed analysis in the Notes, offer a true overview of the RINA Group's ("RINA" or "the Group") financial position at 31 December 2020. This report intends to provide you with a complete and accurate analysis of the Group's situation and last year performance.

The Group, which operates through five Business Units, recorded a resilient 2020 in light of the general economic situation, heavily impacted by the Covid-19 pandemic declared in March last year. Despite the context, the year ended with volumes showing a growth of 4% compared to 2019, with a mirrored further improvement in profitability.

An ever-increasing attention to improving the effectiveness and efficiency of processes, and an ever-increasing focus on commercial action and Key Accounts, have proved to be a winning strategy for the Group even in this period of absolute difficulty. Furthermore, the Group found itself ready to operate in an agile way with all its companies internationally. Continued attention to innovation and digitalisation are the cornerstones of the resilience demonstrated by the Group.

This resilience was also demonstrated in November, when the Group was the victim of a Ramsonware-type cyber attack which - despite its scope - was effectively managed thanks to the prompt intervention of internal and external security structures. The countermeasures adopted made it possible to guarantee business continuity and the timely restoration of all systems. A complaint was filed with the pertinent authorities and insurance companies, and no ransom was paid.

MARKET SCENARIOS AND MACRO-ECONOMIC CONTEXT

2020 was characterised by a complex macroeconomic framework, as a consequence of the Covid-19 pandemic, with consequences for all economies. At the end of 2020, the International Monetary Fund forecasts a 4.9% global economic decline: a contraction which, however, will not be perceived in the same way by the various countries and regions of the world. The different levels of exposure to the disease, the different strategies and resilience in the short and long term, will be key elements in defining a new global ranking in the post-COVID scenario.

In this scenario, the price of oil, after touching negative values at the beginning of the pandemic, in April 2020 slowly recovered during the year, reaching around USD 50 per barrel at the end of the year.

RINA AND ITS INTERNATIONAL NETWORK

RINA S.p.A. ("RINA") was created by the Registro Italiano Navale as a private Company founded in Genoa, 1861, by a group of ship-owners and insurers aiming to guarantee ship quality. Over time, RINA has progressively expanded its fields of activity extending them to certification, testing, inspections and consulting engineering, becoming more and more a player that offers complete solutions to complex problems, partners of its customers.

RINA is now an international Company, with a European heart and a global footprint, present with over 170 offices in more than 60 countries, and able to offer a portfolio of integrated services to over 40,000 customers.

RINA is a market competitor, providing evaluation, control, certification and research services in compliance with national and international regulations for materials, design, technology, products and systems, including duties assigned by public administration and other authorities.

It is a founding member of the IACS (International Association of Classification Societies) and actively participates in technical, research and regulatory working groups, in various institutional contexts at national and international level, including Conforma and TIC Council within which RINA is chairman of the European Regional Steering Committee (aimed at promoting ICT role in European institutions; monitoring and guiding regulatory developments at European level; collecting information from national ICT associations).



RINA's global presence

MISSION, VISION & VALUES

RINA has always been committed to offering solutions in its reference markets by building partnership relationships to be recognised by customers as the best choice to support them in every development phase of a project.

RINA intends to evolve hand in hand with a changing world, transforming challenges into opportunities and ideas into solutions.

In a changing world, we increasingly focus on bringing people, business and our planet together to anticipate the challenges of the future and improve the quality of life. Our way of making it happen is by solving complexities thanks to our experience, achieving even what doesn't seem feasible.

This is possible thanks to our values, founding principles of our organisation that inspire everything we do:

- Integrity & Transparency
- Responsibility and result orientation
- Determination and flexibility
- Curiosity and expertise
- Collaboration and reliability

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

(2020-2022 period)

Corporate bodies

Chairman and CEO	SALERNO Ugo
Vice Presidents	CERRINA FERONI Marco
	DRAGO Giorgio
Director	
	CERNI Nazzareno
	GRIMALDI Emanuele
	PIERANTONI Paolo
	GAVIOLI Donatella

BOARD OF STATUTORY AUDITORS

(2020-2022 period)

Chairman	ILLUZZI Francesco
Statutory Auditors	GRAZZINI Giovanni
	GUASTONI Antonio
Alternate Auditors	MARESCA Enrico Giuseppe
	CAPPELLOTTO Lara

INDEPENDENT AUDITOR

(2019-2021 period)

PRICEWATERHOUSECOOPERS S.p.A.

CORPORATE GOVERNANCE

RINA's corporate governance is the set of processes and relationships that define the distribution of powers, duties and responsibilities between the roles and functions of the Group (parent Company, subsidiaries, boards of directors, boards of statutory auditors, shareholders, managing directors, chief executive officers, creditors, auditors, regulatory bodies and other stakeholders) and through which direction and control of the activities and services provided are exercised.

Corporate governance also minimises the emergence of conflicts of interest between stakeholders and between the various operating companies.

Corporate governance therefore incorporates the tools through which the following are defined: the Group's policy, strategies and economic objectives within the social, regulatory and market context in which it operates; the organisational structure for achieving the objectives; the control criteria of the ways in which the objectives are pursued and achieved.

It seeks to strike the best possible balance between the need for flexibility and rapid decision-making, while striving for transparent relations between the various managerial centres and external bodies, clearly indicating roles and responsibilities.

It provides for a Board of Directors and a Board of Statutory Auditors, both appointed by the Shareholders' Meeting. The former is responsible for defining investment and business development strategies and is endowed with the broadest powers of ordinary and extraordinary administration. The Board of Auditors ensures that we comply with the law and the Company by-laws, as well as correctly managing our corporate affairs. It also checks that the Company's organisational structure, internal control and accounting-administration systems are adequate. External auditing activities are performed by a Company registered to CONSOB roll, appointed by the Shareholders' assembly.

A central element of RINA's corporate governance is the Parent Company RINA S.p.A.'s management and coordination of the Subsidiaries RINA Services S.p.A. and RINA Consulting S.p.A., on strategic, macro-organisational, qualitative, managerial, business surveillance, financial and administrative levels while the management and coordination from a technical and operational point of view remains excluded, which remains in the responsibility of RINA Services S.p.A. and RINA Consulting S.p.A.

The Parent Company's management and coordination action is carried out through: the central management by the Parent Company of staff functions, provided as "services" for the benefit of the Subsidiaries, in order to achieve economies of scale and ensure management uniformity and effectiveness of the control; functional coordination between the corporate administration and control bodies of the Parent Company and those of the Subsidiaries; the definition of operational tools such as policies, directives, information flows and coordination and sharing advisory committees; the creation of a system of formal acknowledgement by the Parent Company on particularly important initiatives, programs and investments to be made by the Subsidiaries, to ensure the consistency of the management choices of each subsidiary with the strategic Group choices and policies.

The mechanisms through which the Parent Company exercises the power of direction and coordination over the Subsidiaries (with the exclusion of technical control) are governed by specific Group Regulation, which is adopted by the Governing Bodies of the Parent Company and of the Subsidiaries.

Membership in the Group and adherence to the Regulation do not compromise the autonomy of the Subsidiaries, as subjects who independently carry out business activities, within the scope of the Group's single plan.

ORGANISATIONAL STRUCTURE

The RINA Group is made up of the parent Company RINA S.p.A., which controls the two operating companies RINA Services S.p.A. and RINA Consulting S.p.A., which in turn control other companies in the area.

The operating subsidiaries provide services in five markets: maritime, certification, energy, industry and infrastructure, and transport. In March 2021, the Company concluded a new reorganisation with the reassignment of some activities within the business units; this in order to always guarantee better commercial performance and improve the Company's ability to adapt operating models to new market scenarios.

The parent Company supports the operating companies by making the so-called "central" services (administration, finance and control; marketing; human resources management; IT; procurement; legal department) available to them.

Subsidiaries can be grouped into two macro-categories of services: companies that mainly perform so-called "TIC" (Testing, Inspection & Certification) conformity assessment services, generally by virtue of authorisations such as accreditations, authorisations and notifications and companies that mainly perform so-called "CE" engineering consultancy.

The strict separation of functions in the governing bodies and the management of conflict of interest, which through risk analysis identifies and manages the threats deriving from intra-group relations, guarantee compliance with the applicable rules on impartiality.

This allows the operating companies to serve customer in all phases of asset management, from design to commissioning, up to maintenance during operation and allows RINA to face the challenges of the markets and guarantee visibility of performance, growing flexibility and more space for innovation and enhancement of the Company's strengths, with a view to continuous improvement.

The RINA Group's organisational structure is focused on five key markets for the Group so that it is able to better meet the challenges of the markets and guarantee visibility of performance, increasing flexibility and greater scope for innovating and enhancing its strong points to improve customer service.

To further strengthen the Group's business, a "Marketing & Sales" commercial function was also created, focused on Key Accounts and on the definition of business plans and initiatives.

Alongside the Business Units, and in support of all the Group's activities, there are the staff structures which - always with a view to providing the best and most effective service possible - implemented important innovations during the year.

In particular, the foreign administrative structures were centralised, creating an International Administration structure, to further strengthen the coordination and adoption of homogeneous processes and procedures.

Furthermore, the Operational Excellence and Human Capital functions have been created within HR, to guarantee, on the one hand, the continuous improvement of operational processes and, on the other, to make the most of human capital and its skills, the Company's main asset.

SIGNIFICANT EVENTS DURING THE PERIOD

From an operational point of view, the Group recorded organic growth in revenues compared to 2019 equal to about 4%, much higher than the average of the reference markets - and even better management performance in terms of profitability, with a growth of about 20% compared to the exercise you precede. Also from a financial point of view,

the performance was positive, with a net financial position of -125 million Euro, excluding the effect deriving from the application of the IFRS16 standard, and a marginal improvement in customer collections which is a positive figure. given the general context.

During the year, the Group as a whole achieved operating revenues of around EURO 490 million, with a profit of 13.3%.

During the year, the Group continued to focus on core business, and developed the new strategy for the next three years based substantially on three strategic pillars, in particular the development of a partnership with customers for the solution of complex problems, leveraging skills to contribute to the sustainable growth of customers and ultimately continue to innovate in order to be always ready for any changes in the market.

At the level of the individual businesses, Marine and Certification performed well. The former had a fleet value of 50 million GT, bringing its revenues to approximately Euro 135 million with growth up by approximately 6% on the previous year, while the latter had growth of 6.4%, exceeding Euro 95 million.

The Energy sector recorded an upward trend compared to 2019, with a 30% increase in volumes as a result of a project in Libya, already in the portfolio at the end of 2019, which contributed with a volume of approximately Euro 23 million in volumes.

The other business sectors were more impacted by the consequences of the pandemic in progress, the performance of the Transport and Infrastructure sector recorded a -9% compared to the previous year and the Industry sector with a contraction of 11% compared to 2019. Moreover, the effect on the margin of this contraction was contained following the adoption of all measures in support of businesses adopted by governments in this period.

We also stepped up our investment plan in research and digitalisation during the year, focusing on new products, new technology, human resources training and internal quality control. These moves were deemed necessary to maintain and boost the technical professional skills of our employees and the Group's ability to compete internationally.

During 2020, Group employees followed a total of around 179,000 hours of classroom and on the job training courses in addition to a total of 216,000 hours of research and development activities.

At 31 December 2020, the Group had 3,836 employees, of whom 72.47% are graduates, belonging to around 94 different nationalities and with an average age of 42.9.

We provide detailed comments on the Group's main business areas below.

Marine

The Marine Business (in which the operating sub-holding RINA Services S.p.A. and its foreign subsidiaries mainly operate) achieved overall revenues of 135 million Euro, equal to 28% of total revenues; with an increase of 5.5% compared to the previous year, and with a growth in the classified fleet of 9% which led to the close of 2020 at over 50 mGT.

If the cruise/passenger sector, usually strategic for the Group, was affected by the limitations due to Covid-19, other sectors such as the classification of merchant ships and of value-added and digital services confirmed two strategic trends.

In particular, the main components of revenues are:

- the new construction surveillance and testing sector which reached a value of over 33 million Euro, in line with that of the previous year, although activity was slowed down by the closures of manufacturers and construction sites during lock down periods, confirming a significant positioning in the sector of new construction of passenger ships and units with high technological content, including buildings equipped with LNG propulsion or assisted by batteries to achieve the goal of zero emissions in port also for 2020.

- revenues for services on ships in operation have reached a total value of over 70 million Euro with a growth of 7% compared to 2019, achieved above all thanks to the acquisition of new classification contracts in strategic areas, including Greece, Northern Europe, Hong Kong and China.

- the activities of the naval technical sector achieved revenues of 16 million Euro, with an increase of 47% compared to the previous year, largely due to the activities carried out to support shipowners to implement the actions necessary to achieve compliance with environmental regulations introduced during the year and to support activities for designers and construction sites in the implementation of innovative solutions in the framework of the energy transition of the shipping sector.

- Classification, construction surveillance and certification activities in the pleasure craft sector increased compared to the previous year, reaching approximately 12 million Euro, thanks to the further consolidation of our position in Italian shipyards, which hold world leadership in this sector, and the increase in activities in interesting foreign markets such as Northern Europe and Turkey.

Market growth was confirmed in 2020 for the main shipbuilders, both in the passenger, specialised and cargo ship sectors, the latter primarily in Greece, Northern Europe and Asia. In the segment of passenger ships and units with high technological content, further orders were placed, mainly in Italy and at Asian shipyards, which foresee deliveries until 2026. Furthermore, foundations were laid during the year for the acquisition of further orders for cruise ships in the Luxury sector, for Ro-Ro cargo and passenger ships with innovative technological contents and for cargo ships of European shipowners. During the year, the shipping sector continued to show interest in activities related to improving fleet management efficiency, energy efficiency as well as software for electronic management of logbooks, for the maintenance of inventories of hazardous materials on board and for predictive maintenance activities. Although the main investments were aimed at the activities necessary to adapt the fleets to the requirements of the international regulations that came into force in the year or soon to be applied, important collaborations were started during the year with research institutes, designers and engine manufacturers for the development of innovative projects in the field of alternative fuels, such as ammonia and methanol. During 2020, the Fleet Operating Center (FOC) was also inaugurated in the Piraeus offices. Thanks to this system, RINA will be able to manage classified ships even more accurately and efficiently all over the world. This transaction is part of the Company's long-term strategy to further strengthen its presence in Greece.

During the year, in order to guarantee the operational continuity of our fleet in the period of the Pandemic, we significantly increased remote inspection activities, carrying out over 2,000 visits on board through a dedicated SW and obtaining, first in the world, the recognition to conduct audits remotely by the Liberian administration. Still with a view to guaranteeing service continuity, we have prepared and released the additional Biosafe Ship class notation, which certifies that the ships that have obtained it are equipped with systems, components and operating procedures that mitigate biological risk.

As mentioned, the classified fleet increased to 50 million GT, up by 9% on 2020. This result is of particular importance, since despite an important growth due above all to the entry of ships already in operation, the average age of the fleet has remained constant compared to the previous year, thanks to the entry of young ships in operation, including some new constructions that acquired the RINA class upon their delivery. As in the previous year, the number of ships exiting scrapping class remained low, mainly as a result of the fact that the fleet in operation in 2020 had already been adapted to meet the requirements of the environmental regulations that came into force in previous years. Finally, it should be noted that, in terms of tonnage, the fleet of foreign interests continued to grow during 2020 compared to that of Italian interests, confirming the trend of previous years.

As in previous years, performance in the Port State Control programs once again kept RINA in an excellent position in the international panorama.

At 31 December 2020, the new construction portfolio has approximately 590 ships for a total of 4.6 MGT, with a slight decrease compared to the previous year following the decrease in orders placed in the second and third quarter of the year due to the uncertainties determined by the Pandemic. Confirming the trend of recent years, orders for passenger ships and specialised units with high technological content continue to balance the geographical distribution of new constructions between Europe and Asia.

In 2020, the Group consolidated recognitions from 116 public authorities, while negotiations with other public authorities are currently ongoing.

As for the activities related to Pleasure crafts, the sector grew by 5% compared to the previous year, thanks to the increase in surveillance activities for the construction and classification of increasingly larger units, over 50 metres in length, and to the classification of commercial yachts already in operation. Still in the field of yachting, we have increased advisory services with high added value, such as activities aimed at mitigating noise and vibrations and monitoring the construction of the hulls of giga yachts on behalf of the shipyards themselves. During the year, 90 new projects were delivered, for a total of over 32,000 linear metres, at construction sites in Italy, the Netherlands, Turkey, the United Kingdom and the United Arab Emirates.

Within the naval vessels sector, 2020 results were slightly lower than the previous year due to the slowdown in new construction during the months of lock down. However, in the second half of the year the activity reached high levels as we were engaged in the surveillance of a considerable number of units under construction. In particular, RINA is following the construction of the ITS Trieste Landing Helicopter Deck, the Logistic Support Ship (LSS) and 7 Offshore Multipurpose Patrol vessels (PPA) for the Italian Navy. We are following 4 Corvettes, 2 Offshore Patrol Vessels and a Landing Platform Dock (LPD) for the Qatar Navy. Finally, units were delivered for foreign navies during 2020 such as the second mine hunter for the Algerian Navy and the first of the two FREMM frigates for the Egyptian Navy.

The forecast for 2021, in line with what has also been demonstrated by our main competitors, confirm the ongoing

moderately positive trend.

Certification

2020 consolidates the result already recorded in 2019 as regards industrial services, management systems and personnel certification.

Specifically, in Italy, which represents the core of certification activities, with a face of a 7.9% gap in revenues compared to the 2020 budget (but with a growth of 1.9% compared to the 2019 budget) a 14.1% growth in the contribution margin compared to the 2020 budget and 26% compared to the 2019 budget were recorded.

These results were also achieved, starting from March 2020, through the conduct of remote audits, thus ensuring business continuity for customers.

In fact, despite the difficulties caused by the pandemic, the number of certified companies continues to grow. In 2020, the number of companies certified by RINA is 34,477 with an increase of over 9% compared to the previous year.

In Italy, the market share of the management systems monitored by Accredia rises from 14.8% to 15.6%, further distancing the other competitors (in the order IMQ, Certiquality, DNV).

2020 included the consolidation of new services especially for the Italian market and in the context of circular economy sustainability. In fact, the leadership in Italy for the certification of biofuels as well as in China has also been confirmed for 2020.

Revenues from certification as a whole are in line with 2019, with international business at 18%. Margins increased from 15% to 16%.

During 2020, almost all technical and commercial activities were carried out in "remote" mode (remote audits and meetings via call with customers and partners).

In addition to a significant reduction in costs, this also resulted in preventing personnel from spreading the virus.

To help organisations cope with Covid - 19, in May 2020, RINA launched the "Biosafety Trust" certification, the first certification scheme for management systems to prevent and mitigate the spread of infections to protect personal health against biological agents.

This scheme, based on the systemic approach of the ISO standards on management systems, also has a particular focus on the analysis of the behaviour of Organisational Behaviour Management (OBM), the discipline based on the scientific laws that explain human behaviour and allow its forecasting and control

The scheme was developed in the period when our customers were looking for tools to contrast the pandemic in progress. ACEA, Acquario di Genova, Rome Ciampino and Fiumicino Airports, Carlo Felice Theatre, Ansaldo Energia, Grandi Navi Veloci, Bocconi University, Carnival and Trenitalia are among the main customers.

In addition to the Biosafety Trust Certification, the following were developed in 2020:

- compliance control (documentary) on surgical masks and PPE;

• verification of vegetable agri-food products with synthetic pesticide residues lower than 100% of the residue maximum allowed to guarantee consumers a low level of pesticide residues in products vegetable agri-food;

• verification of the quality of sustainable aquaculture: the objective of the certification scheme is to qualify aquaculture by improving the products from the point of view of quality and the production process from the sustainability and well-being of livestock point of views.

During the year, support was also consolidated in the development of biomethane, a biogas which, after a refining process to reach a minimum concentration of methane of 95% and in compliance with current legislation, can be used as a biofuel for motor vehicles as a replacement of natural gas or methane produced from fossil fuels.

RINA, first in Italy, has in fact started to work in this sector with the certification of Montello S.p.A. for which it has issued the sustainability certification for the biomethane obtained from the anaerobic digestion of the Organic Fraction of Urban Solid Waste (FORSU).

In 2020 RINA certified 13 organisations, the majority of which for the production of biogas from FORSU but also from residues from agri-food processing, residues from the processing of pomace and wine lees, from sewage and landfill sludge.

ENERGY

The activities of the Energy Business Unit include all the Oil & Gas, electric generation and environmental and sustainability initiatives and achieved a total of EURO 182 million revenues compared to EURO 170 million in the previous year.

Oil & Gas (Consulting & Operations)

2020 was a very complex year marked by the spread of the SARS-CoV-2 virus, with the known serious repercussions on the global economy and the hard impact on the Energy and Oil & Gas market in particular. Brent fell to below $ 20 bbl in April, and then slowly climbed back to reach the $ 60/bbl threshold again at the end of the year. In this scenario of enormous uncertainty, many investments have been postponed and others have been cancelled, with a direct and significant impact on the service providing companies.

For the Oil & Gas business line, the year began with a very positive first quarter, thanks to the rich order backlog accumulated in the second half of 2019. Since March, however, the impact of the pandemic has become significant, the operating methods (remote working) have changed and the way of interacting with customers has changed, given the growing restrictions on travel. In this context, the trade effort and the continuous attention to updating the service portfolio were essential to be able to achieve results. The mobility restrictions have had a great impact on Inspection & Field activities, a decline which was however offset by the Consulting activities with over 50 million Euro in revenues and 9 million in margin. Important orders were acquired during the year, allowing us to start 2021 with a solid pipeline.

Geotechnical and geophysical investigations have made a fundamental contribution, especially thanks to the mega projects of the North Gas Complex of Eni Angola and, above all, to the project relating to A&E Structures in the expansion of the NC41 complex of Mellitah Oil & Gas in Libya. As part of this project, activities related to geomorphological, geophysical, geotechnical and environmental investigation were carried out, managing to complete

an extremely complex initiative that saw four ships and a jack-up platform and onshore activities in Libya operational, which has caused various additional difficulties and complexities.

The activities relating to offshore investigations alone contributed to an important result, accounting for approximately Euro 32 million of Group revenues. The year experienced significant growth and diversification of GET geotechnical laboratory customers which accompanied the traditional oil & gas market with a significant involvement in numerous offshore renewable projects in Northern Europe.

As regards consultancy activities, the growth in volumes compared to 2019 took place thanks to the drive in asset integrity management and O&M Engineering services to refining and petrochemical plants in Italy and abroad where inspection and coordination capacities are well integrated with engineering skills on the plant process, as well as in corrosion, design and safety.

LNG will continue to be a strategic supply chain in the coming years and to constitute a fundamental element during the energy transition. In this context we can mention the multidisciplinary engineering framework contract signed with Vopak and the first assignment received for the execution of the feasibility study, support for permitting and assistance for the tender for the FEED of the LNG terminal in Port Quasim in Pakistan, this is the expansion of the existing onshore terminal necessary to compensate for the planned reduction in domestic gas production. This contract allows us to consolidate our presence in the region and opens an important channel of collaboration with Vopak.

Another important milestone in 2020 is the completion of the first phase of the PMC project for SWAN's LNG terminal in Jafrabat, Gujarat, India. This is a 43-month lump sum contract which was completed by the Indian team. At the end of this contract, an extension was signed for a further 15 months: an important project, followed by RINA from the pre-feasibility phases and for all the development and implementation phases, including jetty, dredging, dam, coastal protection works, earthworks, utilities and facilities.

The geographical presence, the broad portfolio of services offered and the multiplicity of internal skills were the main levers that allowed the Group to achieve these important results in 2020 and also to build an important order portfolio, continuing among other things the expansion of the foreign customer base (50% of new orders acquired during the year).

Another result worth mentioning is the growth in engineering activities in Brazil, where a multi-year contract with Petrobras was signed for the "Sinergia Diverless" project, aimed at reducing the risks associated with diving activities. The project team, consisting of 12 Brazilian engineers, is working with Petrobras to maximise the use of new technologies and optimise operational processes in order to increase the safety of operations and reduce diving activities.

As regards North America, in addition to the continuous support given to ENI US in the asset integrity management activities on the assets in the Gulf of Mexico and Alaska, the RCM studies for the Canada LNG plant in Kitimat carried out for the JV between JGC and Fluor are also worthy of note.

Another important project for asset integrity management and reliability services is the EPC of the BAB Integrated Facilities Project (BIFP) in the United Arab Emirates. It is an important project for ADNOC Onshore, as it is the first project where SAP is implemented after the migration from Maximo.

Furthermore, 2020 was an important year for the growth of initiatives related to decarbonisation, with numerous involvements, for example, in projects related to the development of offshore wind farms and initiatives related to the capture and segregation of carbon dioxide (CCS), leveraging the expertise in specialised fields such as process

engineering, offshore and sub-sea structure engineering, geotechnics, risk and safety engineering, to name the main ones.

In the field of on-site inspections and supervision, we experienced the consolidation of the relationship with SBM which, within the VI&E contract, was able to expand the inspection volume of the activities also thanks to the start of construction of the fourth ship, in addition to the first three, assigned in single source.

Despite the pandemic, some regions such as Asia and Africa, as well as some European countries such as Italy and the UK, have managed to amortise the critical issues deriving from the economic crisis, reaching and, in some cases, even exceeding the pre-pandemic budget targets. These results were achieved thanks to projects such as the supervision of the construction of the Merakes Gas Field project in Indonesia, in addition to the previous one already supervised by Jangkrik, and the supervision of the construction of the Samsung C&T power plants in Korea.

In Africa, activities remained at high production levels throughout 2020, especially in Congo and Egypt. In Angola, the acquisition of a new PMESS (Project Management and Engineering Support) project for ENI provided a backlog estimated at least 25 MUSD in three years and allowed a stable positioning in the country.

Power

In 2020, activities in the Power segment fell into three broad categories:

Renewable energies, in which Owner Engineering services complemented the more traditional Independent Engineering and Performance Engineering services. The strong increase in requests for consultancy and advisory services in the energy storage sector should be highlighted.

Grid: a sector heavily centred in Great Britain, where consultancy services are provided, mainly relating to electricity on the distribution grids, substations, lightening protection and grounding systems. Scottish Southern Electric SSE and Electricity North West ENW stand out among the largest customers in 2020.

2020 was characterised by good results in the area of grid connection services thanks to the acquisition of important contracts in the offshore wind sector. As previously mentioned, this business is mainly based in the United Kingdom, nevertheless important contracts were acquired in other countries during 2020 such as, for example, Australia where a technical consultancy contract was won during the Due Diligence process for the lithium-ion battery storage facility to be built in the Queensland region and which will be integrated into a larger photovoltaic project. Furthermore, substantial opportunities have arisen elsewhere for which it has been decided to open a new office in Vietnam and the acquisition of further contracts outside Europe is expected.

Renewables recorded good business performance in almost all regions and in particular in Europe, Asia, Australia and Sub-Saharan Africa despite the difficult conditions caused by the global pandemic. In particular, in South Africa, 2020, with the Droogfontein 2 project, led to the acquisition of the first Owner Engineering contract during the construction phase of a large-scale photovoltaic plant, paving the way for the acquisition of further activities in this area for years to come.

The outcomes in the Americas where the effect of the pandemic was more marked were decidedly less positive. In particular, the USA and Mexico reported lower results than expected at the end of 2019.

2020 led to the consolidation of the office in Spain which maintains a key role in the provision of services on the local market as well as a support function for the US office for activities with South American customers.

During the year there was a strong growth in the activities provided in the field of renewables and grids on behalf of major international financial institutions such as the World Bank, European Bank for Reconstruction and Development, Asian Development Bank, KfW.

The effort related to the evolution of services increasingly characterised by the theme of digitisation continues successfully: the development of systems for remote management of the plant is now consolidated (Optimum Solar system).

Environment and sustainability

In this sector, the services provided by the Energy Business Unit include environmental and social studies; assistance in permitting works and infrastructures in Italy and abroad; environmental modelling and monitoring; characterisation of contaminated industrial sites in preparation for environmental risk analysis and design of reclamation and restoration interventions of water and soil matrices where contaminated; third-party technical and environmental audits and due diligences in the context of Merger & Acquisition transactions or on behalf of financial investors in Italy and abroad; environmental sustainability analysis for products and processes; studies in the field of energy efficiency (civil buildings, "high energy consumption" industrial processes, renewable plants, etc.), technical assistance to International Financial Institutions (IFIs) in the context of large investments in developing countries.

The energy transition and the growing interest in sustainability issues have led to an interesting growth in activity compared to 2019, also through the development of new services, such as:

- Due diligence and environmental and social audits (remotely) in the context of project financing;
- Digital mapping of sensitive areas from a territorial, environmental and biodiversity point of view for conventional and renewable energy plants
- Climate change risk assessment in accordance with Equator Principles IV
- Support services for "Green Bonds" (financial instruments whose issue is linked to projects that have a positive impact on the environment, such as energy efficiency, the production of energy from clean sources, sustainable use of land etc.)
- Support to DFI in the development of Investment Plans for industrial customers for the transition from a linear to a circular economy model

In the International Financial Development sector, the growth trend continued both in terms of specialist consultancy in the environment and social sector in support of large projects funded by pools of commercial banks and credit agencies in support of investments, but also as technical advisers for the monitoring of financing programmes for green energy projects and supporting small and medium businesses. With regard to this last aspect, the consolidation of RINA's leading position in support of EBRD, by participating in the program to support the competitiveness of SMEs, should be noted.

During 2020, the support service to companies and financial institutions was launched for the assessment of physical

and transition risk connected to climate change, which was applied in the process of evaluating and monitoring projects financed by international donors and consolidated at the same time as the progressive adoption of practices and metrics related to "Sustainable Finance". This service was then further developed during the year, extending to the assessment of social and governance aspects and extending coverage to the entire supply chain of large companies, forming the basis for support activities for companies and banks in ESG scope.

In 2020 the environmental and social due diligence activities in the field of project financing expanded by incorporating the dedicated teams, located in Washington DC and Istanbul and opening, at the end of 2020, a new office in Ho Chi Minh City, Vietnam, with the purpose to develop this sector in Asia. Despite the limitations imposed by COVID-19 on the execution of site activities, which are an integral part of the business, 2020 confirmed the margins produced by this sector in previous years, with important acquisitions such as the Arctic LNG 2 terminal, located in the polar Arctic, and the SuperSix Winfarms in Pakistan.

In terms of permitting and support during the authorisation process, activities in this area continued in a profitable way both in Italy with established customers (Eni, Edison, IP Production, A2A, Terminale GNL Adriatico, etc.) and with new global acquisitions relating to projects in the Oil & Gas and Power sectors and certain large infrastructures. Among the various important projects followed by the permitting team, it is worth mentioning the support provided to Trans Adriatic Pipeline AG (TAP) and IGI Poseidon for the fulfilment of the obligation deriving from the authorisation decrees by providing both permitting activities and specialised services for monitoring the physical (air, noise, etc.) and biological (vegetation, fauna and both terrestrial and marine habitats) aspects. Environmental vulnerability mapping activities and subsequent definition of action plans are in progress with some customers in the energy sector (at various stages of progress). At the end of the year, environmental analysis/siting/environmental pre-feasibility services were launched in the context of projects linked to the energy transition (production of hydrogen from renewable sources, CCS, pumping plants, etc.).

Transport & Infrastructures (Real Estate & Infrastructures)

It should be noted that the Group implemented a corporate reorganisation in 2020, approved by the Company's Board of Directors, which involved a change in the scope of operations of the Transport & Infrastructures BU. In particular, the structural change resulted in the reallocation of part of the Transport and Infrastructures (Transport and Mobility) business within Energy and Certification, and the T&I BU was renamed to Real Estate & Infrastructures (RE&I).

Transport and Mobility

In particular, in addition to the enhancement of traditional services, the BU in the Infrastructure and Transport sector focused, on the development and promotion of PMC activities applied to large infrastructure and transport projects as well as technical support and consultancy activities in the Mobility sector in 2020.

The PMC, which in recent years has mainly been the subject of services developed abroad, has been applied since 2019 to the new project Viadotto Polcevera, which was completed in 2020. It was certainly an extremely demanding project for the BU, due to the number of resources involved, the tight deadlines and the visibility of the project due to the importance of the infrastructure for the country.

The emergency actions for the intensive and semi-intensive care units (Piemonte, Calabria and Puglia) are included on behalf of the Presidency of the Council of Ministers. The scope of the work is linked to the preparation and expansion of intensive and semi-intensive care units for hospitals in the areas of Cuneo, Bari and Cosenza. The goal is to improve the resilience of the Italian health system with respect to the COVID-19 emergency.

RINA is carrying out technical-financial consultancy activities for the Public Administration aimed at creating an extraordinary maintenance management system for road infrastructures. The purpose of the work is to provide the Customer (Cassa Depositi e Prestiti) with a Road Asset Management solution (including SW/HW technologies and the most suitable asset management procedures) to be integrated in order to contain the costs of implementing extraordinary maintenance. of the streets.

In the large infrastructure sector, RINA is implementing the structural condition (SHMS) and corrosion monitoring system (Corrosion Monitoring System) for the Storstrøm Bridge project in Denmark.

Construction of the Storstrøm bridge is under way by SBJV, an Italian joint venture led by Itinera SpA. The 3.84km structure will become Denmark's third largest bridge, connecting Zealand and Falster Island via Masnedø.

In the port sector, the Masterplan, Feasibility study and detailed engineering design for the modernisation and expansion of the Lake Victoria ports of Mwanza, Musoma, Bukoba, Kemondo Bay and Nansio for the Port Authority of Tanzania constitutes, after the recent experiences in the Middle East, another important support contract for the Owner on the international scene.

Alongside ANAS, RINA operated within the Framework Agreement with ANAS DG 27/17 Lot 1 - Framework Agreement for the definitive and executive design for works to be designed for an amount between Euro 50,000,000.00 and Euro 100,000,000.00, for each implementation contract, Territorial Coordination No. 6 Adriatica (Abruzzo, Molise, Puglia). RINA has acquired the Application Contract for the definitive design of the SS17 Lot 0 connection between the Pesche junction at km 181 + 500 of S.S. 17 and Lot 1 of the S.S.V. Isernia-Castel di Sangro.

With reference to transport infrastructures, the feasibility study for the western extension of the Genoa metro. The scope of the project included the feasibility study and the definition of the design criteria of the railway track relating to the extension of the current Genoa underground for a new route between the existing "Dinegro" station and the future "Fiumara" station, with the intermediate stops of "Via Dino Col", "Villa Scassi" and "Piazza Montano".

The importance of the project also lies in the fact that the extension of the underground will have an impact on the public transport system of the whole city, helping to limit congestion due to private cars in the western part of Genoa.

Again in the sector of Infrastructures relating to Transport Systems, the new Due Diligence project aimed at evaluating the transport systems of the Jerusalem Tramway and aimed at supporting the process of transferring the licenses of the service between the old and the new operator should be noted. This contract follows the multi-year contract for technical assistance and multi-year support for the construction of the urban transport system of the city of Tel Aviv

and confirms the Company's improved positioning in Israel. Furthermore, in 2020 the continuity of the previous years is confirmed on project activities in geographical areas already manned such as Turkey, Tanzania and Australia.

In particular, we note the continuation of the technical support assignment in Tanzania, confirming the presence of the business commitment in the area, regarding technical assistance and supervision of works for a railway line in Tanzania.

As regards Mobility aspects, the growing involvement in the field of electric mobility (e-bus) is highlighted, confirmed by the Contract with ENEL-X for transport studies associated with various Italian cities.

Real Estate

The Real Estate Business Unit also includes activities in the real estate world that refer to the Company Rina Prime, established at the end of 2019 from the merger with Axia and with the technical services branch conferred by Rina Services. The most important services provided to customers of primary importance, banks and insurance companies in particular are property valuations, mortgage appraisals, technical services on properties, in particular project monitoring and real estate due diligence. In October 2020, Rina Prime established Prime Green Solutions S.p.A., a Company created to operate in the building renovation sector as a general contractor in the activities subject to tax bonuses, in particular the so-called "110% super bonus".

Rina Prime Value Services consolidated its position in the Real Estate market by integrating the service panel under various profiles; in terms of ESG and Sustainability, new services have been developed for ESG compliant companies also in compliance with the SDFR Regulation on sustainability-related disclosures in the financial services sector SDFR (Reg 2019/2018).

In terms of Ecobonus, Rina Prime has developed the technical services included in the supply chain and work flows envisaged by the Superbonus legislation, introduced by the "Decreto Rilancio".

As part of the services related to Asset integrity, kpi monitoring and service level agreement, Rina Prime has consolidated its leadership by acquiring significant multi-year contracts not only for Corporate but also for SGR, monitoring the portfolio and multi-site assets distributed throughout the territory.

In the IT field, the ARES 2.0 tool (Auction Real Estate System) was developed, the Company NPLs RE Solutions (controlled by Rina Prime) has unique Big Data Analytics in the Italian NPE sector, consisting of proprietor algorithms and machine learning programs and available to its customers, to scientifically manage all recovery scenarios (judicial, extra-judicial, repossessed), with the aim of drastically shortening recovery times, increasing cash flows, with significant economic savings in costs of management.

In the market of accredited audits, in particular the UNI CEI EN ISO/IEC 17020, Rina Check has maintained and consolidated its market leadership, winning among other important orders such as the verification of the design of the new Dam of the Port of Genoa, the verification of the design of the new tram lines of the municipality of Florence, an activity that falls within the ESG principles of green mobility, the verification of the new Cortina cable car project, a facility inaugurated for the recently concluded ski world championships and in the perspective of the Milan - Cortina 2026 Olympics. Worthy of note is the contract awarded in January 2021 relating to the verification of the final and executive project of the ISEO - FNM SpA hydrogen plant (it will be used to power the first hydrogen electric trains,

produced by Alstom and destined for the first Italian "Hydrogen Valley" in Valcamonica for the creation of a trip with zero environmental impact, through the decarbonisation of transport and the development of a territorial hydrogen supply chain).

The new "My Check" software was developed and put into production for the digitalised management of design verification orders, a tool that, with full entry into force in 2021 and 2022, will make it possible to optimise production processes and obtain competitive advantage in tenders. The activity on the verification of digitised "BIM" projects continues, a technology that in the next few years will be destined to support and progressively replace traditional design.

Rina Services and Rina Prime continued and will also renew the monitoring of the state of the tunnels in operation in 2021 on behalf of Autostrade per l'Italia, mainly through tests with georadar whose value is approximately Euro 700 thousand per year.

Industry

The Industry Business Unit provides on-premises engineering services, specialist consultancy and support for research, development and innovation projects to the manufacturing, steel, energy, aerospace and defence industries.

Industry supports its customers where specialist skills, materials, technologies and innovation play a fundamental role.

Business Unit operated in a context of uncertainty and complexity in 2020. The onset of the COVID-19 pandemic required an immediate response and a change in the operating model to ensure that we could place the safety and health of our colleagues and customers at the heart of a resilient business model. RINA's collective response enabled the mitigation and elimination of the risks of many of the challenges faced and ensured that Industry was able to adapt to an ever-changing environment, highlighting significant resilience in 2020 performance.

RINA has in fact implemented operating models capable of guaranteeing the highest security and business continuity protocols for its resources and for our partners, both customers and suppliers.

This is particularly evident for all those activities that could not be managed remotely in "smart work" mode, such as activities at customer sites and plants.

These activities were carried out using innovative technologies that made it possible to remotely control visits and "on field" activities. Enhanced safety protocols have been implemented in the laboratories.

At the business level, in the overall uncertainty, the holding of some sectors, such as space, defence and the O&G chain, was observed, while a general slowdown in investments was observed, particularly in the manufacturing sector, contrasted by an increased trade effort.

2020 was characterised by 50 million Euro in revenues and a gross margin of 5.9 million Euro for INDUSTRY.

During 2020 the process of dialogue and sharing of knowledge and opportunities continued within the division and between RINA's various BUs.

RINA's participation in the main research and development programmes is a fundamental part of the business model, allowing for the validation of innovative technical solutions and the promotion of technology transfer between different industrial applications.

In 2020, the strengthening of participation in research programs at national and European level continued, in particular on:

- Deep technologies: including the suite of Industry 4.0 technologies and in particular Artificial Intelligence, additive manufacturing and 5G
- Circular economy and sustainability - in particular with projects that aim to develop sustainable industrial solutions by reusing and recycling materials, thus reducing the volume of waste and trying to identify a solution to reduce carbon emissions
- Security and resilience - with projects dedicated to critical infrastructures.

The experience acquired by RINA in highly demanding sectors such as space and defence has given the Business line the unique ability to be an important partner in strategic development programs for governments and public bodies and the ability to support industrial operators in the development of projects. Engineering services cover the entire project life cycle, in compliance with engineering and military standards. RINA has an unparalleled expertise in the development of new materials and processes, in the application of innovative production techniques, the integration of critical systems, the design and implementation of training programs, the design and development of engineering software and ICT solutions.

Materials, Technology & Innovation closed 2020 with approximately 31 million in revenues (34.83 million in revenues in 2019 and 31.2 Euro in 2018). Its strengths remain the technical services offered to businesses that seek to develop an innovation process for their products/processes offering services of scenario analysis and technology "road mapping", technological "scouting" and formulation of the business plan, including LCA and GHG assessments, preliminary design and related validation, testing and prototyping (enhancing the RINA laboratories in Italy and the UK), management of industrial property and "technology transfer".

Overall, the labs performed over 800,000 hours of high temperature stress testing on steel samples in 2020, along with over 400,000 hours of corrosion stress testing; in addition, special tests were carried out for the qualification of materials and components for the use of hydrogen, strengthening RINA's positioning in a new circular economy in which it is necessary to create a model of regenerative growth that returns to the planet more than intended.

From a commercial point of view, in 2020 new framework contracts were acquired with important customers (e.g. ACEA, E-Distribuzione, Enel Green Power, INELFE, National Grid ...) as well as a 1.6 M Euro contract with ThyssenKrupp Electrical Steel, confirming the recognition of our specific expertise.

In 2020, MTI issued over 135 million Euro of offers (compared to 130 million Euro in 2019) and over 8 million Euro of contracts for research and development initiatives were acquired (compared to 7.6 million Euro in 2019), confirming the ability to intercept market needs, despite the pandemic.

The Space & Defence (S&D) Business Line closed 2020 with approximately 19 million in revenues (19.6 million Euro in revenues in 2019 and 16 million Euro in 2018) with a substantial increase in margins. The implemented business evolutions have allowed for an evident further change of pace and a better integration of Italian and English skills, experiencing important cases of sharing projects, skills and references in the international arena.

During 2020, important milestones were achieved in S&D such as:

- 312,000 production hours on space and defence activities (+ 10% compared to 2019 and + 36% compared to 2018)
- 28,000 production hours on space projects (+ 25% compared to 2019 and + 25% compared to 2018)
- 43,000 production hours on Security and Cyber Security projects (+ 40% compared to 2019)
- 20,000 production hours on P3M Program, Project, Portfolio Management (+ 10% compared to 2019)
- 24,000 production hours on System Engineering (+ 10% compared to 2019)
- 46,000 production hours on training projects (+ 8% compared to 2019)
- 35,000 production hours on Safety projects (+ 60% compared to 2019)

In this year, Space & Defence has focused on the development of services in the Integrated & Cyber security field given the extensive needs for solutions to increase the resilience of data, processes and organisations.

Services in the Space and Avionics sectors also accelerated as witnessed by the acquisition process of the Interconsulting Company, which reached its completion at the beginning of 2021.

Among the projects highlighted are the Integrated Security and Cyber Security services offered in different sectors, from the Space sector, where there was a growth of 20% compared to 2019, or different operators in the maritime sector.

FINANCIAL HIGHLIGHTS

The main financial highlights are summarised in the table below:

MAIN ECONOMIC, FINANCIAL AND MANAGERIAL HIGHLIGHTS:

In Thousands of EURO	2020	2019
Total revenues	494.987	476.178
EBITDA from Financial Statements, including the effects of IFRS 16 (1)	70.777	52.268
Adjusted EBITDA, including the effects of IFRS 16 (2)	76.120	62.776
Proforma adjusted EBITDA, including the effects of IFRS 16 (3)	-	63.996
Adjusted EBITDAexcluding the effects of IFRS 16	64.207	51.413
Operating profit	25.211	15.161
Income (Loss) before tax	13.983	10.486
Profit (Loss) for the year	4.885	3.678
Net invested capital (4)	93.080	94.309
Total net equity	180.211	180.165
-of which: third party	1.618	1.186
Net financial position (5)	(124.558)	(127.540)

(1) EBITDA is defined as earnings before interest, tax, amortisation, depreciation and write-downs, financial income and expenses, share of the result of associated companies, credit losses and taxes. EBITDA is used by Group management to monitor and assess our operating performance, and is not an IFRS indicator (non-GAAP measure).

(2) Adjusted EBITDA is EBITDA before non-recurrent income and expenses.

(3) Proforma adjusted EBITDA means adjusted and preformed EBITDA by subtracting the EBITA relating to companies sold during the year (for 2019 reference is made to SOA RINA S.p A. and ITA Istituto Tecnologie Speciali S.r l.) and adding the EBITDA relating to companies acquired during the year (for 2019 reference is made to RINA Prime Value Services S.p A. and CND Studio S.r l), projecting these differences over an entire year.

(4) As calculated in the table on page 25 of this Report on operations

(5) For details of the calculation, see paragraph 10.11 in the notes. The net financial position does not include the effects deriving from the application of IFRS 16.

GROUP INCOME AND PERFORMANCE

FINANCIAL PERFORMANCE

In Thousands of EURO	2020	2019
Costs for raw materials	(4.508)	(5.430)
Service costs	(191.866)	(175.300)
Personnel costs	(215.117)	(228.344)
Other costs	(12.719)	(14.836)
Depreciation and amortization	(32.005)	(30.021)
Provisions, impairments and credit losses	(13.561)	(7.085)
Financial income and expenses	(11.228)	(4.678)
Taxes	(9.098)	(6.808)
Net income from asstes held for sale	-	-
Net Group income	4.551	3.128
Net minority income	334	574

RECLASSIFIED FINANCIAL SITUATION

In Thousands of EURO	2020	2019
Non-current assets	332.547	327.798
Current assets net of assets held for sale	296.572	276.368
Non-current assets held for sale	-	3.754
Net equity	180.211	180.165
Total non-current liabilities	239.467	233.489
Total current liabilities net of assets held for sale	209.441	189.897
Liabilities held for sale	-	4.369
Current assets	296.572	276.368
Current liabilities	(209.441)	(189.897)
Non-current assets	332.547	327.798
Non-current liabilities	(239.467)	(233.489)

STATEMENT OF CASH FLOWS

In Thousands of EURO	2020	2019
Cash flow from operating activities (A)	43.120	44.618
Cash flow from investments (B)	(34.271)	(16.180)
Cash flow from financing activities (C)	2.764	(27.424)
Cash and cash equivalents at the beginning of the period	64.403	63.436
Exchange rate differences on cash and cash equivalents	(567)	(47)

The consolidated financial statements are drafted using IFRS international accounting standards, in order to meet the obligatory standards used for Italian listed companies, making the Group's performance easier to compare to that of its main international competitors. The IFRS amendments are applied at a consolidated level for the other Group companies. For the other Group companies the IFRS amendments are applied at a consolidated level.

RISK ASSESSMENT AFFECTING CORPORATE TARGETS

The Risk Management Policy, adopted by the RINA Group on 22 July 2015, with the update of January 2020, acknowledged the indications of the Board of Directors, which has set the development of an integrated enterprise risk management process (Enterprise Risk Management, ERM) as one of its priorities to ensure the continuous and sustainable growth of the Group.

This process supports and enhances Traditional Risk Management (TRM), which makes it possible to identify, assess, monitor and control the most significant risks and the onset of any emerging risks, according to the risk categories assumed in the Group's risk profile.

The development and updating activities of TRM and ERM continue under the supervision of the Control and Risks Committee, which includes a member of the Board of Directors, as Chairman of the Committee, the Chairman and members of the Board of Statutory Auditors of RINA S.p.A., the CEO, the Managing Director, Chief Risk Officer, Chief Financial Officer and Chief Strategy Officer of RINA S.p.A, and the CEOs of the main sub-holdings.

TRADITIONAL RISK MANAGEMENT

The following risk classification system was adopted in the TRM for external and internal risks that could affect the Group's ability to achieve its targets. The classification system applies to all Group companies:

- STRATEGIC RISKS;
- FINANCIAL RISKS;
- OPERATING RISKS;
- COMPLIANCE RISKS.

Within each area, specific risks are indicated, assessed and managed according to the methods reported in the procedure PR-COARM-ERM-01.

In the first months of 2020, the TRM was updated to reassess the Group's risk profile following the onset of the COVID-19 pandemic event and to prepare adequate mitigation measures to guarantee the continuity of the Group's business and operations.

ENTERPRISE RISK MANAGEMENT

ERM is a process made available to management to: identify potential events that may affect the business; manage risks within acceptable limits and provide a reasonable level of confidence in the achievement of business objectives.

Compared to the TRM risk management model, the ERM allows the combination of different risk factors with respect to one or more objectives. Furthermore, the continuous monitoring of risk factors and their evolution over time allows for the implementation of preventive as well as corrective mitigation actions.

The design of the ERM process was developed according to the following steps:

- method definition;
- selection of the objective and related risk factors;
- definition of the Risk Appetite Framework.

In agreement with the Board of Directors, the Group's EBITDA, understood as the sum of the contribution margin of the business and staff functions, was identified as the objective to be analysed.

The following risk thresholds have been identified within the risk appetite framework:

- Risk Capacity: available own means with which to deal with any failure to reach the target;
- Risk Tolerance: maximum deviation from the target that can be faced with own means, drawing on the risk capacity;
- Risk Appetite: between the Target and the Risk Tolerance, it identifies the level of risk or variance at which (ex-ante) mitigation strategies are implemented.

The ERM process, currently under development and used alongside the TRM, will be able to integrate with the TRM and constitute a single risk-based model for the preparation of the budget and strategic plan once completed and made operational.

Main disputes and potential risks:

Al Salam Boccaccio litigation

In relation to the Al Salam Boccaccio affair (which is the subject of two disputes in which the parent Company is defendant) the profiles of responsibility adduced by the actors were extensively examined and the analysis had not highlighted any elements of concern regarding the controls and activities carried out by RINA S.p.A. Furthermore, most of the claimants have already obtained compensation for damages in Egypt, as part of a procedure under the control of the local authority, and have waived the right to further actions against other parties.

Since their initiation, these disputes have dealt with the issue of admissibility of Rina S.p.A. before the Italian court, with reference to activities carried out by the same Company on behalf of the non-Italian administration.

Following the last decisions taken on this matter by the Italian Corte di Cassazione and the Court of Justice of the European Communities, for the moment, the preliminary phase of the judgements has been restarted.

Norman Atlantic litigation

At the end of 2016, what we believe to be an unfounded claim was brought against RINA Services SpA at the Court of Bari in relation to the fire that occurred on the Norman Atlantic ferry. The judgement is still in the early stages.

CORPORATE HR, ORGANIZATION & PEOPLE EXPERIENCE

Headcount

At 31 December 2020, the Group had 3,836 employees, of whom 72.47% are graduates, from around 94 different nationalities and with an average age of 42.9 years and located in 70 different countries.

2020 was a year marked by the pandemic emergency due to the Covid-19 virus, which in fact conditioned the evolution of the strategic HR plan, approved by the Board of Directors in 2019.

Due to the pandemic event, the Corporate HR, Organisation and Human Capital/Corporate People Experience Department invested significant energy, together with the other government functions involved, to protect the health and safety of the employees and their families in 2020. In March 2020, a task force was set up and, through timely actions and a clear direction, it was able to preserve the health of the entire Company population, also guaranteeing the continuity of our business, thanks to remote work in the 5 days a week formula for all RINA personnel around the world. The reactivity demonstrated in dealing with the pandemic event was made possible also thanks to the remote work experience gained up to then, the HW and SW IT tools provided to our employees and the resilience and flexibility demonstrated by the entire corporate population during the most critical phases of the emergency.

Despite the evolution and worsening of the pandemic over the course of the year, the HR department guaranteed important internal development initiatives, among which we mention in particular:

- the Change Management course organised by SDA Bocconi Business School, which involved approximately 100 resource managers of the staff functions, in a remote training course (webinar) aimed at stimulating and supporting the transition to change.
- the Development Center 2020, which involved 24 resources, including 8 seconded, in an Assessment and Development path. The initiative aimed to investigate in a structured way, also through the use of objective measurement tools (360 Degree Feedback, aptitude questionnaires, etc.), the skills and potential of the personnel involved in order to evaluate any transfers to the Management or clerical level. It also made it possible to identify development actions aimed at strengthening and better addressing the particular inclinations and attitudes of the people involved (e.g. to ensure greater supervision of the role already occupied or to accompany them towards more complex tasks in the near future).

The internal questionnaire on remote work, launched in October 2020, allowed us to investigate the experience of our resources with respect to "smart working" before and during the emergency. The results of this survey offered interesting insights that contributed to the drafting of the smart working agreement, which was signed in March 2021 and will accompany the return to normal with the end of the emergency phase. The new procedure for the Search and Selection of RINA personnel in the world, which has involved Italy as a pilot country since March and all other countries in the world since September, was also published. This procedure defined harmonious guidelines, clear governance, common tools and related KPIs.

Also during the year, in support of the recruitment and employment branding activities, the first Linkedin Recruitment Campaign was launched which generated 1,200 new contacts with candidates of potential interest for RINA.

During 2020, the usual Annual Salary Review process was also carried out, which involved the entire organisation at a Worldwide level and provided for the definition and recognition of no. 1380 measures.

During the year, training activities for more than 136,000 hours were carried out globally, partly also through hours of on-the-job technical support, of which 36,000 provided through the Digital Academy, the internal learning management system. The topics related to training mainly concerned compulsory training (for example HSE courses, Code of Ethics, GDPR, etc.), soft skills (for example agile working, diversity and inclusion courses, etc.), Industry 4.0 training and the Change Management training course. Due to the pandemic event, training was mainly provided through e-learning or through video conferences and webinars.

2020 was also the year of consolidation of some activities already undertaken in 2019, among these we mention in particular:

- the revamping of the internal distance learning platform, Docebo, which included the launch of the new Digital Academy from October 2020 aimed at further optimising the learning experience;
- the worldwide diffusion of the new induction process for introducing new hires into the Company which was launched in some pilot countries in October 2019, and then became effective in all countries globally in December 2020;
- The follow up of "New People Manager Empowerment & Mentoring", an innovative training course dedicated to a group of highly potential resources to promote individual capabilities and accompany them on their career path through the development of transversal skills considered key for the Company, with the provision of a co-participation of a group of mentors who accompanied the participants in the continuation of their evolutionary path;
- Implementation of the function aimed at meeting the training needs of our employees in the RINAppraisaALL platform launched in 2019. Through this collection, macro training needs, useful for drafting the 2021 budget of the Corporate People Experience and HR functions, were identified.
- In February 2020, the Diversity and Inclusion Policy signed in August 2019 was published on the rina.org portal and aimed at promoting integration and recognising and accepting diversity. The policy was accompanied by the launch of the course "How unconscious prejudices affect us at work", attended by the entire RINA population in the world in 2020.

In October 2020, the CORPORATE HR, ORGANIZATION & HUMAN CAPITAL function underwent an organisational change and the new Corporate People Experience department was established which introduces the paradigm of caring for people's experience in their management processes, as well as in business processes.

Organisation & Operational Excellence

In 2019, RINA launched its Operational Excellence program of Continuous Improvement and Process Optimisation by adopting the Lean Six Sigma methodology. Through continuous improvement, we will prepare the group to create the necessary consensus for future digital innovation. The Operational Excellence program allows us to focus on employee engagement and leaner processes. Operational excellence enables employees to see the flow of customer value and adjust or correct that flow as needed.

In line with the Lean Six Sigma system, the program certifies participants as different coloured belts based on their skills.

At the end of 2020, we have achieved a total number of 1 black belt, 20 green belts, 107 yellow belts and 1,232 white belts, both for corporate functions and for business areas.

As in the previous year, we also launched 12 process efficiency projects in 2020 and soon RINA will launch an e-learning program to obtain White and Yellow Belt certifications.

In 2020, the main initiatives that involved the Organisation function were:

- Commercial Excellence: all BUs (Marine, Certification, Energy & Mobility, Industry, RE&I) have been involved in the definition of an organisational model to increase commercial performance within the Bus' network/markets: the Commercial and Operational Units are classified in the same way despite their different roles and the Business Development Centre, which leads a pool of BD and Sales.
- Agile Teams: the need to be an increasingly dynamic organisation, capable of understanding customer needs, anticipating changes and reacting quickly to seize new opportunities, emerged from business. This is our challenge, to focus on a network of teams that move within a culture that is fully focused on people, and that operate with rapid processes - both learning and decision making - made possible by cutting-edge technological tools. We started with an information campaign, we carried out a survey closely involving everyone on this issue. We will soon activate the site dedicated to Agile teams taking the Carbon-Reduction Excellence team as a pilot case.
- Reinventing Inspection: more than 600 employees involved, in terms of new responsibilities, new roles and new organisational units assigned, more than 30 organisational units created, more than 20 documents updated between organisational documents (OD) organisation charts (OC) and job description (JD).

Finally, it should be emphasised that the Company took the necessary initiatives to equip itself with a Human Capital Management tool in 2020. The HCM project is one of the 6 digitisation projects chosen by RINA and can be configured with an "HR transformation", intended as a rethinking of the role of HR in the Company of which the "digital" aspect is the main enabling factor.

- During 2020, the process of choosing the IT platform - SAP SuccessFactors - and the partner who will follow the implementation project - Deloitte - materialised.
- The project will follow a 30-month time frame, starting from the beginning of 2021, and will be carried out in 3 main implementation stages that will gradually add all the modules that make up the product, making them available in all countries where RINA operates.

- The main purpose of the project is the centralisation of all HR processes (recruitment/on-boarding/performance/compensation/succession/workforce planning) on a single platform, made available to all RINA Group employees, with a view to simplifying/optimising the processes themselves and ensuring an innovative user-experience that contributes to increasing the degree of employee engagement.

QUALITY, ENVIRONMENT AND SAFETY

Organisation, Management and Control Model as per Legislative Decree 231/2001

On 12 December 2003, the Board of Directors of RINA S.p.A. approved the introduction of an Organisation, Management and Control Model aimed at preventing possible offences, as well as establishing a control body responsible for overseeing compliance with and the functioning of the Model.

The Organisation, Management and Control Model has been periodically updated following the expansion of the list of offences pursuant to Legislative Decree 231/2001 and in response to the continuous expansion of the RINA Group's business.

With the recent regulatory changes, the list of offences has been extended to include "receiving, laundering and using money, assets or benefits of illicit origin, as well as self-laundering"; "Offences against the environment"; "Mafia or publication of false financial information against the public administration". On 27 July 2018, the Board of Directors of RINA SpA therefore approved a new revision of the Organisation Management and Control Model that incorporates the aforementioned regulatory changes.

RINA SpA is attentive to the expectations of its stakeholders, aware of the value of the internal control system for them in preventing the directors, employees, collaborators, representatives and business partners from committing the offences described in Legislative Decree 231/2001.

Within the limits of the activities carried out in the interest of the Company and the Group, all the recipients of the Model - current and potential - are required to adapt to behaviours that do not involve the risk of committing offences.

The principles of ethics, impartiality, independence and honesty are the basis for the voluntary choice to implement this Model, of which the Code of Ethics is an integral part, as well as the protocols necessary to meet international Compliance Codes such as IACS and IFIA, which RINA is associated with.

The Corporate Internal Audit organisational unit supports the Supervisory Body (ODV) in monitoring the effectiveness of the Model.

Health and Safety management

In relation to health and safety in the workplace requirements, Rina SpA applies the terms of Legislative Decree no. 81/08 "Implementation of article 1 of Law no. 123 dated 3 August 2007 on Health and Safety in the Workplace" and subsequent modifications introduced, for all the Company's activities. Regarding employee training, internal training sessions are provided in Rina SpA on a monthly basis or on specific request, as required by the State Regions Conference Agreement of 21/12/2011, "Agreement between the Ministry of Employment and Social Policies, the Ministry of

Health, the Regions and the Autonomous Provinces of Trento and Bolzano for the Training of Workers under article 37, paragraph 2, of Legislative Decree no.81 dated 9 April 2008". Rina SpA updates and/or drafts Risk Assessment reports for the activities carried out at the Company's offices internally. At Group level, Rina SpA participates, where requested, in working groups and/or meetings that include the analysis and drafting of health and safety at work procedures, in order to optimise health and safety in the workplace management. Furthermore, in order to deal with the health emergency caused by the corona virus pandemic, the "Crisis Management Team COVID-19" (CMT COVID19) and the Committee pursuant to art. 13 of the Shared Protocol were set ip on 02/24/2020 and 04/24/2020.

Other key information

On 8 August 2018, Rina S.p.A. renegotiated the pooled loan receiving a disbursement of EURO 150 million from BNP and Unicredit which it used to pay back the residual debt as at July 31, 2018 to the financing banks of EURO 126.4 million taken in July 2016, which had a maturity date of May 2021. The new loan consists of a tranche A of EURO 60 million with maturity 30 June 2023, to be repaid in half-yearly instalments according to a repayment schedule which will start from 30 June 2019, and a tranche B of EURO 90 million with maturity 30 June 2024, to be repaid on the due date, with a clause allowing early repayment that may be exercised by 31 July 2019 in the event a debenture loan of the same amount is issued.

In November 2018, the Company concluded the syndication process of a part of the loan of 150 million Euro granted in equal parts in August 2018 by Bnp and Unicredit and an additional loan tranche was requested, under the same conditions as the one obtained on 8 August 2018, for 20 million Euro divided into 8 million to increase line A (initially equal to 68 million Euro, at 31 December 2020 equal to 50.3 million Euro) and 12 million to increase the line B (initially and today equal to 102 million Euro).

Due to the evolution of market conditions on the one hand (especially in the initial part of 2019) and the strategic guidelines of the group on the other, it was not decided to proceed with the issue of a bond loan.

With regard to tranche B, the zero floor clause was eliminated in 2019 for a portion of Euro 42 million starting from January 1, 2020, while the zero floor clause remains on the remaining part of Euro 60 million.

The aforementioned loans were used to hedge the risk of market rate fluctuations through IRS derivatives.

The loan is jointly and severally guaranteed by Rina S.p.A., Rina Services S.p.A., Rina Consulting S.p.A. and Rina Consulting – Csm S.p.A., as well as from the other main foreign companies belonging to the Rina Group.

The Loan as a whole provides for a Financial Covenant expressed by the Leverage ratio (NFP/Adjusted EBITDA) which must be less than 3.5 and which determines the spread currently equal to 2.25%. On the basis of a preliminary calculation the covenants are respected.

Please refer to paragraphs 7 and 10.11 of these Notes for further operating details.

Statutory information as per Law 124/2017

The reference regulations require companies that receive financial contributions from public administrations and their subsidiaries to provide certain details in the explanatory notes.

The standard in question has been clarified several times, without dispelling the doubts as to its practical application. The Company has adopted the position taken by Assonime with Circular no. 5 of 22 February 2019, according to which the statutory information requirement only applies to specific and individual payments.

As a result, the Company has decided to indicate the following information in this note, according to the type of contribution/subsidy granted:

- with regard to paid appointments falling within the Company's typical activity and at market conditions, the Company declares that it has received paid appointments from persons belonging to the Public Administration; these appointments, being part of the typical Company activity and conducted according to market conditions, are not reported in this section, since they are not subject to the reporting obligations provided for in Article 1, paragraph 25 of Law 124/2017;
- with regard to contributions/subsidies which may have been used and which must be published in the National State Aid Register (transparency), please refer to this document;
- with regard to contributions provided by private entities (e.g. training grants from Fondimpresa), these are not the subject of any information requirements, as they fall outside the scope of this standard;
- with regard to any tax benefits from which the Company has benefited, we believe, also in accordance with the position taken by Assonime in the aforesaid circular, that they are of a general nature and therefore do not have to be disclosed for the purposes of the provision in question.

Performance outlook

Supported by the 2021 trend, by the confirmation of the positive trends in the main reference markets and by the order collection at 31/12, the 2021 financial year trend in the first three months substantially confirms the trends forecasted in the budget in terms of both revenues and marginality.

Moreover, the persistence of the state of emergency following the pandemic from Covid-19 in Italy and in the rest of the world makes the economic scenario rather turbulent. In this context, the specific task force established last year with the task of continuing to monitor Company performance remains operational and promptly addresses any corrective decisions in the presence of declines in health. The massive adoption of remote working continues.

Despite the positive end of the quarter and the ability to operate at full capacity despite the lock down (Italian and otherwise), the overall situation is not expected to have repercussions on the economic-financial trend of the year, with a decrease in volumes in the various business/geographies covered, and related consequences on the collection profile.

The secondary offices held abroad by the Italian companies belonging to the Group are listed below as of 31 December 2020:

RINA Services S.p.A.	
	Kazakhstan
	India
RINA Consulting S.p.A.	
	South- Corea
	Lybia
	Egypt
	Australia
	India
	EAU
	Israel

On behalf of the Board of Directors

The Chairman

Eng. Ugo Salerno

Consolidated financial statements at 31 December 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Euro Thousand

Assets	Notes	31/12/2020	31/12/2019
Property, plant and equipment	10.1	87.138	84.772
Goodwill	10.2	177.751	174.173
Other intangible assets	10.3	45.510	49.698
Investments in associates valued at equity method	10.4	0	0
Financial assets	10.4	344	365
Deferred tax assets	10.5	18.733	15.129
Other receivables and non-current assets	10.6	3.071	3.661
Non-current Assets		332.547	327.798
Trade receivables	10.7	173.689	169.606
Financial assets	10.4	2.766	6.401
Other receivables and other current assets	10.6	44.668	35.958
Cash and cash equivalents	10.8	75.449	64.403
Current Assets		296.572	276.368
Assets held for sale	10.9	0	3.754

Euro Thousand

Liabilities	Notes	31/12/2020	31/12/2019
Share capital		49.518	49.518
Translation reserve		(7.335)	(6.429)
First Time Adoption reserve		1.407	1.407
Other reserves		91.368	91.006
Retained earnings		39.084	40.373
Net profit (loss) of the year		4.551	3.104
Net Equity of the Group		178.593	178.979
Capital/Reserves of third parties		1.284	612
Result of third parties		334	574
Non-controlling interests		1.618	1.186
Total Equity	**10.10**	**180.211**	**180.165**
Payables due to banks and other lenders	10.11	197.654	194.274
Employee benefits	10.12	12.965	13.550
Provisions for risks and charges	10.13	15.068	9.485
Other payables and other non-current liabilities	10.14	13.780	16.180
Non-current liabilities		**239.467**	**233.489**
Payables due to banks and other lenders	10.11	56.376	52.098
Trade payables	10.15	77.125	70.838
Tax payables	10.16	7.615	7.075
Other payables and other current liabilities	10.14	68.325	59.886
Current liabilities		**209.441**	**189.897**
Liabilities connected to assets held for sale	**10.9**	**-**	**4.369**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Euro Thousand

Profit and Loss	Notes	31/12/2020	31/12/2019
Revenues	11.1	486.522	465.463
Other revenues	11.2	8.465	10.715
Total revenues		494.987	476.178
Cost for raw materials	11.3	4.508	5.431
Service Costs	11.4	191.866	175.300
Personnel costs	11.5	215.117	228.344
Depreciation and amortization	11.6	32.005	30.021
Provisions and impairments	11.7	9.729	6.546
Other costs	11.8	16.551	15.375
Total costs		469.776	461.017
Income (Loss) form equity investments valued at equity method		0	3
Financial income	11.9	18.586	17.018
Financial expenses	11.9	29.814	21.696
Profit (loss) before taxes		13.983	10.486
Income taxes for the year	11.10	9.098	6.808
Net income from ongoing assets		4.885	3.678
Profit (loss) of third parties		334	574
Components of comprehensive income that will not subsequently be reclassified to the income statement			
Actuarial Gain/Loss on defined benefit plans		2	-227
Components of comprehensive income that will subsequently be reclassified to the income statement		**2**	**-227**
Total components of comprehensive income that will not subsequently be reclassified to the income statement			
Differencies from currencies translation of financial statement in foreign currency		-905	-644
Derivatives		280	-1.161
Tax effect		-67	324
Total components of comprehensive income that will not subsequently be reclassified to the income statement		**-692**	**-1.481**
Comprehensive net income of the Group		3.861	1.396
Comprehensive net income of third parties		334	574

CONSOLIDATED STATEMENT OF CASH FLOWS

Profit before taxes from continuing operations	13.983	10.486
Profit before taxes (from continuing and held for sale operations)	13.983	10.486
Ajdustments to reconcile profit fore the year to cash flows from operating activities		
Amortization of tangible and intangible assets	32.005	30.021
Provisions and impairments	16.710	6.546
Net financial expenses/(incomes)	8.348	7.659
Income taxes paid	(8.493)	(9.797)
Profits on disposals of equity investments	0	(1.840)
Other non-monetary changes	1.533	(2.337)
Cash flow from operating activities before changes in working capital	64.086	40.738
Net change in working capital		
- Trade and other receivables	(20.641)	(5.411)
- Trade and other payables	12.273	4.400
- Other changes in net working capital	(4.926)	6.363
- Personnes funds and provisions for risks	(7.672)	(1.471)
Cash flow related to operating activities (A)	43.120	44.618
Cash flow from investing activities		
Investments (net of disposals) of fixed assets:		
-intangible	(10.975)	(7.929)
-tangible	(19.718)	(4.591)
Disposals of equity investments of the year net of cash and cash equivalents	0	2.535
Acquisitions of the year net of cash and cash equivalents	(3.578)	(6.195)
Cash flow related to investing activities (B)	(34.271)	(16.180)
Cash flow from financing activities		
Opening of new bank loans and Convertible loan capital	53.414	27.289
Repayment of bank loans and finance leasing	(46.100)	(40.804)
Changes in financial assets	4.200	(3.633)
Financial expenses paid	(9.198)	(8.968)
Financial income collected	850	1.309
Dividends paid	(402)	(2.617)
Cash flow related to financing activities (C)	2.764	(27.424)
Net cash flow for the period (A) + (B) + (C)	11.613	1.014
Net cash flow for the period (A) + (B) + (C) excluding change of cash and cash equivalents resulting from assets and liabilities held for sale	11.613	1.014
Cash and cash equivalents at the beginning of the period	64.403	63.436
Exchange rate differences on cash and cash equivalents	(567)	(47)
Cash and cash equivalents at the end of the period	75.449	64.403

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 December 2018	49.518	(5.785)	42.826	92.500	179.059	1.569	180.628
Net income (loss) for the year 2019			3 104		**3.104**	574	**3.678**
Reclassification of reserves			(668)	894	**226**		**226**
Other minor movements			(24)		**(24)**		**(24)**
Other components of comprehensive income					-		-
Measurement of defined benefits plans				(227)	**(227)**		**(227)**
Financial statements conversion with a functional currency other than Euro		(644)			**(644)**	130	**(514)**
Derivatives				(834)	**(834)**		**(834)**
Total result for the Year		**(644)**	**2.412**	**(167)**	**1.601**	**704**	**2.305**
Changes in the consolidation area				80	**80**	(231)	**(151)**
Dividend distribution			(1.761)		**(1.761)**	(856)	**(2.617)**
Total transactions with shareholders	-	-	**(1.761)**	**80**	**(1.681)**	**(1.087)**	**(2.768)**
As at 31 December 2019	49.518	(6.429)	43.477	92.413	178.979	1.186	180.165
Net income (loss) for the year 2020			4 550		**4.550**	334	**4.884**
Reclassification of reserves		3 990	(3 990)	134	**134**	(134)	**0**
Other minor movements				(156)	**(156)**	265	**109**
Other components of comprehensive income					-		-
Measurement of defined benefits plans					**0**		**0**
Financial statements conversion with a functional currency other than Euro		**(4.895)**			**(4.895)**	(40)	**(4.935)**
Derivatives				213	**213**		**213**
Total result for the Year	-	**(905)**	**560**	**191**	**(154)**	**425**	**271**
Changes in the consolidation area				(19)	**(19)**	196	**177**
Dividend distribution			(213)		**(213)**	(189)	**(402)**
Total transactions with shareholders	-	-	**(213)**	**(19)**	**(232)**	**7**	**(225)**
As at 31 December 2020	49.518	(7.334)	43.824	92.585	178.593	1.618	180.211

NOTES

1. General information

RINA S.p.A. ("RINA" or the "Company" or the "Parent Company") is a company incorporated and domiciled in Italy and organised according to the legal system of the Italian Republic, with its registered offices in Genoa, Via Corsica 12. The Registro Italiano Navale has a controlling share of 69.91% in the Company's capital.

RINA and its subsidiaries (the "Group" or the "RINA Group") mainly offer services for the classification of ships, certification activities and engineering services and advanced industrial services in general. The Group's historical core business is the classification of ships, consisting in assigning a class to a ship based on the conformity of the design and the materials used according to the type of load and use of the ship, in compliance with international rules and standards.

More details on how the Group performs its business are provided in the Report on Operations.

2. Summary of the accounting standards used

The main accounting standards and principles applied in preparing and drafting the consolidated financial statements of the Group (the "Consolidated Financial Statements" or the "Financial Statements") are shown below. These standards have been applied coherently for all financial years presented in this document.

2.1 Basis for preparation

These financial statements have been prepared in compliance with the EU IFRS standards in force on the date of the report's approval. EU IFRS standards mean all the "International Financial Reporting Standards", the "International Accounting Standards" (IAS), and the interpretations of the "International Reporting Interpretations Committee" (IFRIC), previously called "Standing Interpretations Committee" (SIC), approved and adopted by the European Union.

The financial statements are based on the best available knowledge of the EU IFRS, and taking into account the best interpretations in this field; any future interpretative guidance and updates will be reflected in subsequent fiscal years in accordance with the methods required by the financial reporting standards, on a case-by-case basis.

These Consolidated Financial Statements have been prepared using the conventional historical cost criterion and with a view to business continuity. They are subject to approval by the Board of Directors of the Company on 26 April 2021.

2.2 Form and content of the financial statements

With regard to the form and content of the consolidated financial statements, the Group has made the following choices:

- the consolidatd statement of financial position shows current and non-current assets separately, and current and non-current liabilities in the same way;
- the consolidated statement of comprehensive income shows a classification of costs and revenues by nature;
- the consolidated statement of cash flows, on the other hand, was prepared using the indirect method.

The Company has chosen to draw up a comprehensive income statement that includes, in addition to the result for the period, changes in shareholders' equity relating to items of an economic nature which, by express provision of international accounting standards, are recognised among the components of shareholders' equity.

The templates used, as specified above, are those that best represent the Group's economic, equity, and financial situation.

These financial statements are subject to audit by the independent auditor PricewaterhouseCoopers SpA, statutory auditor of the Company and the Group.

2.3 Consolidation area and variations

These consolidated financial statements include the financial statements of the parent Company Rina SpA and its subsidiaries. Where necessary, specific adjustments were made at the consolidated level to standardise the Group's financial statements to the EU-IFRS accounting standards.

The list of companies included in the scope of consolidation at 31 December 2020, indicating the share capital held by the Group, are indicated in annex 1 to this document.

During the 2020 financial year, the consolidation area changed as a result of the establishment or acquisition of the following companies:

- Prime Green Solutions S.p.A., a new company established by NPLS Re Solutions Srl with headquarters in Milan;
- AstaSy Agency Srl, a company established by NPLS Re Solutions Srl, which holds the entire capital, in December 2020;
- RINA Tech Spain S.L.U., RINA Tech Kazakhstan LLP, Rina Tech Colombia SAS, RINA Classification and certification Philippines Inc., as foreign companies established during the 2020 financial year.

The sale of Elettrodinamica S.r.l. took place in July 2020. In compliance with the provisions of IFRS 5 (Non-current assets held for sale and discontinued operations), up to 2019 the values of this company were represented separately from the other assets and liabilities in the consolidated balance sheet.

2.4 Consolidation principles

The criteria used by the Group to define the consolidation area and the

relative consolidation principles are shown below.

Subsidiaries

The subsidiary companies are those companies that the Group controls. The Group controls a company when it is exposed to the variability of the company's results and has the power to influence these results through its power over the company. Generally, it is assumed that control exists when the company directly or indirectly holds more than half of the voting rights, taking into account the potential exercised or converted voting rights.

All subsidiaries are consolidated using the integral method from the date on which control is transferred to the Group. On the other hand, they are excluded from consolidation starting from the date on which this control is terminated.

Associated companies

Associates are companies over which the Group has significant influence, which is presumed to exist when the investment represents 20% to 50% of the voting rights.

Investments in associated companies are valued according to the net equity method. This evaluation criterion can be described as follows:

i) the group's profits and losses are accounted for from the date in which the significant influence or joint control started and until the date when it ended; if, as a result of the losses, the Company valued using the method in question shows a negative shareholders' equity, the carrying amount of the investment is cancelled and any excess attributable to the group, if the latter has committed itself to complying with legal or implicit obligations of the subsidiary company, or in any case covering its losses, is recorded in a specific fund;
ii) unrealised gains and losses generated on transactions between the Parent Company and the subsidiary company valued using the equity method are eliminated based on the value of the Group's investment in the subsidiary; unrealised losses are eliminated, with the exception of cases in which they are representative of impairment.

Joint arrangements

The Group applies IFRS 11 in the assessment of joint arrangements. In accordance with the provisions of IFRS 11, a joint arrangement can be classified either as a joint operation or as a joint venture on the basis of a substantial analysis of the rights and obligations of the parties. Joint ventures are joint control agreements in which the parties, joint venturers, who hold joint control, have, among other things, rights to the net assets of the agreement. Joint operations are joint control agreements that give participants the rights to the assets and obligations on the liabilities relating to the agreement. Joint ventures are accounted for using the equity method, while investments in a joint operation involve the recognition of assets/liabilities and costs/revenues related to the agreement on the basis of the rights/obligations, due regardless of the ownership interest held.

Assets held for disposal

Non-current assets or disposal groups whose book value will be recovered mainly through sale rather than through their continuous use are classified as held for sale and are shown separately from other assets and liabilities in the consolidated statement of financial position.

The corresponding values of the previous year are not reclassified in the consolidated statement of financial position, but are instead shown separately in a specific column of variations in the evolution of the assets and liabilities in the year in which the non-current assets destined to be sold or disposal groups are classified as such.

Non-current assets or disposal groups classified as held for sale are first recognised in accordance with the specific reference IFRS applicable to each asset and liability, and subsequently recognised at the lower of the carrying amount and the related fair value, net of sale costs. Any subsequent losses in value are recognised directly as an adjustment to current assets or disposal groups classified as held for sale with a balancing entry in the income statement. On the other hand, a reversal was recorded for each subsequent increase in the fair value of an asset less sales costs, but only up to the amount of the impairment loss previously recognised. In accordance with the provisions of IFRS 5 (Non-current assets held for sale and discontinued operations), non-current assets classified as held for sale or part of a group held for sale are not amortised. Financial charges and other expenses attributable to the liabilities of a disposal group classified as held for sale must continue to be recognised.

Business combinations

Business combinations are recorded according to the acquisition method.

According to this method:

- the amount transferred in a business combination is measured at fair value, calculated as the sum of the fair value of the assets transferred and of the liabilities assumed by the Group on the acquisition date and of the equity instruments issued in exchange for control of the acquired company. The charges ancillary to the transaction are recorded on the income statement at the time in which they are incurred.
- the identifiable assets and the liabilities acquired are recognised at fair value at the acquisition date; an exception is deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or equity instruments relating to share-based payments of the acquired company or payments based on shares relating to the group issued to replace contracts for the company acquired, and assets (or groups of assets and liabilities) held for sale, which are instead valued according to their relevant principle;
- goodwill is calculated as the excess between the sum of the considerations transferred in the business combination, the value of the net equity pertaining to minority interests and the fair value of any equity investment previously held in the company acquired compared to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets and liabilities acquired at the acquisition date exceeds the sum determined above, the excess is immediately recognised in the income statement as income deriving from the transaction;
- any considerations subject to conditions provided for by the business combination contract are valued at fair value on the acquisition date and included in the value of the amounts transferred in the business combination for the purpose of calculating the goodwill.

In the case of business combinations carried out in stages, the investment previously held in the acquired company is revalued at fair value on the date control is acquired, and any resulting gain or loss is posted in the income statement.

If the initial values of a business combination are incomplete at the closing date of the financial period in which the business combination took place, they are posted as provisional values in the Group consolidated financial statements. These provisional values are adjusted in the subsequent measurement period to take into account the new information obtained on facts and circumstances existing at the acquisition date which, if known, would have affected the value of the assets and liabilities recorded at that date.

Put options assigned to minority interests

Potential payments relating to put options assigned to minority interests are recognised as payables, as they involve the payment of a predetermined amount of cash or other financial asset by the Company that cannot be avoided if the third-party shareholders decide to exercise the option assigned to them. Liabilities relating to put options on minority interests is initially measured at fair value and subsequently remeasured according to the amortised cost method, using the effective interest rate. At the end of each financial year, the evaluation of this debt in the financial statements is updated; any differences are recorded in the income statement, under financial income and expenses.

Payables for put options are classified under current liabilities, as other payables and other current liabilities if they are expected to be settled within 12 months from the balance sheet date; otherwise, they are classified as non-current liabilities.

In the event that the risks and benefits are substantially transferred to the Group, the offset of the payable is goodwill.

Transactions with minority shareholders

The Group records transactions with minority shareholders as "equity transactions". Therefore, in the case of acquisitions and sales of additional shares after control is acquired, the difference between the purchase cost and the carrying amount of the minority interests acquired is recognised in group shareholders' equity.

Conversion of the accounts of foreign companies

The financial statements of subsidiaries are drafted using the currency of the primary economic environment in which they operate. The following rules apply for the translation of the financial statements of companies denominated in currencies other than the Euro, which is the Group's functional currency:

- assets and liabilities are converted using the exchange rates current at the balance sheet date;
- costs and revenues are converted at the average exchange rate for the year;
- exchange rate gains or losses arising from the translation of economic values at a rate that differs from the closing rate and from the translation of opening equity at a rate that differs from the closing rate are recorded in the "translation reserve" in the comprehensive income statement.
- goodwill, where applicable, and fair value adjustments relating to the acquisition of foreign operations are recognised as assets and liabilities of the foreign operation and translated at the closing rate for the period.

Subsidiaries with a functional currency other than the Euro in the consolidation area at 31 December 2020 are listed in annex 1.

The exchange rates used for the conversion of the aforementioned balances are shown in the following table:

AED	4.1947	4.5065	4.1113	4.1257
ALL	123.7900	123.7000	123.0200	122.0500
ARS	80.9218	103.2494	53.8229	67.2749
AUD	1.6549	1.5896	1.6109	1.5995
AZN	1.9417	2.0861	1.9031	1.9098
BDT	96.9355	104.0605	94.5332	95.3767
BGL	1.9558	1.9558	1.9558	1.9558
BRL	5.8943	6.3735	4.4134	4.5157
CAD	1.5300	1.5633	1.4855	1.4598
CHF	1.0705	1.0802	1.1124	1.0854
CLP	903.1400	872.5200	786.8900	844.8600
CNY	7.8747	8.0225	7.7355	7.8205
COP	4 217.0600	4 202.3400	3 674.5200	3 688.5600
CRC	7.4542	7.4409	7.4661	7.4715
DZD	144.8473	162.1071	133.6757	133.8916
EGP	18.0654	19.3168	18.8383	18.0192
EUR	1	1.0000	1	1
GBP	0.8897	0.8990	0.8778	0.8508
GEL	3.5570	4.0262	3.1543	3.2734
GHS	6.5553	7.2047	6.0158	6.4157
HKD	8.8587	9.5142	8.7715	8.7473
HRK	7.5384	7.5519	7.4180	7.4395
IDR	16 627.3700	17 240.7600	15 835.2700	15 595.6000
INR	84.6302	89.6605	78.8361	80.1870
IRR	47 972.0000	51 538.0000	47 078.0000	47 183.0000
KRW	1 345.5800	1 336.0000	1 305.3200	1 296.2800
KZT	473.0000	517.9400	428.7900	429.5100
LBP	1 721.8600	1 849.8500	1 687.6100	1 693.5300
LKR	211.7363	228.2329	200.0654	203.9475
MAD	10.8240	10.9190	10.7660	10.7810
MDL	19.7115	21.0693	19.6457	19.2988
MNT	3 215.4800	3 497.1000	2 981.4900	3 071.7500
MXN	24.5194	24.4160	21.5565	21.2202
MYR	4.7959	4.9340	4.6374	4.5953
MZN	79.2800	91.7000	69.9400	69.5900
NGN	407.4454	465.6845	343.0512	344.3221
NOK	10.7228	10.4703	9.8511	9.8638
OMR	0.4392	0.4718	0.4304	0.4319
PAB	1.1422	1.2271	1.1195	1.1234
PEN	3.9962	4.4426	3.7364	3.7255
PHP	56.6149	59.1250	57.9851	56.9000
PLN	4.4430	4.5597	4.2976	4.2568
PYG	7 746.6300	8 467.1208	6 981.4200	7 249.4600
RON	4.8383	4.8683	4.7453	4.7630
RUB	82.7248	91.4671	72.4553	69.9563
SAR	4.2832	4.6016	4.1980	4.2128
SEK	10.4848	10.0343	10.5891	10.4468
SGD	1.5742	1.6218	1.5273	1.5111
THB	35.7060	36.7270	34.7570	33.4150
TMT	3.9977	4.2949	3.9182	3.9319
TND	3.1997	3.2943	3.2803	3.1390
TRY	8.0547	9.1131	6.3578	6.6843
TWD	33.6227	34.4807	34.6057	33.7156
UAH	30.9506	34.7669	28.9220	26.7195
USD	1.1422	1.2271	1.1195	1.1234
UYU	47.9903	51.7866	39.4297	41.9418
VEF	-	-	14 692.3696	52 308.3738
VND	26 534.0000	28 331.0000	26 003.0000	26 233.0000
VAF	655.9570	655.9570	655.9570	655.9570
XOF	655.9570	655.9570	655.9570	655.9570
ZAR	18.7655	18.9219	16.1757	15.7773
BND	1.5742	1.6218	1.5273	1.5111
ILS	3.9258	3.9447	3.9901	3.9845
CZK	26.4551	26.2420	25.6705	25.4080
LYD	1.5827	1.6419	1.5653	1.5709

Transactions in currencies other than the functional currency are recorded at the exchange rate on the date of the transaction. Cash assets and liabilities held in currencies other than the Euro are subsequently adjusted to the exchange rate at the year-end closing date. Any exchange differences found are reflected in the income statement.

Non-cash assets and liabilities held in currencies other than the Euro are recorded at their historical cost, using the exchange rate at the date when the transaction was initially recorded.

2.5 Valuation criteria

Property, plants and equipment

Property, plants and equipment are measured at purchase or production cost, net of accumulated depreciation and any impairment losses. The cost includes the charges directly incurred to make their use possible, as well as any dismantling and removal charges that will be incurred as a result of contractual obligations requiring the asset to be returned to its original condition.

According to IFRS16, for the contracts in the field, the identified assets will be represented as an asset having the nature of a right of use, in the context of the Assets of the balance sheet (in the same way as a proprietary asset), in exchange for a financial liability. The initial registration value of the asset is equal to the current value of the payments/periodic fees contractually provided for in order to dispose of the asset.

Financial charges directly attributable to the acquisition, construction or production of an asset that justifying capitalisation in accordance with IAS 23R are capitalised on the asset itself as part of its cost.

Costs for ordinary and/or routine maintenance and repairs are taken directly to profit or loss when incurred. Costs to expand, upgrade or improve owned or leased assets are capitalised to the extent they meet the requirements to be classified separately as assets or part of an asset.

After their initial recording, the leased goods are depreciated by applying the criterion and the rates indicated above, unless the duration of the lease is less than the useful life represented by these rates, and there is no reasonable assurance of the transfer of the leased goods' ownership upon the agreement's natural expiry date; in this case, the depreciation period will be represented by the duration of the lease agreement itself.

Leases in which the lessor substantially retains all the risks and benefits of ownership are classified as operating leases. The costs relating to operating leases are recognised on a straight-line basis on the income statement over the term of the lease agreement.

Depreciation is charged on a straight-line basis using rates that allow the assets to be depreciated until the end of their useful life.

The useful life estimated by the Group for the individual categories of property, plant and equipment, which has not been subject to changes compared to 2019, is as follows:

Buildings	3%-5%
Machinery and equipment	15%-25%
Furnishings	15%-20%
Cars	15%-25%
Electronic office machinery	20%-40%
Ordinary office machinery	12%-33%
Furniture	12%-25%
Improvements to third parties assets	The lower between the useful life of the improvements and the residual duration of the lease contract, taking into account any renew al periods if they are dependent on the lessee.

The useful life of property, plant and equipment and their residual value are reviewed and updated, where necessary, when preparing the financial statements.

IFRS 16– Leasing

Initial evaluation of the agreement

The Company assesses whether a contract is a contract or contains a leasing component, when entering into the agreement. During the contractual life, this initial assessment is reviewed only in the face of substantial changes in the contractual conditions (e.g. changes in the subject of the contract or in the requirements that impact on the right to control the underlying asset). If the leasing contract also contains a non-leasing component, the Company separates and handles this component according to the reference accounting principle, except for the case in which the separation cannot be achieved on the basis of objective criteria: in this case, the Company makes use of the practical expedient granted by the principle of treating the leasing and non-leasing components together in accordance with IFRS 16.

The Company recognises an *asset consisting of the right of use* and a corresponding *leasing liability* for all the leasing contracts in which it is a lessee, with the exception of short-term contracts (with a duration of no more than twelve months), to contracts in which the single underlying asset is of low value (up to Euro 5 thousand), and to contracts in which the underlying asset has the nature of an intangible asset (e.g. software licenses). For these contracts, the Company avails itself of the option to continue to apply the provisions of IAS 17, thus recognising the leasing instalments as operating costs in exchange for short-term trade payables.

Rights of use

At the start date of the contract, the Company recognises the right of use equal to the initial value of the corresponding leasing liability, plus the payments due for the leasing before the starting date of the leasing and for any initial direct costs.

Subsequently these assets are valued net of accumulated depreciation and impairment. The right of use is amortised in the shorter of the contractual term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or the cost of the asset consisting of the right of use reflects that the Company plans to exercise a

purchase option, the related asset consisting of the right to use is amortised over the useful life of the underlying asset. Depreciation begins on the leasing date. The Company applies IAS 36 - *Impairment of assets* to determine whether an asset consisting of the right of use has suffered an impairment.

Consistent with the provisions of the accounting principle, the Company has decided to present the right-of-use assets by nature, or by including them in the same item in which the corresponding underlying assets would be presented if they were owned. The explanatory note then specifies the line of financial statements in which these user right activities are classified.

Leasing liabilities

The leasing liability is initially measured at the present value of the unpaid leasing payments on the leasing start date, discounted using the implicit leasing rate. If this rate cannot be determined promptly, the Group uses the marginal loan rate, defined for the duration of the loan and for each Group Company, and periodically (at least once during the year) reviewed and updated.

Payments included in the initial measurement of the lease liability include:

- fixed payments (including fixed payments in substance), net of any leasing incentives to be received;

- variable payments due for the leasing that depend on an index or a rate, initially calculated using an index or a rate on the effective date (e.g. ISTAT adjustments);

- the strike price of the purchase option, if the lessee has reasonable certainty to exercise the option.

On the other hand, variable payments that do not depend on an index or rate are not included in the initial value of the leasing liability. These payments are recognised as a cost, under the item *Other costs* in the income statement, in the period in which the event or condition that generates the obligation occurs.

Subsequently, the leasing liability is increased to reflect interest on the residual value (using the effective interest method) and reduced to reflect the lease payments paid.

The Company restates the leasing liability (and makes a corresponding adjustment to the related right of use) in the event of a change:

- the duration of the lease (e.g. in the event of early termination of the contract, or extension of the expiry date)

- the evaluation of a purchase option of the underlying asset. In such cases the payments due for leasing will be reviewed on the basis of the revised duration of the leasing and to take into account the change in the amounts to be paid under the purchase option.

- future payments due for the leasing resulting from a change in the index or rate used to determine the payments, or as a result of a re-negotiation of the economic conditions

Only in the event of a substantial and significant change in the duration of the lease or the future payments due for the lease, the Company restates the residual value of the leasing liability by referring to the marginal financing rate in force on the date of the change (instead of the one applied at inception of the agreement). In all other cases, the leasing liability is recalculated using the initial discount rate.

Leasing liabilities are posted under the balance sheet item "Financial payables".

Goodwill

Goodwill is calculated as the excess between the sum of the considerations transferred in the business combination, the value of the net equity and the fair value of any equity investment previously held in the company acquired compared to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets and liabilities acquired at the purchase date exceeds the sum of the considerations transferred, the value of the net equity pertaining to minority interests and the fair value of any equity investment previously held in the acquired company, this excess is immediately recognised in the income statement as income.

Goodwill is not amortised, but subjected to an annual valuation aimed at identifying any loss in value (impairment test). This test is carried out with reference to the organisational unit generating the cash flows ("cash generating unit" or "CGU") to which the goodwill is attributed.

Within the group five CGUs were identified and the goodwill was reassigned on the basis of the fair value of the CGUs in question on the date on which the CGUs were identified, as required by the accounting standards.

The impairment test was prepared on the basis of the 2021 budget and, for subsequent years, the strategic plan approved by the Board of Directors of the Parent on 04 March 2021. Please refer to paragraph 10.2 of these Notes for more details.

Any impairment of goodwill is recorded if the recoverable amount thereof is less than its carrying value on the financial statements. Recoverable value is defined as the greater of either the fair value of the CGU, less the disposal costs, or the relative value in use, understood as the actual value of the future cash flows for that asset. Impairment of goodwill is not allowed in the case of a previous write-down for losses in value.

If the impairment resulting from the impairment test exceeds the value of the goodwill allocated to the CGU, the remaining surplus is allocated to the non-current assets included in the CGU in proportion to their carrying value.

The test is performed at least once a year, or in any case if loss of value indicators are found.

Other intangible fixed assets

Intangible assets are identifiable non-cash assets without physical substance that generate future economic benefits for the Company. These elements are recognised at purchase and/or production cost, including expenses directly attributable to preparing the asset for use, net of accumulated amortisation and any loss in value.

Amortisation begins when the asset becomes available for use and is calculated systematically over the residual useful life of each asset.

In line with previous years, the useful life estimated by the Group for the various categories of intangible assets is shown below.

Software	33%
Concessions, licenses and trademarks	33%
NDE clients portfolio	8%
ERA Clients portfolio (now Rina Consulting Ltd)	10%
ERA orders portfolio (now Rina Consulting Ltd)	25%
NDE Software	20%
ERA Software (now Rina Consulting Ltd)	20%

Impairment of property, plant and equipment and intangible assets with a finite useful life

At each balance sheet date, the Group assesses the existence of indicators reducing the value of property, plant and equipment and intangible assets with a finite useful life not fully amortised. If such indicators are found, the recoverable value of the assets is estimated, with any amortisation or depreciation with respect to the relative book value being recorded on the income statement. Recoverable value of an asset is defined as the greater of either the fair value, less the disposal costs, or the relative value in use, understood as the actual value of the future cash flows for that asset. For an asset that does not generate largely independent cash flows, the value is determined in relation to the cash generating unit to which the asset belongs. When calculating the value in use, the expected future cash flows are discounted using a rate that reflects the current market assessments of the cost of money in relation to the period of the investment and risks specific to the asset. A reduction in value is recognised in the income statement when the carrying value of the asset is higher than the recoverable value. If the conditions for a write-down previously carried out no longer subsist, the carrying amount of the asset is restored through registration on the income statement, within the limits of the carrying value that the asset in question would have had if the write-down had never been done and the amortisations or depreciations had been carried out.

Financial assets

The financial assets of the Group are classified on the basis of the business model adopted for the management of the same and the characteristics of the relative cash flows.

a) Financial assets valued at amortised cost

Financial assets which have been verified to meet the following requirements are classified in this category:

(i) the asset is held within a business model whose objective is possession of the asset to collect contractual financial flows; and

(ii) the contractual terms of the asset include cash flows represented solely by payments of principal and interest on the principal amount to be repaid.

These are mainly receivables from customers, loans and other receivables.

Trade receivables that do not contain a significant financial component are recognised at the price defined for the related transaction (determined in accordance with the provisions of IFRS 15 Revenues from customer contracts).

Other receivables and loans are initially recognised in the financial statements at their fair value increased by any directly attributable accessory costs to the transactions that generated them. At the time of subsequent measurement, financial assets are shown at amortised cost, with the exception of loans that do not contain a significant financial component, using the effective interest rate. The effects of this measurement are recognised as a financial income component.

The Group values receivables by adopting an expected loss Expected Loss.

For trade receivables, the Group adopts a simplified approach to valuation (known as Simplified approach) which does not require the recognition of periodic changes in credit risk, but rather the accounting for an Expected Credit Loss (abbreviated as ECL) calculated over the entire life of the credit (so-called lifetime ECL).

In particular, the policy implemented by the Group involves the stratification of receivables, which are broken down by homogeneous risk categories. Different write-down percentages are applied to these categories, which reflect the likelihood of them being recovered. These are based on historical percentages and on any forward-looking element, which may impact the reasonable likelihood of them being recovered. Trade receivables are written down in full if they are not reasonably likely to be recovered (e.g. overdue past a certain point, bankruptcy and/or start of legal action).

Write-downs carried out in accordance with IFRS 9 are recognised in the consolidated income statement net of any positive effects related to releases or restorations of value and are represented under operating costs.

b) Financial assets at fair value through profit or loss ("FVOCI")

Financial assets which have been verified to meet the following requirements are classified in this category:

(i) the asset is held as part of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of the asset itself; and

(ii) the contractual terms of the asset include cash flows represented solely by payments of principal and interest on the principal amount to be repaid.

These assets are initially recognised in the financial statements at their fair value plus any additional costs directly attributable to the transactions that generated them. At the time of subsequent measurement, the measurement made at the time of recognition is updated and any changes in fair value are recognised in the statement of comprehensive income.

With reference to the impairment model, it follows what is described in paragraph a) detailed above.

c) Financial assets at fair value with a balancing entry in the consolidated income statement ("FVPL")

Financial assets that are not classified in any of the previous categories (i.e. residual category) are classified in this category. These are mainly derivative instruments.

Assets belonging to this category are recorded at fair value upon initial recognition.

Ancillary costs incurred on recognition of the asset are immediately recognised in the consolidated income statement. On subsequent measurement, FVPL financial assets are measured at fair value.

Gains and losses arising from changes in fair value are recognised in the consolidated income statement in the period in which they are recognised under "Gains (losses) from assets measured at fair value".

Purchases and disposals of financial assets are accounted for at the settlement date.

Financial assets are derecognised when the related contractual rights expire, or when the Group transfers all the risks and benefits of ownership of the financial asset.

Derivative financial instruments

As permitted by IFRS 9, the RINA Group has chosen to continue to apply the hedge accounting provisions of IAS 39 instead of the provisions of IFRS 9.

Derivative instruments are initially valued at fair value and remeasured at each balance sheet date at fair value. The criteria for recognising the gains and losses deriving from the remeasurement of the derivative instruments depend on their initial classification.

Derivative financial instruments subscribed for the purpose of hedging specific financial risks are recorded using hedge accounting rules if the relationship between the derivative financial instrument and the instrument being hedged is formally documented, and the hedge is periodically shown to be highly effective.

In this case, the accounting methods are:

- Fair value hedge - if a derivative financial instrument is selected to hedge exposure to changes in the current value of an asset or liability, the change in the fair value of the hedging derivative is recognised in the income statement, along with the valuation of the fair value of the assets and liabilities hedged.
- Cash flow hedge - if a derivative financial instrument is selected to hedge the exposure to the variability of the cash flows of a financial asset, liability, or a highly probable forecast transaction that could affect the comprehensive income statement, the effective portion of profits or losses on the financial instrument is recognised in equity; the accumulated profit or loss is reversed from equity and recorded in the income statement in the same period in which the transaction being hedged is recorded; the profit or loss associated with a hedge, or that part of the hedge that has become ineffective, is recorded in the income statement when the ineffectiveness is recognised.

If the conditions for the application of hedge accounting are not met, changes in the fair value of the derivative financial instrument are recorded in the income statement.

Fair value measurement

The Fair value valuations of the financial instruments are carried out by applying IFRS 13 "Fair value measurement" ("IFRS 13"). The fair value represents the price that would be received for the sale of an asset or paid for the transfer of a liability within the context of an ordinary transaction carried out between market operators on the measurement date.

The fair value measurement is based on the assumption that the sale of the asset or the transfer of the liability takes place on the main market, or rather the market with the greatest volume and level of transactions for the asset or liability in question. In the absence of a main market, it is assumed that the transaction takes place on the most advantageous market to which the Group has access, or rather the market most likely to maximise the results of the asset's sale, or minimise the amount to be paid for the transfer of the liability.

The fair value of an asset or liability is determined in consideration of the assumptions that market participants would use to define the price of the asset or liability in question, with the presumption that they are acting in their best

economic interests. The market participants are independent and informed buyers and sellers who are capable of entering into a transaction for an asset or liability, and are motivated, but are not obliged or induced, to carry out the transaction.

In carrying out the fair value measurement, the Group takes into account the characteristics of the specific asset or liability, and namely, for non-financial assets, the ability of a market participant to generate economic benefits by employing the asset for its greatest and best possible use, or by selling it to another market participant capable of using it for its greatest and best possible use. The fair value measurement of the assets and liabilities is carried out using techniques appropriate for the circumstances, and for which sufficient data are available, maximising the use of observable inputs.

IFRS 13 identifies the following hierarchy of fair value levels, which reflects the significance of the inputs used in the relative determination:

- Level 1 - Quoted price (active market): the data used in the measurements are prices quoted on markets where the same assets and liabilities in question are exchanged.
- Level 2 - Use of parameters observable on the market (e.g. for derivatives, the exchange rates used by the Bank of Italy, market rate curves, volatility provided by qualified providers, credit spreads calculated based on the CDS, etc.) other than the quoted prices referred to in level 1.
- Level 3 - Use of unobservable market parameters (e.g. internal assumptions, cash flows, risk-adjusted spreads, etc.).

Cash and cash equivalents

Cash and cash equivalents include cash, bank current accounts, deposits repayable on request and other short-term and highly liquid financial investments that are readily convertible into cash, or convertible into cash within 90 days of the original acquisition date, and are subject to a low risk of changes in value.

Treasury shares

Treasury shares are recorded as a reduction in equity. The original cost of treasury shares and the revenues deriving from any subsequent sales are recorded as movements in shareholders' equity.

Financial liabilities (excluding derivatives)

Financial liabilities include financial payables, payables for leases and trade payables.

Amounts due to banks and other lenders are initially recognised at fair value net of directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method. If there is a change in the expected cash flows, the value of the liabilities is recalculated to reflect this change based on the current value of the new expected cash flows and the initially determined internal rate of return.

Leasing payables are initially recognised at the fair value of the capital goods covered by the contract, or, if lower, at the present value of the minimum payments due. Please refer to paragraph 9 of this Note regarding the impact on financial liabilities following the adoption of IFRS 16.

Trade payables are obligations to pay for goods or services acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if they are paid within one year of the balance sheet date. Otherwise, these payables are classified as non-current liabilities.

Trade and other payables are initially recognised at fair value and subsequently measured using the amortised cost method.

When a liability is hedged against interest rate risk by a fair value hedge, changes in fair value due to the hedged risk are not included in the amortised cost calculation. These changes are amortised from the moment in which the fair value hedge accounting is interrupted.

Financial liabilities are eliminated from the financial statements when the obligation underlying the liability is extinguished, cancelled or fulfilled.

If put and cull options are granted to minority shareholders, which guarantee them a cash settlement in exchange for cash or other financial assets, on the basis of IAS 32 the Group records a financial liability equal to the best estimate of the option's exercise price. This liability is subsequently remeasured at each balance-sheet date.

With reference to the derecognition of a financial liability, new records must be created for its extinction and the recognition of a new liability if the contractual terms are substantially different. The terms are considerably different if the actualised value of the financial flow under the new terms, including any fee paid net of the fee received and actualised using the original interest rate, are at least 10% different from the actualised value of the remaining financial flows of the original financial liability. If the exchange of debt instruments or the change in the terms are recognised as an extinction, any costs or fees paid are recorded as income or losses associated with the extinction. If the exchange or modification are not recognised as extinction, any costs or fees sustained will adjust the accounting value of the liability and will be amortised over the remaining term of the liability in question.

Personnel funds

Funds paid to personnel on or following termination of employment mainly comprise Severance Indemnity (TFR), governed by article 2120 of the Italian Civil Code.

Employee severance indemnity is a formalised program of benefits paid out after termination of the employment relationship; it constitutes a future obligation, and the Group bears the actuarial and investment risks associated with it. As required by IAS 19, the Group uses the Credit Unitary Projection Method to calculate the current value of the bonds and the related social security cost of current services; this calculation method requires the use of objective and compatible actuarial assumptions on demographic (mortality rate, staff turnover rate) and financial variables (discount rate, future increases in salary levels). Actuarial gains and losses are recognised in comprehensive equity.

Following the pension reform, from 1 January 2007 the accrued employee severance indemnity is allocated to pension funds, to the treasury fund set up at INPS or, in the case of companies with fewer than 50 employees, can remain in the Company in the same way as in previous years.

Employees were offered the right to choose where to invest their severance indemnity up until 30 June 2007.

In relation to this, the allocation of the accrued amounts of TFR to the pension funds or to the INPS implies that a portion of the accrued TFR is classified as a defined contribution plan, since the obligation of the Company is represented exclusively by the payment of contributions to the pension fund or to the INPS. The liability relating to the previous severance indemnity continues to represent a defined benefit plan to be assessed according to actuarial assumptions.

The other long-term benefits granted to employees, such as long-term bonuses, are also evaluated using actuarial methods, as well as taking into consideration demographic (mortality rate, staff turnover rate) and financial variables (discount rate). Actuarial gains and losses are recognised in comprehensive equity.

Provisions for risks and charges

Provisions for risks and charges are recorded for specific losses and charges of a specific nature, of certain or probable existence, but the amount and/or date of which is uncertain.

Funds are only recorded when there is a current obligation (legal or implicit) for future payments caused by past events, and the payments are required to meet the obligation. The amount is the best estimate of the discounted outlay required to settle the obligation.

When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the funds are valued at the current value of the expected payment using a rate that reflects the market conditions, the change in the cost of money over time and the specific risk linked to the obligation.

The increase in the value of the fund associated with changes in the cost of money over time is recorded as a financial charge.

Potential risks are indicated in the specific section on disclosures on potential liabilities, and no provision is made for them.

In extremely rare cases, the indication of some or all of the information required by paragraphs 84-89 of IAS 37 could seriously affect the entity's position in a dispute with third parties on the matter underlying the provision, the contingent liability or the potential activity. In such circumstances, the entity is not obliged to provide the information but must indicate the general nature of the dispute, together with the fact that, and the reason why, the information has not been indicated.

Public contributions

Government grants are recognised when there is reasonable assurance that an entity will comply with any conditions attached and that the grant will be received. The contributions are recorded in the income statement throughout the period in which the related costs are recorded.

Benefits deriving from public funding obtained at a subsidised rate are recorded in a similar way to public grants.

This benefit is calculated when funding is first received as the difference between the initial carrying amount of the loan (fair value plus costs directly attributable to obtaining the loan) and the amount collected and is subsequently recognised in the income statement in accordance with the rules established for recognition of public contributions.

Recognition of revenues

Revenues from contracts with customers are recorded in accordance with IFRS 15.

On the basis of the 5-phase model introduced by IFRS 15, the Group records the revenues after identifying the contracts with its customers and the performance obligations (transfer of goods and/or services), determining the consideration

the Group expects to be entitled to in exchange for meeting the performance obligations (at a given point in time versus over the course of a period of time).

The revenues are recorded at the time the performance obligations are satisfied by transferring the goods or services promised to the customer. This can happen at a given point in time or over the course of a period of time.

The Group operates in different sectors and the revenues generated cover very different contractual situations.

The majority of contracts stipulated by the Group are short-term, and the related revenues are recognised when the service is rendered to the final customer.

For other long-term contracts, mainly relating to marine and certification activities, the Group uses the percentage of completion method in order to calculate the amount of revenue to be recognised in a given period.

The percentage of completion is calculated for each contract based on the costs incurred compared to the estimated total costs or on the basis of the activities carried out with respect to the total planned activities. If a loss is expected as the final result of the contract, this is recorded in the income statement for the year in which the forecast is made for the entire amount envisaged.

Taxes

Current taxes are calculated on the basis of taxable income for the year, applying the tax rates in force at the financial statements date.

Deferred tax assets and liabilities are calculated for all differences between the tax value of an asset or liability and the related carrying amount. Deferred tax assets, including those relating to previous tax losses, for the portion not offset by deferred tax liabilities, are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered. Deferred tax assets and liabilities are calculated using the tax rates that are expected to be applicable in the financial years in which the differences will be realised or settled, based on the tax rates in force or substantially in force at the financial statements date.

Current taxes, deferred tax assets and liabilities are recorded in the income statement, except for those relating to items directly charged or credited to equity, for which the related tax effect is also recognised directly in equity. Taxes are offset when they are applied by the same tax authority and there is a legal right of compensation.

It should also be noted that the Parent Company and some Italian subsidiaries adhere, starting from the financial year ended 31 December 2011 and subsequently renewed, to the tax consolidation of the Registro Italiano Navale, regulated in articles 117 to 129 of Presidential Decree 917/86, as amended by Legislative Decree no. 344/03.

3. Estimates and assumptions

The preparation of the financial statements requires the directors to apply accounting standards and methodologies which, under certain circumstances, are based on evaluations and estimates, historical experience, and assumptions that are considered to be reasonable and realistic in light of the relative circumstances.

The application of these estimates and evaluations affects the amounts recorded in the financial statements, as well as the information provided. Due to the uncertainty that characterises the assumptions and the conditions upon which

the estimates are based, the final results of the items on the financial statements for which these estimates and assumptions have been utilised may differ from those contained in the financial statements showing the effects of the estimated items.

The following is a brief list of the items that, in relation to the Group, require greater subjectivity on the part of the directors in the preparation of estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the Group's economic and financial results.

- *Tangible fixed assets*: following the adoption of IFRS 16, non-current assets include tangible assets (falling within the categories Buildings and Other tangible fixed assets) for which the right of use is recorded as assets held under leasing. This right of use is equal to the initial value of the corresponding leasing liability, plus the payments due for the leasing before the starting date of the leasing and for any initial direct costs. Please refer to paragraph 9 of this Note for a description of the estimates used in the context of IFRS 16.

- *Impairment test*: goodwill undergoes yearly impairment testing to ascertain whether impairment has occurred. The reduction in value, when the net carrying amount of the cash-generating unit to which they are allocated is higher than its recoverable value (defined as the higher value between its value in use and its fair value), must be recorded as a write-down. In order to check this value, the directors need to make subjective assessments based on the information available within the Group and on the market, as well as from historical experience. If a potential impairment is found, the Group will proceed to calculate the amount using appropriate valuation techniques. The same checks and valuation techniques are applied to the intangible and tangible assets with a definite useful life when there are indicators that provide for a reduction in value. Identifying the correct indicators of potential impairment, and the correct estimates to use for its calculation, depend on factors that can change over time, thus affecting the evaluations and estimates made by the directors.

- *Bad debt provision*: the write-down fund for trade receivables reflects the directors' best estimate of the losses relating to the client receivables portfolio. This estimate is based on the Group's forecast losses, calculated based on past experience for similar receivables, current and historical past due, careful monitoring of credit quality and projections of economic and market conditions.

- *Deferred tax assets*: deferred tax assets are shown based on forecast future taxable income. The estimation of future taxable income for the purpose of accounting for deferred tax assets depends on factors that may change over time and have a significant effect on the recoverability of deferred tax assets.

- *Incentives for managers*: the calculation of the incentives paid to managers as part of the incentive plan is based on estimates made by the directors that take into account Group EBITDA and Net Financial Position, based on contractual forecasts. These estimates may vary over time and are difficult to predict, such as the future performance of Company management. The change in these components can significantly influence the assessments made by the directors.

- *Provision for risks and charges*: Provisions representing the risk of negative outcomes have been recorded for the legal and tax risks. The value of the provisions recorded on the financial statements for these risks represents the best estimate to date made by the directors. This estimate involves certain assumptions dependent upon factors that can change over time, and which could therefore have a significant effect in relation to the current estimates made by the directors during the preparation of the Group's financial statements.

- *Revenue recognition*: the Group uses the percentage of completion method for recognising revenues in certain types of contracts. The use of the percentage of completion method requires the estimate of the services provided on the total expected services or the costs incurred compared to the total expected costs. This estimate involves assumptions that may change over time, and which could have significant effects on calculating the Group's revenues.

- *Employee benefits*: the recognition of employee benefits requires the use of certain financial and demographic variables estimated by company management, such as the discount rate, the expected mortality and resignation rate. These variables are difficult to predict and may vary over time. Their variation can significantly affect the assessments made by directors in relation to the calculation of liabilities for employee benefits.

Use of IFRS 16 estimates

The description of the main estimates adopted by the Rina Group at 31 December 2019 in accordance with IFRS 16 is provided below.

- ***Incremental borrowing rate***

With regard to the determination of the discount rate, the Company has chosen to refer to a marginal debt rate ("Incremental Borrowing Rate" or "IBR") in line with a hypothetical loan that would have been obtained in the current economic context, and defined uniquely for groups of contracts with similar residual duration and for similar reference companies. In particular, the individual IBR takes into account the Risk free rate identified on the basis of factors such as the economic context, the currency, the contractual maturity, and the Credit spread which reflects the organization and financial structure of the Companies. The IBR associated with the beginning of each contract will be subject to review at each lease modification, i.e. substantial and significant changes to the contractual conditions in the evolution of the agreement (e.g. duration of the contract or amount of future payments due for the leasing).

- ***Contract duration***

With regard to the determination of the contractual duration at the start date of the contract or which remains at a later date (in the case of substantial and significant changes to the contractual conditions) and, in particular, for real estate leasing agreements, the Company uses an approach valuation which is based primarily on the duration envisaged by the obligation as agreed and formalised in the agreement between the Parties and/or by the reference legislative framework (Law no.392 of 27 July 1978), and may provide for a temporal extension as a result of an interpretative/predictive forecast of future events, circumstances and intentions, including strategic ones, of both the lessee and the lessor.

The determination of the lease term for all the other leasing agreements coincides instead with the duration foreseen by the obligation agreed between the Parties, compatibly with the future intentions in the will/ability to reach the end and the experiences acquired.

4. Accounting standards in force from 1 January 2020 and interpretations applicable at a future date

The accounting standards described below have been applied consistently throughout the periods included in these consolidated financial statements.

The accounting principles and the most significant valuation criteria used by the Company when drafting the financial statements remained unchanged compared to those used in the financial statements as at 31 December 2019, except as described in the following paragraph.

4.1 Approved standards and interpretations in force from 1 January 2020

Under IAS 8 "Accounting policies, changes in accounting estimates and errors", the IFRS in force from 1 January 2020 are illustrated below:

- Amendments to **IFRS 3 "Business combinations"** - These amendments have introduced a new definition of business, according to which an acquisition must include inputs and processes that contribute substantially to obtaining an output to qualify as a business combination. The definition of output is modified in a restrictive sense, and it is specified that cost savings and other economic benefits are to be excluded as outputs. This change will result in more acquisitions qualifying as asset acquisition rather than business acquisition;

- Amendments to **IAS 1 "Presentation of Financial Statements"** and to **IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of material** - These amendments, in addition to clarifying the concept of materiality of transactions, focus on the definition of a concept of consistent and unique relevance between the various accounting standards and incorporating the guidelines included in IAS 1 on non-material information;

- Amendments to **IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (IBOR reform)** - These changes concern the impacts on financial statements deriving from the replacement of the current reference interest rates ("benchmark") with alternative interest rates: in the presence of hedging relationships impacted by uncertainty of the reform of the reference rates, these changes make it possible not to carry out the valuations required by IFRS 9 in the presence of changes in rates. The effects of these changes on the interest rate hedging transactions carried out by the Company are subject to continuous monitoring.

- Amendments to **IFRS 16 Leases - Covid-19-Related Rent Concessions**- These amendments introduce an optional accounting treatment for tenants in the presence of reductions in permanent rent (rent holidays) or temporary rents linked to Covid-19. Tenants can choose to account for rent reductions occurring up to 30 June 2021 as variable lease payments recognised directly in the income statement of the period in which the reduction applies, or treat them as a modification of the lease agreement with the consequent obligation to remeasure the lease payable based on the revised consideration using a revised discount rate. These rental reductions were treated as variable lease payments and therefore recognised directly in the income statement for the period.

4.2 International accounting standards and/or interpretations issued but not yet entered into force in 2020

As required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the new Standards or issued interpretations which have not yet been applied, or which have not yet been endorsed by the European Union at 31 December 2020 and therefore cannot be applied, are provided below.

None of these Standards and Interpretations has been adopted by the Company in advance.

- **Amendments to IAS 1 - Presentation of financial statements - Classification of liabilities as current or non-current** - The amendments clarify the principles that must be applied for the classification of liabilities as current or non-current. These amendments, which will come into force on 1 January 2022, have not yet been endorsed by the European Union.

- **Amendments to IAS 16 - Property, Plant and Equipment - Fees Received Before Intended Use** - These amendments prohibit deducting from the cost of property, plant and equipment amounts received from the sale of products while the asset is being prepared for its intended use. The proceeds from the sale of the products, and the related production cost must be recognised in the income statement. These amendments, which will come into force on 1 January 2022, have not yet been endorsed by the European Union.

- **Amendments to IAS 37 - Provisions, potential liabilities and contingent assets - Onerous contracts - Costs for fulfilling a contract** - These amendments specify the costs to be taken into consideration when evaluating onerous contracts. These amendments, which will come into force on 1 January 2022, have not yet been endorsed by the European Union.

- **Annual Improvements (cycle 2018 - 2020) issued in May 2020** - These are amendments limited to certain standards (IFRS 1 First-time adoption of IFRS, IFRS 9 Financial instruments, IAS 41 Agriculture and illustrative examples of IFRS 16 Leases) which clarify the formulation or correct omissions or conflicts between the requirements of the IFRS standards. These amendments, which will come into force on 1 January 2022, have not yet been endorsed by the European Union.

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Reference interest rate reform (IBOR reform - phase 2)** - These changes, which will enter into force on January 1, 2022, have not yet been endorsed by the European Union.

5. Financial risk management

In the business risks area, the main risks identified, monitored and, as specified below, actively managed by the Group are as follows:

- market risk, deriving from the fluctuation of exchange rates between the Euro and the other currencies in which the Group operates and interest rates;
- credit risk, deriving from the possibility of a counter-party default;
- liquidity risk, deriving from the lack of sufficient financial resources to meet financial commitments.

The following section provides qualitative and quantitative reference indications on the uncertainty of these risks.

5.1 Market risk

5.1.1 Exchange rate risk

Exposure to the risk of changes in exchange rates derives from the Group's activities carried out in currencies other than the Euro. Revenues and costs in foreign currencies can be influenced by exchange rate fluctuations with an impact on trade margins (economic risk), as trade and financial debt and receivables in foreign currency can be impacted by the conversion rates used, with an effect on the economic result (transaction risk).

Finally, exchange rate fluctuations are also reflected in the consolidated results and in equity, as the financial statements of subsidiaries are prepared in currencies other than the Euro and subsequently converted (translation risk).

The main exchange rate to which the Group is exposed is the EURO/USD rate, in relation to sales and services rendered on international markets.

At 31 December 2020, the Group had hedging transactions on the exchange rate risk carried out through USD forward contracts.

In 2020, the total amount of revenues directly exposed to exchange rate risk was equivalent to 40% of sales revenues (35% in 2019).

Sensitivity analysis for exchange rate risk

For the purposes of sensitivity analysis on the exchange rate, the items of the balance sheet in a different currency with respect to the functional currency used in the preparation of the consolidated financial statements have been identified.

Lastly, two scenarios were considered which represent an appreciation and depreciation of 10% of the exchange rate between the currency in which the balance sheet item is denominated and the currency of account respectively.

The table below shows the results of the analysis carried out (data in EURO thousands):

Euro Thousand		*Euro Thousand*	
impact on profit and on equity for the year net of the tax effect		**impact on profit and on equity for the year net of the tax effect**	
USD		**USD**	
-10%	**+10%**	**-10%**	**+10%**
2.624	(2.147)	1.344	(1.100)
INR		**INR**	
-10%	**+10%**	**-10%**	**+10%**
549	(449)	215	(176)
GBP		**GBP**	
-10%	**+10%**	**-10%**	**+10%**
991	(811)	1.873	(1.533)
CNY		**CNY**	
-10%	**+10%**	**-10%**	**+10%**
317	(260)	243	(199)

5.1.2 Interest rate risk

The Group uses external financial resources in the form of debt and uses these funds in money and financial market instruments. Furthermore, the Group makes recourse to receivables deriving from their commercial activity on a recurring basis. Changes in the levels of market interest rates affect the cost and yield of the various forms of financing, loans and assignment of loans, thus affecting the Group's net financial charges.

Furthermore, the Group has some medium/long-term loans held at fixed rates obtained from public bodies and credit institutions, some of which with the aim of financing the development of specific research and development programs.

At 31 December 2020, the amount of fixed-rate loans on total Group loans amounted to 72% (69.21% as at 31 December 2019), considering the effects of the hedges.

The Company uses interest rate swaps (IRS) for hedging as detailed in paragraph 10.11 of these Notes.

Sensitivity analysis for interest rate risk

The measurement of the Group's exposure to interest rate risk was carried out using a sensitivity analysis that considered current and non-current financial liabilities, bank deposits and securities. The methodology used to carry out this analysis, together with the results obtained, is briefly described below.

Within the assumptions made, the effects on the Group's income statement and shareholders' equity were assessed for the financial years 2020 and 2019 deriving from a hypothetical change in market rates, which respectively account for an appreciation and depreciation of 50bps.

The calculation method applied the hypothesis of variation to the average annual balance of the Group's bank deposits, the specific balances of the gross financial debt, the interest rate paid during the year to remunerate the variable rate liabilities, and the interest rate used in discounting subsidised loans.

The table below shows the results of the analysis carried out:

Euro Thousand

Year 2020	504	-504	504	-504
Year 2019	517	-517	517	-517

Note: the plus sign indicates a higher profit and an increase in equity; the negative sign indicates a lower profit and a decrease in equity.

5.2 Credit risk

Credit risk measures how exposed the Group is to potential losses caused by failure to meet obligations to trade or financial partners. The overall exposure to credit risk at 31 December 2020 and 2019 is represented by the sum of the financial assets recorded in the financial statements, summarised below.

Euro Thousand

Non-current financial assets	344	365
Other receivables and other non-current assets	3.071	3.661
Current trade receivables	*172.657*	*172.282*
Invoices to be issued	*39.171*	*33.951*
Current trade receivables	211.828	206.233
Current financial assets	2.766	6.401
Other receivables and other current assets	44.668	35.958
Bad debt provisions	(38.228)	(36.722)
Total exposure to credit risk	**224.449**	**215.896**

Current and non-current receivables include trade and tax receivables, advances to suppliers, advance payments of insurance and guarantee deposits. On the whole, they show a low level of credit risk.

With regard to trade receivables, the insolvency risk is monitored centrally by the Group's administrative management, which constantly monitors the Group's credit exposure, the collections of trade receivables and, by carrying out qualitative and quantitative analyses of creditworthiness, acceptance or not of new customers. The Company does not have significant concentrations of credit risk.

As shown in the table above, the receivables are presented in the financial statements net of the related bad debt provisions, mainly calculated by assessing payables with an expected loss logic and - residually - on the basis of the analysis of the positions for which objective conditions of total or partial uncollectability occur. Loans subject to write-down amounted to EURO 38,228 thousand and EURO 36,722 thousand respectively as of 31 December 2020 and 2019.

Lastly, when selecting counter-parties for the management of temporary financial surpluses, the Group only uses partners with a high credit standing.

5.3 Liquidity risk

Liquidity risk is associated with the ability to meet financial commitments. Prudent management of liquidity risk arising from normal operations implies the maintenance of an adequate level of liquidity, short-term securities and the availability of funds obtainable through an adequate amount of credit lines.

Liquidity risk is managed centrally by the Group on the basis of the guidelines defined by the Parent Company.

Administrative management periodically monitors the Group's financial position, drafting reports on incoming and outgoing cash flows, forecasts and final accounts.

In this way, the Group aims to ensure adequate coverage of our financial needs, carefully monitoring loans, open lines of credit and related uses in order to optimise resources and manage any temporary liquidity surpluses.

The Group's aim is to establish a financial structure that, in keeping with its business objectives, ensures an adequate level of liquidity, minimising the relative opportunity cost, and maintains a balance in terms of the debt composition and duration.

The following table analyses financial liabilities (including trade payables and other current payables); in particular, all the flows indicated are nominal future cash flows not discounted, determined with reference to the residual contractual maturities, both for the share in the capital account and for the interest share. Loans have been included on the basis of the contractual maturity in which the reimbursement takes place.

Euro Thousand

Payables due to banks and other lenders (short/long-term)	46.681	158.573		205.254
Payables due to banks and other lenders (net of financial payables IFRS 16)	**46.681**	**158.573**	**-**	**205.254**
Non-current financial payables - IFRS16		23.198	15.883	39.081
Current financial payables - IFRS16	9.695			9.695
Financial payables - IFRS16	**9.695**	**23.198**	**15.883**	**48.776**
Total payables due to banks and other lenders	**56.376**	**181.771**	**15.883**	**254.030**
Other payables and other non-current liabilities		13.780		13 780
Trade payables	77.125			77 125
Other payables and other current liabilities	68.325			68.325
Total financial liabilities	**201.826**	**195.551**	**15.883**	**413.260**

Euro Thousand

Payables due to banks and other lenders (short/long-term)	42.002	159.778		201.780
Payables due to banks and other lenders (net of financial payables IFRS 16)	42.002	159.778	-	201.780
Non-current financial payables - IFRS16		22.912	11.574	34.486
Current financial payables - IFRS16	10.096			10.096
Financial payables - IFRS16	10.096	22.912	11.574	44.582
Total payables due to banks and other lenders	52.098	182.690	11.574	246.362
Other payables and other non-current liabilities		16.180		16.180
Trade payables	70.838			70.838
Other payables and other current liabilities	59.886			59.886
Total financial liabilities	182.822	198.870	11.574	393.266

6. Financial assets and liabilities by category

The following table provides a breakdown of financial assets and liabilities by category at 31 December 2020 and 31 December 2019.

Financial assets	2.766	2.766
Financial assets	344	344
Other receivables and other non-current assets	3.071	3.071
Trade receivables	173.689	173.689
Other receivables and other current assets	44.668	44.668
Total	224.538	224.538
Payables due to banks and other lenders	(56.376)	(56.376)
Other payables and other non-current liabilities	13.780	13.780
Payables due to banks and other lenders	(197.654)	(197.654)
Trade payables	(77.125)	(77.125)
Other payables and other current liabilities	(68.326)	(68.326)
Total	413.281	413.281

Financial assets			6.401	6.401
Financial assets			365	365
Other receivables and other non-current assets			3.661	3.661
Trade receivables			169.606	169.606
Other receivables and other current assets			35.958	35.958
Total	-	-	215.991	215.991
Payables due to banks and other lenders			(52.098)	(52.098)
Other payables and non-current liabilities			(10.180)	(10.180)
Payables due to banks and other lenders			(194.274)	(194.274)
Trade payables			(70.838)	(70.838)
Other payables and other current liabilities			(59.885)	(59.885)
Total	-	-	(393.275)	(393.275)

7. Information on fair value

In relation to financial instruments measured at fair value, the following table shows information on the method chosen for calculating fair value. The applicable methodologies are distinguished in the following levels, based on the source of the available information, as described below:

(a) Level 1 financial instruments

The fair value of financial instruments listed on an active market is based on market prices at the balance sheet date. A market is considered active if the quoted prices are observable and regularly available for an exchange, intermediary, agent, industrial group, pricing service or regulatory body and these prices represent current and recurring market transactions at normal market conditions. The quoted market price used for the financial assets held by the group is the current offer price.

(b) Level 2 financial instruments

The fair value of financial instruments not traded in an active market (for example, unlisted derivative instruments) is calculated using valuation techniques that maximise the use of observable market data and minimise the use of specific estimates by the entity. If all inputs affecting the fair value of a financial instrument are observable, the instrument is included in level 2.

(c) Level 3 financial instruments

The fair value of the financial instruments not exchanged on an active market (for example, non-listed derivatives) is determined by using unobservable market parameters (e.g. Internal assumptions, cash flows, risk-adjusted spreads, etc.).

The table below shows the assets and liabilities measured at fair value at 31 December 2020 and 2019. The fair value of derivative products refers to the IRS (Interest Rate Swap) derivatives on the risk of fluctuations in the variable interest rate applied on the Term Loan A and Term Loan B loans and on the real estate leasing contract.

Euro Thousand			
Financial assets	-	432	-
Financial liabilities	-	3.002	-
Totale	-	3.434	-

Euro Thousand			
Financial assets	-	-	-
Financial liabilities	-	2.820	-
Totale	-	2.820	-

8. Information on business combinations

During 2020 there are no new acquisitions by the Group.

9. Information on the application of IFRS 16 - Leasing

As of January 1, 2019, the RINA Group has adopted IFRS 16 - Leasing (issued with Regulation (EU) No. 2017/1986). For a description of the general drafting criteria introduced, see paragraph 2.5 Evaluation criteria.

Details of the effects relating to the adoption of IFRS 16 are provided below:

2020 financial year

Euro Thousand

Buildings- IFRS 16	54.503		54.503	
Accumulated depreciation buildings -IFRS 16		(12.616)	(12.616)	
Buildings - IFRS 16	54.503	(12.616)	**41.887**	
Vehicles - IFRS 16	14.537		14.537	
Accumulated depreciation vehicles - IFRS 16		(7.877)	(7.877)	
Electomic machineries - IFRS 16	167		167	
Accumulated depreciation electronic machineries - IFRS 16		(98)	(98)	
Other tangible assets - IFRS16	14.704	(7.975)	**6.729**	
Non-current financial liabilities - IFRS16		(39.081)	(39.081)	
Current financial liabilities - IFRS16		(9.695)	(9.695)	
Financial payables - IFRS16		(48.776)	**(48.776)**	
Leases/rents - IFRS 16				**(11.913)**
Buildings depreciation - IFRS 16				6.983
Vehicles depreciation - IFRS 16				4.130
Electronic machineries depreciation - IFRS 16				46
Depreciation of tangible assets - IFRS16				**11.159**
Interest charges - IFRS 16				**1.573**
Total	69.207	(69.367)		819

2019 financial year

Euro Thousand

Buildings- IFRS 16	42.899		42.899	
Accumulated depreciation buildings -IFRS 16		(6.684)	(6.684)	
Buildings - IFRS 16	42.899	(6.684)	**36.215**	
Vehicles - IFRS 16	11.662		11.662	
Accumulated depreciation vehicles - IFRS 16		(4.002)	(4.002)	
Electomic machineries - IFRS 16	168		168	
Accumulated depreciation electronic machineries - IFRS 16		(54)	(54)	
Other tangible assets - IFRS16	11.830	(4.056)	**7.774**	
Non-current financial liabilities - IFRS16		(34.496)	(34.496)	
Current financial liabilities - IFRS16		(10.096)	(10.096)	
Financial payables - IFRS16		(44.592)	**(44.592)**	
Leases/rents - IFRS 16				**(11.363)**
Buildings depreciation - IFRS 16				6.664
Vehicles depreciation - IFRS 16				4.001
Electronic machineries depreciation - IFRS 16				54
Depreciation of tangible assets - IFRS16				**10.719**
Interest charges - IFRS 16				**1.200**
Total	54.729	(55.332)		556

10. Notes to the consolidated statement of financial position

10.1 Property, plants and equipment

The following tables show the changes in the heading *property, plant and equipment* for the years ended 31 December 2020 and 2019.

2020 financial year

Euro Thousand

Lands	1 664	-	-	-		(17)	-	1 647
Buildings	29 728	-	1	-		(364)	(924)	28 441
Accumulated depreciation buildings	(9 159)	-	-	-	(933)	141	(112)	(10 073)
Write down lands	(280)	-	-	-		-	-	(280)
Lands and Buildings	**21.943**	**-**	**1**	**-**	**(933)**	**(240)**	**(1.036)**	19 735
Buildings - IFRS16	42 899	-	12 313	-		(709)	-	54 503
Accumulated depreciation buildings - IFRS16	(6 684)		(79)	262	(6 983)	225	643	(12 616)
Buildings - IFRS16	**36.215**	**-**	**12.234**	**262**	**(6.983)**	**(484)**	**643**	**41.887**
Lands and Buildings	**58.158**	**-**	**12.235**	**262**	**(7.916)**	**(724)**	**(393)**	**61.622**
Plants and equipments	27 960	-	101	(30)		(202)	(131)	27 698
Accumulated depreciation plant and equipments	(24 995)	-	-	30	(476)	170	7	(25 264)
Plants and equipments	**2.965**	**-**	**101**	**-**	**(476)**	**(32)**	**(124)**	**2.434**
Commercial and industrial equipments	20 222	-	519	-		(25)	172	20 888
Accumulated depreciaion commercial and industrial equipments	(17 754)	-	-	(36)	(476)	17	(69)	(18.318)
Commercial and industrial equipments	**2.468**	**-**	**519**	**(36)**	**(476)**	**(8)**	**103**	**2.570**
Transport vehicles	826	-	30	(37)		(80)	1	740
Accumulatd depreciation transport vehicles	(614)	-	-	34	(50)	46	25	(559)
Furnitures	8 613	152	711	(35)		(201)	(174)	9 066
Accumulated depreciation furnitures	(7 610)	(3	-	37	(383)	182	105	(7 672)
Electronic machineries	17 694	(67)	1 685	(152)		(333)	147	18 974
Accumulated depreciation machineries	(14 825)	(5)	-	183	(1 131)	248	(173)	(15 703)
Other tangible assets	2 879	(103)	403	(139)		(58)	(44)	2 938
Accumulated depreciation other tangible assets	(2 493)	108	-	89	(496)	52	225	(2 515)
Other tangible assets	**4.470**	**82**	**2.829**	**(20)**	**(2.060)**	**(144)**	**112**	**5.269**
Vehicles - IFRS16	11 662	-	3 033	-		(158)	-	14 537
Accumulated depreciation veichles - IFRS16	(4 002)	-	-	-	(4 130)	49	206	(7 877)
Electronic machineries - IFRS 16	168	-	3			(4)	-	167
Accumulated depreciation machineries - IFRS 16	(54)	-	-	-	(46)	1	1	(98)
Other tangible assets IFRS 16	**7.774**	**-**	**3.036**	**-**	**(4.176)**	**(112)**	**207**	**6.729**
Other assets	**12.244**	**82**	**5.865**	**(20)**	**(6.236)**	**(256)**	**319**	**11.998**
Tangible assets under construction	597	-	188	(554)	-	-	1	332
Tangible assets under construction	**597**	**-**	**188**	**(554)**	**-**	**-**	**1**	**332**
Leasehold improvements	25 180	(519)	1 628	(43)		(65)	(309)	25 872
Accumulated depreciation leasehold improvements	(16 940)	541	-	57	(1 672)	52	272	(17 690)
Leasehold improvements costs	**8.240**	**22**	**1.628**	**14**	**(1.672)**	**(13)**	**(37)**	**8.182**
Total	84.772	104	20.536	(334)	(16.776)	(1.033)	(131)	87.138

2019 Financial Year

Euro Thousand

Lands	1 673	-	-	-		(8)	(1)	1 664
Buildings	29 647	159	233	-		(199)	(112)	29 728
Accumulated depreciation buildings	(8 358)	(43)	-	11	(943)	51	113	(9 169)
Write down lands	(280)	-		-		-		(280)
Lands and Buildings	**22.682**	**116**	**233**	**11**	**(943)**	**(156)**	**-**	**21.943**
Buildings - IFRS16	-	-	42 899	-	-	-	-	42 899
Accumulated depreciation buildings - IFRS16	-	-	(25)	-	(6 664)	5	-	(6 684)
Buildings - IFRS16	**-**	**-**	**42.874**	**-**	**(6.664)**	**5**	**-**	**36.215**
Lands and Buildings	**22.682**	**116**	**43.107**	**11**	**(7.607)**	**(151)**	**-**	**58.158**
Plants and equipments	30 549	(601)	318	(487)		171	(1 990)	27 960
Accumulated depreciation plant and equipments	(26 727)	477	-	291	(535)	(150)	1 649	(24 995)
Plants and equipments	**3.822**	**(124)**	**318**	**(196)**	**(535)**	**21**	**(341)**	**2.965**
Commercial and industrial equipments	18 184	-	364	(87)		42	1 703	20.206
Accumulated depreciation commercial and industrial equipments	(16 042)	-	-	86	(502)	(29)	(1 251)	(17 738)
Commercial and industrial equipments	**2.142**	**-**	**364**	**(1)**	**(502)**	**13**	**452**	**2.468**
Transport vehicles	734	(85)	186	(60)		16	35	826
Accumulatd depreciation transport vehicles	(643)	-	-	45	(38)	10	12	(614)
Furnitures	8 447	(23)	635	(109)		(19)	(322)	8.609
Accumulated depreciation furnitures	(7 522)	37	-	95	(322)	29	73	(7 610)
Electronic machineries	15.559	(117)	1 829	(298)		39	702	17 714
Accumulated depreciation machineries	(13 604)	110	-	274	(996)	(27)	(598)	(14 841)
Other tangible assets	3 665	7	82	(745)		26	(156)	2.879
Accumulated depreciation other tangible assets	(2 522)	(21)	-	237	(497)	(21)	331	(2 493)
Other tangible assets	**4.114**	**(92)**	**2.732**	**(561)**	**(1.853)**	**53**	**77**	**4.470**
Vehicles- IFRS16	-	-	11 662	-		-	-	11 662
Accumulated depreciation veichles - IFRS16	-	-	(1)	-	(4 001)	-	-	(4 002)
Electronic machineries- IFRS 16	-	-	168	-		-	-	168
Accumulated depreciation machineries- IFRS 16	-	-	-	-	(54)	-	-	(54)
Other tangible assets IFRS 16	**-**	**-**	**11.829**	**-**	**(4.055)**	**-**	**-**	**7.774**
Other assets	**4.114**	**(92)**	**14.561**	**(561)**	**(5.908)**	**53**	**77**	**12.244**
Tangible assets under construction	244	-	541	(69)	1	1	(21)	697
Tangible assets under construction	**244**	**-**	**541**	**(69)**	**1**	**1**	**(21)**	**697**
Leasehold improvements	24 211	(273)	587	732		46	(123)	25 180
Accumulated depreciation leasehold improvements	(15 209)	216	-	(161)	(1 767)	(36)	17	(16 940)
Leasehold improvements costs	**9.002**	**(57)**	**587**	**571**	**(1.767)**	**10**	**(106)**	**8.240**
Total	42.006	(157)	59.478	(245)	(16.318)	(53)	61	84.772

At 31 December 2020 the sum of the *Lands and Buildings* items - excluding assets having a right of use nature according to IFRS 16 - was equal to Euro 19,735 thousand net of the accumulated depreciation (Euro 21,943 thousand at 31 December 2019), including the properties owned by the Group in Italy (sites in Genoa, Naples, La Spezia, Savona, Ancona, Livorno, Rome) and abroad (Netherlands, Turkey, China, Korea, Argentina, India).

The item *Commercial and industrial equipments* equal to Euro 2,570 thousand net of the accumulated depreciation at 31 December 2020 (Euro 2,468 thousand at 31 December 2019) and the item *Plants and equipments* equal to Euro 2,434 thousand net of the accumulated depreciation at 31 December 2020 (Euro 2,965 thousand at 31 December 2019) mainly include equipment intended for industrial examinations, testing and processing.

The *Leasehold improvement costs* item of a net value of EURO 8,182 thousand at 31 December 2020 (EURO 8,240 thousand at 31 December 2019) refer mainly to investments made on properties in which some of the corporate offices in Genoa are located, via Corsica and via Ruffini (formerly the Piccardo Institute). The main investments relate to the Parent Company for the restructuring and extraordinary maintenance of the aforementioned buildings.

The item *Property, plants and equipment* includes - in addition to those analysed above - *Other assets* equal to a net value of Euro 5,269 thousand as at 31 December 2020 (Euro 4,470 thousand as at 31 December 2019), relating to furniture and furnishings of the offices used at the Group's operating sites, transportation facilities, tangible fixed assets in progress, electronic machines and other fixed assets. The item does not include assets (motor vehicles and electronic

machines) having a right of use nature according to IFRS 16. For the effects of the adoption of IFRS 16, please refer to the table in paragraph 9.

Electronic machinery therefore includes the hardware acquired on *lease* by the Parent during 2020 and 2019, as shown in the table below:

Euro Thousand

Hardware	1.619	(1.189)	430
Total	1.619	(1.189)	430

Euro Thousand

Hardware	1.250	(1.025)	225
Total	1.250	(1.025)	225

10.2 Goodwill

The change in the *Goodwill* item (equal to Euro 177,751 thousand at 31 December 2020) for the years ended 31 December 2020 and 2019 is shown in the tables attached below.

Euro Thousand

Goodwill from acquisition of EDIF Group	99.191	99.191
Goodwill from acquisition of D'Appolonia Group (now RINA Consulting S.p.A.)	32.986	32.986
Goodwill from acquisition of QIC Group	15.393	15.393
Goodwill from acquisition of Simtex	2.250	2.250
Goodwill from acquisition of CSM	1.912	1.912
Goodwill from acquisition of Hayes Stuart Group	1.579	1.579
Goodwill from acquisition of Comete Group	4.938	4.938
Goodwill from acquisition of Construction Technical Services Arabia Ltd	487	487
Goodwill from acquisition of RINA Prime	17.015	13.385
Goodwill from acquisition of CND Studio	290	190
Goodwill from other	1.710	1.862
Total	177.751	174.173

Pursuant to IAS 36, at the end of each year assessments were carried out (impairment tests) in order to ascertain the existence of any loss in value of the registered goodwill.

The impairment test is performed by comparing the value of the net invested capital of the set of net assets independently able to produce cash flows (cash generating unit), with the value in use of the cash generating unit itself. The value in use was determined by applying the "discounted cash flows" method (DCF) by discounting the unlevered

free cash flows relating to the CGU resulting from the 2021-2023 business plan approved by the Company's Board of Directors 04 March 2021.

The consolidated financial statements of the Group as at 31 December 2019 considered 5 CGUs: marine, energy, industry, certification and transport and infrastructures.

It should be noted that the Group implemented a corporate reorganisation in 2020, approved by the Company's Board of Directors, which involved a change in the scope of operations of the CGUs certification, energy and transport and infrastructures. In particular, the structural change meant that part of the Transport and Infrastructures business was reallocated within Energy and Certification and that the T&I CGU was renamed to Real Estate & Infrastructures (RE&I).

Therefore, following this corporate reorganisation, the five CGUs identified for impairment test purpose at 31 December 2020 are the following: marine, energy, industry, certification and RE&I.

From an accounting point of view, this corporate reorganisation entailed the need to reallocate the goodwill recognised in the Group's consolidated financial statements to the cash generating units impacted by the reorganisation on the basis of the relative fair value transferred, as required by the reference accounting standards.

In light of this, the goodwill allocation at 31.12.2020 is as follows:

Goodwill *(€/thousand)*	2020	2019
Marine	114.583	114.583
Certification	21.263	15.765
RE&I (ex T&I)	33.294	38.267
Energy	4.113	1.058
Industry	4.499	4.499
Total	**177.752**	**174.172**

Compared to the previous year, goodwill increased by 3.5 million in relation to the definition of the price in 2020 for the acquisition of the Company Rina Prime Value Services SpA.

Subsequently, the long-term growth rate was identified for each CGU on the basis of the average annual growth rates of OECD advanced economies for each reference period of the plans, and the discount rate of the cash flows (WACC) that reflects the market valuations of the cost of money, the specific business sector and geographical area risks for each CGU.

The WACC used for discounting future cash flows is equal to 10.4% for marine, 9.5% for RE&I, 9.7% for certification, 9.2% for industry and 11% for energy.

The annual terminal growth rates (G) were calculated as 2.4% for marine, 1.4% for RE&I, 1.5% for certification, 1.6% for industry and 1.7% for energy, also considering the high growth markets in which the Group mainly operates.

In light of the impairment plan referred to above, the WACC and G for the CGUs, to be considered as alternatives to each other to reach the break-even point, are the following: marine WACC 17.0% G -5.1% , certification WACC 13.7% G -4.1%, RE&I WACC 16.9% G -6.5%, energy WACC 26.4% G -22.5%, industry WACC 13.3% G -4%

The results show that the estimated recoverable value of the above-mentioned cash generating units exceeds the carrying amount at the reference date.

10.3 Other intangible assets

The change in the *other intangible assets* item (equal to a net value of EURO 45,510 thousand at 31 December 2020) for the years ended 2020 and 2019 is shown in the tables attached below.

2020 financial year

Euro Thousand

Other development costs	7	-	-	-		-	(1)	6
Accumulated amortization other development costs	-	-	-	-	-	-	(1)	(1)
Other development costs	**7**	**-**	**-**	**-**	**-**	**-**	**(2)**	**6**
Patents	1 463	(130)	18			-	-	1 351
Accumulated amortization patents	(1 303)	127	-	-	(61)	-	-	(1 237)
Patents	**160**	**(3)**	**18**	**-**	**(61)**	**-**	**-**	**114**
Concessions licenses and trademarks	7 245	-	105	(1)		(11)	-	7 338
Accumulated amortization concessions licenses and trademarks	(6 909)	-	-	-	(65)	7	(23)	(6 990)
Software	67 141		8 307	(18)		(73)	2	75 359
Accumulated amortization software	(47 031)	1	-	5	(7 306)	71	39	(54 221)
Concessions, licenses and trademarks	**20.446**	**1**	**8.412**	**(14)**	**(7.371)**	**(6)**	**18**	**21.486**
Other intangible assets	37 486	-	24	(340)		(65)	(10)	37 095
Accumulated amortization other intangible assets	(15 061)	71		325	(6 248)	52	7	(20 854)
Other intangible assets	**22.425**	**71**	**24**	**(15)**	**(6.248)**	**(13)**	**(3)**	**16.241**
Intangible assets under construction	**3.887**		**2.936**	**(1.047)**	-	-	-	**5.776**
Set-up and extension expenses	268	(37)	4	(1)		(6)	-	228
Accumulated amortizations set-up and extension erpenses	(200)	37	-	1	-	5	(43)	(200)
Set-up and extension expenses	**68**	-	**4**	-	-	**(1)**	**(43)**	**28**
Development costs	6 217	-	757	-		(178)	1	6 797
Accumulated amortizaton development costs	(3 512)	-	-	-	(1 549)	123	-	(4 938)
Development costs	**2.705**	-	**757**	-	**(1.549)**	**(55)**	**1**	**1.859**
Total	49.698	69	12.151	(1.076)	(15.229)	(75)	(29)	45.510

2019 financial year

Euro Thousand

Other development costs	43	(36)	-	-		-	-	7
Accumulated amortization other development costs	(17)	17	-	-	-	-	-	-
Other development costs	**26**	**(19)**	-	-	-	-	-	**7**
Patents	1 399	-	63			-	1	1 463
Accumulated amortization patents	(1 223)	-	-	-	(80)	-	-	(1 303)
Patents	**176**	-	**63**	-	**(80)**	-	**1**	**160**
Concessions licenses and trademarks	6 823	198	166	-		(1)	59	7 245
Accumulated amortization concessions, licenses and trademarks	(3 959)	-	-	-	(2 890)	(1)	(59)	(6 909)
Software	61 615	(404)	7 356	(1 099)		81	(408)	67 141
Accumulated amortization software	(43 583)	398	-	1 278	(5 452)	(79)	407	(47 031)
Concessions, licenses and trademarks	**20.896**	**192**	**7.522**	**179**	**(8.342)**	-	**(1)**	**20.446**
Other intangible assets	36 866	19	17	-		46	538	37 486
Accumulated amortization other intangible assets	(10 685)	-	-	(46)	(3 764)	(36)	(530)	(15 061)
Other intangible assets	**26.181**	**19**	**17**	**(46)**	**(3.764)**	**10**	**8**	**22.425**
Intangible assets under construction	**4.581**	-	**1.331**	**(2.025)**	-	-	-	**3.887**
Set-up and extension expenses	281	(58)	-	-		5	40	268
Accumulated amortizations set-up and extension expenses	(280)	110	-	-	(1)	(5)	(24)	(200)
Set-up and extension expenses	**1**	**52**	-	-	**(1)**	-	**16**	**68**
Development costs	5 121		956			142	(2)	6 217
Accumulated amortizaton development costs	(1 910)	-	-	-	(1 515)	(86)	(1)	(3 512)
Development costs	**3.211**	-	**956**	-	**(1.515)**	**56**	**(3)**	**2.705**
Total	55.072	244	9.889	(1.892)	(13.702)	66	21	49.698

Th items included in Other intangible assets are listed below:

- *Other intangible assets* (equal to Euro 16,2141, Euro 22,425 thousand as at 31 December 2019) includes the intangible assets deriving from the PPA process relating to the acquisition of the former EDIF group, which took place in 2016, whose book value was equal to approximately 47 million at 31 December 2016 which mainly refers to the customer portfolio and software. These intangible fixed assets are subject to amortization and their net book value at 31 December 2020 amounted to approximately EURO 13 million.
- *Software* (equal to Euro 21,138 thousand, Euro 20,110 thousand at 31 December 2019): the main increases in 2020 are due to the purchase of new programs intended for technical-operational use);
- *Intangible assets under construction* (equal to Euro 5,776, Euro 3,887 thousand as at 31 December 2019), which include IT programs under development and processing, produced with the assistance of specialised external software companies, as well as ancillary activities preliminary to the implementation of the ERP system "Microsoft Dynamics". This item also includes expenses for other IT programs under development and processing products with the help of specialised external software companies that, as not yet in use, are not subject to amortisation.

With reference to the intangible fixed assets described above, no impairment indicator was identified in 2020, therefore no impairments were made on Intangible assets at 31 December 2020.

10.4 Current and non-current financial assets

The details of current and non-current financial assets for the years ended 31 December 2020 and 2019 are shown in the tables below.

Euro Thousand

Investments in related companies	**28**	**73**
Financial activities held until maturity	**316**	**292**
Total	344	365

Euro Thousand

Other current securities	41	1.032
Current financial assets towards others	829	2.550
Other current financial prepaid expeneses	1.896	2.819
Total	2.766	6.401

The item *Non-current financial assets* includes Equity Investments in related companies, equal to Euro 28 thousand at 31 December 2020. Further details are provided below.

Euro Thousand

Nido del Mare S.c. a r.l.	Italy	EUR	80%	16
TASNEEF - RINA BUSINESS ASSURANCE L.L.C.	Abu Dhabi	AED	25%	12
Total investments in other companies				28

Euro Thousand

Nido del Mare S.c. a r.l.	Italy	EUR	80%	16
SEINGIM POWER S.R.L.	Italy	EUR	30%	45
TASNEEF - RINA BUSINESS ASSURANCE L.L.C.	Abu Dhabi	AED	25%	12
Total investments in other companies				73

In addition, the item *Non-current financial assets* includes Financial assets held until maturity, which are entirely represented by Equity Investments in other companies, equal to Euro 316 thousand at December 31, 2020 (Euro 292 thousand at December 31, 2019).

The relative details of Equity Investments in other companies are provided below:

2020 financial year

Euro Thousand

Ctmi	Italy	EUR	21%	11
Formare	Italy	EUR	5%	1
Accademia Italiana M M	Italy	EUR	4%	16
Distretto Ligure delle Tecnologie Marine	Italy	EUR	2%	20
Ditenave Scarl	Italy	EUR	2%	3
Fondazione Slip	Italy	EUR		34
Consorzio Cisq Automotive	Italy	EUR	17%	6
Consorzio CETMA	Italy	EUR	13%	34
SFC SCPA - SISTEMI FORMATIVI CONFINDUSTRIA	Italy	EUR	4%	10
FIDIMPRESA LIGURIA SOC COOP A RESP LIMITATA P A	Italy	EUR	0%	6
CONSORZIO MATRIS	Italy	EUR	40%	9
ISRIM	Italy	EUR	21%	1
SIDERFOR SRL	Italy	EUR	1%	3
CIRA	Italy	EUR	0%	1
DEMOCENTER-SIPE SCARL	Italy	EUR	0%	10
DITNE SCARL	Italy	EUR	0%	12
BANCA CREDITO COOP ROMA	Italy	EUR		1
CONSORZIO MATELIOS	Italy	EUR	0%	9
DISTRETTO AEROSPAZIALE SARDEGNA	Italy	EUR	0%	4
RETE POEMA	Italy	EUR		43
INDUSTRIA DOMANI SCARL	Italy	EUR		3
SOCIETA' TELEMATICA	Italy	EUR		0,6
Consorzio TRAIN	Italy	EUR	12%	11
Consorzio TRE	Italy	EUR	10%	7
Consorzio Stress	Italy	EUR	12%	48
SIIT Scpa	Italy	EUR	1%	3
First	Italy	EUR	10%	10
Total investments in other companies				316

2019 financial year

Euro Thousand

Ctmi	Italy	EUR	21%	11
Formare	Italy	EUR	5%	1
Accademia Italiana M.M	Italy	EUR	4%	16
Distretto Ligure delle Tecnologie Marine	Italy	EUR	2%	20
Ditenave Scarl	Italy	EUR	2%	3
Fondazione Slip	Italy	EUR		34
Consorzio Cisq Automotive	Italy	EUR	17%	6
Consorzio CETMA	Italy	EUR	13%	34
SFC SCPA - SISTEMI FORMATIVI CONFINDUSTRIA	Italy	EUR	4%	10
FIDIMPRESA LIGURIA SOC COOP A RESP LIMITATA P A.	Italy	EUR	0%	6
CONSORZIO MATRIS	Italy	EUR	40%	9
ISRIM	Italy	EUR	21%	1
SIDERFOR SRL	Italy	EUR	1%	3
CIRA	Italy	EUR	0%	1
DEMOCENTER-SIPE SCARL	Italy	EUR	0%	10
DITNE SCARL	Italy	EUR	0%	12
BANCA CREDITO COOP ROMA	Italy	EUR		1
CONSORZIO MATELIOS	Italy	EUR	0%	9
DISTRETTO AEROSPAZIALE SARDEGNA	Italy	EUR	0%	4
RETE POEMA	Italy	EUR		28
INDUSTRIA DOMANI SCARL	Italy	EUR		3
SOCIETA' TELEMATICA	Italy	EUR		1
Consorzio TRAIN	Italy	EUR	12%	11
Consorzio TRE	Italy	EUR	10%	7
Consorzio Stress	Italy	EUR	12%	48
Polo d'Innovazione	Italy	EUR	1%	1
SIIT Scpa	Italy	EUR	1%	3
Total investments in other companies				292

The item *Current Financial assets*, equal to Euro 2,766 thousand, mainly includes the following items:

- Current financial assets towards others equal to Euro 829 thousand (Euro 2,550 thousand at 31 December 2019) relating to other loans granted by the Group.
- Other current financial prepaid expenses equal to Euro 1,896 thousand (Euro 2,819 thousand at 31 December 2019).
- Other current securities equal to Euro 41 thousand (Euro 1,032 thousand at 31 December 2019), represented by "time deposits" held by one of the Group companies based in Brazil.

10.5 Deferred tax assets

This item includes the balance of deferred tax assets deriving from the temporary differences between the value attributed to an asset or liability in the financial statements and the value attributed to it for tax purposes.

Deferred tax assets amounting to Euro 18,733 thousand at 31 December 2020 (Euro 15,129 thousand at 31 December 2019) mainly consist of previous tax losses, which will be deducted from the profits of future years, mainly in Italy.

10.6 Other receivables and other current and non-current assets

The details of *Other receivables and other current and non-current assets* for the years ended 31 December 2020 and 2019 are shown in the table below.

Euro Thousand

Non-current loans towards related companies	-	484
Non-current loans towards group copanies	-	**484**
Financial receivables from others	165	153
Personnel loans	157	229
Guarantee deposits	2.519	2.599
Other non current loans	**2.841**	**2.981**
Receivables form social security institutions	28	47
Other non current receivables	202	138
VAT credit	-	11
Other non current receivables	**230**	**196**
Total	3.071	3.661

Euro Thousand

Current loans from Registro Italiano Navale	2.011	2.732
Current loans towards related companies	313	-
Current Group Loans	**2.324**	**2.732**
Other current loans	-	**68**
Treasury receivables	4.577	3.444
VAT credit	12.165	8.828
Other tax receivables	8.731	8.515
Treasury receivables for foreign taxes	1.929	1.600
Tax receivables from group companies	-	967
Tax receivables from Registro Italiano navale	953	924
Tax receivables	**28.355**	**24.278**
Current accrued assets	120	162
Other current receivables from Registro Italiano Navale	-	1.395
Current receivables from social security institutions	17	2
Current prepaid expenses	6.117	3.037
Other current receivables	4.079	2.974
Personnel receivables	306	25
Advances to suppliers	3.335	1.256
Prepaid expenses on insurance preminums	15	29
Other current receivables	**13.989**	**8.880**
Total	44.668	35.958

With reference to *Other receivables and other non-current assets* equal to Euro 3,071 thousand (Euro 3,661 thousand at 31 December 2019), the item Other non-current loans of Euro 2,841 thousand mainly includes the following:

- Long-term guarantee deposits, equal to Euro 2,519 thousand (Euro 2,599 thousand at 31 December 2019), which include sums paid as collateral for leases, according to the current use in some countries in which the

Group operates, as well as various guarantees for other leases and user contracts for EURO and other security deposits with third parties;

- Loans to personnel for Euro 157 thousand (Euro 229 thousand at 31 December 2019), granted mainly by RINA Services S.p.A. and by RINA Consulting - CSM SpA, on which an interest rate of 2% is applied;
- Other receivables from third parties equal to Euro 165 thousand (Euro 153 thousand at 31 December 2019).

The item *Other receivables and other current assets* equal to Euro 44,668 thousand (EURO 35,958 at 31 December 2019) mainly refer to:

- Current loans to Group companies, relating to loans to Registro Italiano Navale, equal to Euro 2,011 thousand (Euro 2,732 thousand at 31 December 2019), consisting of financial receivables of the Parent Company relating to the current account agreement with Registro Italiano Navale.
- Current tax receivables of Euro 28,355 thousand (Euro 24,278 at 31 December 2019), which mainly include VAT receivables of Euro 12,165 thousand (Euro 8,828 thousand at 31 December 2019), receivables from the tax authorities for taxes paid in Italy and abroad equal to Euro 15,237 thousand (Euro 13,559 thousand at 31 December 2019) - in addition to tax receivables from the Registro Italiano Navale (Euro 953 thousand).
- Other current receivables equal to Euro 13,989 thousand (Euro 8,880 thousand at 31 December 2019).

These mainly include the items described below:

- Short-term accrued income and prepaid expenses, equal to EURO 6,252 thousand (EURO 3,228 thousand as at 31 December 2019, relating to the Parent Company in relation to prepaid expenses for software licenses, membership fees, maintenance and rental fees, premiums for insurance policies paid in year pertaining to the following year),
- Other short-term receivables, equal to Euro 7,431 thousand (Euro 4,232 thousand at 31 December 2019) mainly relating to advances to suppliers for Euro 3,335 thousand (Euro 1,256 thousand at 31 December 2019),
- Receivables from employees Euro 306 thousand (Euro 25 thousand at 31 December 2019).

10.7. Trade receivables

The following is a breakdown of the item *trade receivables* at 31 December 2020 and 2019.

Euro Thousand

Current trade receivables	172.657	172.282
Bad debt provision	(38.228)	(36.722)
Invoices to be issued	39.171	33.951
Current trade receivables	**173.600**	**169.511**
Current receivables towards Group companies	**89**	**95**
Total	173.689	169.606

Trade receivables include Euro 89 thousand at 31 December 2020 relating to receivables from non-consolidated subsidiaries of the Group, for Euro 49 thousand from the Italian Naval Register and for Euro 40 thousand from related companies respectively.

The bad debt provision for the years 2020 and 2019 showed the following changes:

Euro Thousand

Initial balance	36.722	35.005
Consolidation area changes/extraordinary operations	-	(775)
Increases	6.078	3.138
Utilizations/releases	(4.572)	(646)
Total	38.228	36.722

10.8 Cash and cash equivalents

The item *cash and cash equivalents* of Euro 75,449 thousand as at 31 December 2020 (Euro 64,403 thousand as at 31 December 2019) consists of bank and postal deposits as well as cash and securities. In particular, the balance at the end of the year is represented by the liquidity held at the Italian and foreign branches.

The following table shows the composition of the cash and cash equivalents by currency:

Euro Thousand

Euro	47.096	34.436
US Dollar (USD)	12.680	11.005
Remimbi (CNY)	746	1.380
Pound sterling (GBP)	1.468	3.760
Other currencies	13.459	13.822
Cash and cash equivalents	75.449	64.403

10.9 Current assets and liabilities held for sale

The assets and liabilities relating to the Company Elettrodinamica S.r.l. have been posted among the *assets and liabilities held for sale* until 2019, following the desire to proceed with its sale, as it is considered outside the scope of the group's core business.

In July 2020, Rina Consulting SpA sold its 100% stake in Elettrodinamica Srl to the Registro Italiano Navale, resulting in its exit from the scope of these consolidated financial statements, without substantial economic impacts.

10.10 Net equity

Share capital

In 2020, the Share Capital consisted of 103,262,597 shares of a nominal value of Euro 0.50 each, subscribed as follows:

- 72.189.744 ordinary shares, equal to 69.91%, held by the shareholder "Registro Italiano Navale",
- 691,746 ordinary shares, equal to 0.67%, in treasury shares in portfolio.
- 2,848,670 class B shares, equal to 2.76% overall, held by the executives of the companies belonging to the RINA Group who subscribed to the offer reserved for them on April 14, 2012,
- 27,532,437 class C shares (with no par value), equal to 26.66%, held by the "NAUS S.p.A." shareholder.

The Share Capital shown in these consolidated financial statements is of EURO 49,518 thousand as at 31 December 2020.

Euro Thousand

Ordinary shares	72.189.744	72.189.744
Treasury shares	691.746	691.746
Category B shares	2.848.670	2.848.670
Category C shares	27.532.437	27.532.437
Total	**103.262.597**	**103.262.597**

The share capital of RINA S.p.A. is equal to Euro 50,986 thousand. In light of the provisions of international accounting standards for the purposes of the treatment of the share plan relating to category B shares, the share capital is shown in the financial statements net of this item as detailed below.

Euro Thousand

Share capital	50.986	50.986
Reserve for category B shares (share plan)	(1.468)	(1.468)
Issued capital	**49.518**	**49.518**

Translation reserve

The translation reserve, which had a negative balance of EURO 7,335 thousand at 31 December 2020 (negative for Euro 6,429 thousand at 31 December 2019) consists of the adjustment of the result recorded under equity to that shown in the income statement due to the conversion, for the financial statements in currencies other than the functional currency of the parent Company, at different exchange rates of income statement and balance sheet items.

Retained earnings

Retained earnings of EURO 43,635 thousand at 31 December 2019 (Euro 43,477 thousand at 31 December 2019) include the results of the Group for the past years and the year under way.

Other reserves

The other reserves, equal to EURO 92,775 thousand at 31 December 2020 compared to EURO 92,413 thousand at 31 December 2019.

Non-controlling interests

Non-controlling interests, amounting to EURO 1,618 thousand at 31 December 2020 (EURO 1,186 thousand at 31 December 2019) refer to the portion of equity attributable to minority shareholders of the Group.

Please refer to attachment 1 "Consolidation area" for details of the companies that have minority interests held by third parties.

10.11 Payables to banks and other lenders (current and non-current)

The following table describes current and non-current financial liabilities at 31 December 2020 and 2019:

Euro Thousand

Non-current bank loans	**152.120**	**152.431**
Leasing loans	6.247	6.512
Non-current financial payables - IFRS16	39.081	34.486
Other loans	206	95
Non-current loans from Registro Italiano Navale	0	750
Other non-current loans	**45.534**	**41.843**
Total	197.654	194.274

Euro Thousand

Current bank loans	**39.238**	**37.179**
Current financial payables due to Registro Italiano Navale	750	1.500
Current Group loans	**750**	**1.500**
Current leasing loans	401	641
Current financial payables - IFRS16	9.695	10.096
Other current payables	6.292	2.682
Other current payables	**16.388**	**13.419**
Total	56.376	52.098

Loans from banks and other current and non-current lenders are detailed below by type as at 31 December 2020 and 2019. This representation does not include financial payables (current and otherwise) relating to the application of the IFRS16 standard.

Euro Thousand

Short-term bank loans	28.810		**23.460**	**111**
Long- term bank loans	10.200	152.120	8.840	**152.320**
Bank overdrafts	117		1.161	
Financial advances			**775**	
Loan from Registro Italiano Navale	750	0	**1.500**	**750**
Loan from leasing companies	401	6.247	641	6.511
Other loans	6.292	206	2.682	94
Accrued liabilities on borrowings	110		2.943	
Financial payables	46.681	158.573	42.002	159.786

The item Other short-term loans includes the negative fair value of the IRS derivative on the bank loan, of which Euro 2,926 thousand relating to the Parent Company at 31 December 2020 (Euro 2,820 thousand at 31 December 2019).

The item Accrued expenses on loans includes interest expense accrued at 31 December 2020 and not yet debited for Euro 110 thousand (Euro 72 thousand at 31 December 2019).

The breakdown of *non-current bank loans* as at 31 December 2020 and 2019 is shown below, represented by the syndicated loan already described in the Report on Operations.

2020 financial year

Euro Thousand

Loan A BNP Paribas	Variable	Eur 6 m + 2%	68.000	09/08/2018	30/06/2023	50.320	10.200	40.120
Loan B BNP Paribas	Variable	Eur 6 m + 3%	102.000	09/08/2018	30/06/2024	102.000		102.000
Loan Unicredit	Variable	Eur 3 m + 0,70%	2.200	29/09/2020	30/09/2024	2.200		2.200
Loan Unicredit	Variable	Eur 3 m + 0,70%	5.000	31/10/2020	30/09/2024	5.000		5.000
Loan Unicredit	Variable	Eur 3 m + 0,70%	2.200	29/09/2020	30/09/2024	2.800		2.800
Total			179.400			162.320	10.200	152.120	0

2019 financial year

Euro Thousand

Loan A BNP Paribas	Fixed	2,63%	68.000	09/08/2018	30/06/2023	59.160	8.840	50.320
Loan B BNP Paribas	Variable	Eur 6 m + 3,35 %	102.000	09/08/2018	30/06/2024	102.000		102.000
Total			170.000			161.160	8.840	152.320	0

The composition of *Short term bank loans* at 31 December 2020 and 2019 is shown below:

2020 financial year

Euro Thousand

Loan cdp	Fixed	0.35	10 000	06/04/2020	06/09/2021	6 666	6 666		
Loan Bper	Variable	Eur 3 m + 0,21%	2 500	11/03/2020	11/03/2021	625	625		
Loan Banca Sella	Fixed	0.30%	350	03/12/2020	20/06/2021	350	350		
Hot Money Credit Agricole	Fixed	0.40%	6.000	30/09/2020	30/03/2021	6 000	6.000		
Hot Money UBI Banca	Fixed	0,50%	4 000	10/12/20	10/03/21	4.000	4.000		
PASSADORE HM	Fixed	0.50%	3 000	10/12/20	09/03/21	3 000	3.000		
Loan Banca Sella	Fixed	0,30%	1 200	03/12/20	20/06/21	1 200	1.200		
Loan UBI Banca	Fixed	0.50%	3 000	10/12/20	10/03/21	3 000	3 000		
Loan Banca Sella	Fixed	0.40%	1 700	11/12/20	15/06/20	1.700	1 700		
Hot Money UBI Banca	Fixed	0,50%	2.000	06/12/2020	06/02/2020	2.000	2.000		
Total			33.750			28.541	28.541		

2019 financial year

Euro Thousand

Loan Banca Sella	Fixed	0.40%	350	11/12/2019	15/06/2020	350	350		
Hot Money Credem	Fixed	0,65%	2.000	02/12/2019	28/02/2020	2.000	2.000		
Hot Money Credit Agricole	Fixed	0.40%	6 000	06/11/2019	06/02/2020	6 000	6 000		
Hot Money UBI Banca	Fixed	0.50%	4 000	06/12/2019	06/02/2020	4 000	4 000		
Loan Credem	Fixed	0,65%	500	19/02/19	19/08/20	375	375		
Hot Money Credem	Fixed	0,65%	1 000	06/12/19	06/03/20	1 000	1.000		
Loan B Pop.Sondrio	Fixed	0 40%	500	06/11/19	10/02/20	500	500		
Loan Banca Sella	Fixed	0.40%	1 700	11/12/19	15/06/20	1 700	1.700		
Hot Money UBI Banca	Fixed	0.50%	2.000	06/12/19	06/02/20	2.000	2 000		
Contract loan- Credit Agricole	Fixed	0 80%	5 000	27/04/2018	16/01/2020	1 073	1 073		
Loan Banca Sella	Fixed	0.40%	1 250	13/06/2018	01/12/2019	1 250	1 250		
Loan UBI Banca	Fixed	0.50%	3 000	06/12/2019	06/02/2020	3 000	3 000		
Loan Banca Sella	Variable	Eur 12 m + 0.85%	150	05/07/2018	05/07/2019	113	113		
Loan UBI Banca	Fixed	2,95%	211	29/01/2019	31/03/2020	211	100	111	-
Invoice advance BPM/UBI/Credit Agricole	Fixed	3,00%	775	31/12/2019		775	775		
Total			28.436			24.347	24.236	111	-

In addition to the non-current bank loans listed above, the item *Non-current payables to banks and other lenders* includes "Other non-current loans" equal to Euro 45,534 thousand at 31 December 2020 (Euro 41,843 thousand at 31 December 2019), broken down as follows:

- Non-current financial payables - IFRS16 payables beyond the following year equal to Euro 39,081 thousand (Euro 34,486 thousand at 31 December 2019), mainly referring to the categories of *buildings and vehicles*.

- Leasing liabilities equal to Euro 6,247 thousand (EURO 6,512 thousand at 31 December 2019) represents the Group's residual debt for leasing mainly relating to real estate.

The item *Current payables to banks and other lenders* - in addition to the current bank loans listed above equal to Euro 56,376 - includes:

- Other current loans of Euro 16,388 thousand at 31 December 2020 (Euro 13,419 thousand at 31 December 2019) which mainly refer to current financial payables - IFRS16 payables within the following year for Euro 9,695 thousand (Euro 10,096 thousand at 31 December 2019) mainly referring to the categories of *buildings and vehicles* and Other current loans for Euro 6,292 thousand relating to the Parent Company and subsidiaries.

- The non-current loans from Registro Italiano Navale, amounting to EURO 750 thousand at 31 December 2020 (EURO 1,500 thousand at 31 December 2019), which represents the residual short-term loan granted by the parent Company to the Group during the 2011 financial year as described below. The financing was granted for a total amount of EURO 15 million on 29 July 2011 and will expire on 30 June 2021. The interest rate applied is of 4.41% per annum, plus a spread of 0.1% per annum.

2020 financial year

Euro Thousand

Registro Italiano Navale	15.000	29/07/2011	30/06/2021	750		1.500	750
Total				750		1.500	750

2019 financial year

Euro Thousand

Registro Italiano Navale	15.000	29/07/2011	30/06/2021	1.500	750	1 500	2.250
Total				1.500	750	1.500	2.250

The breakdown of the net financial debt at 31 December 2020 and 2019 is as follows, in accordance with the Consob Communication of 28 July 2006 and with the ESMA/2011/81 Recommendations:

Euro Thousand

A	Cash and cash equivalents	75.360	64.113
B	Other cash and cash equivalents	89	290
C	Trading sercurities	40	1.032
D	**Liquidity (A) + (B) + (C)**	**75.489**	**65.435**
E	**Current Financial receivables**	**5.205**	**8.331**
F	Current financial payables	(226)	(4.103)
G	Current portion of non-current bank loans	(39.012)	(33.075)
H	Other current financial payables	(7.441)	(4.826)
I	**Payables and other current financial payables (F) + (G) + (H)**	**(46.679)**	**(42.004)**
J	**Net current financial position (D) + (E) + (I)**	**34.015**	**31.762**
K	Non-Current Financial Receivables	-	(484)
L	Non-current portion of the non-current bank loans	(152.120)	(152.432)
M	Bonds issued		
N	Other non-current financial payables	(6.453)	(7.354)
O	**Non-current payables and other fianancial liabilities (K) + (L) + (M)**	**(158.573)**	**(159.302)**
P	**Net financial indebtedness (J) + (N)**	**(124.558)**	**(127.540)**

The net financial position calculated for the year 2020 does not include the effects deriving from the application of IFRS 16.

Lastly, it should be noted that the net financial position includes collections on current accounts held by RINA Consulting SpA, classified in cash, whose amounts must be contractually transferred to some partner companies for specific EU projects for which the Company is acting as lead. At 31 December 2020 these amounted to EURO 6,583 thousand (Euro 8,338 thousand at 31 December 2019) for interest free debts of the same amount recorded under other payables.

10.12 Employee benefits

The following tables summarise the changes in the heading *employee benefits* (TFR - staff leaving indemnity) for the years ended 31 December 2020 and 2019.

Euro Thousand

Contributions to other pension plan fund	1.091	1.045
Employee severance indemnity fund	11.874	12.505
Total	12.965	13.550

Euro Thousand

Initial balance	**13.550**	**14.998**
Service Cost	0	0
Interest Cost	(45)	(21)
Changes in the consolidation area	322	(425)
Advances and liquidations	(860)	(1.229)
Remeasurment	(2)	227
Employee benefits	12.965	13.550

The profits and losses due to remeasurements of the fixed benefit plans are shown below, for the year ended 31 December 2020:

Euro Thousand

Remeasurements- (gains) losses arising from changes in financial assumptions	37
Remeasurements- (gains) losses arising from other changes	6
Actuarial adjustements	(45)
Total remeasurements	(2)

The actuarial assumptions used to calculate fixed benefit plans are summarised in the following table:

Economic Assumptions		
Inflation rate (annual)	1,5%	1,5%
Discount rate (annual)	Euro area curve of "composite" rate of securities issued by corporate issuers rated AA	
Demographic Assumptions	ISTAT Survival Table 2019	ISTAT Survival Table 2018
Actuarial assumptions	Turnover derived from the tendency to leave the company based on age and sex	

10.13 Provisions for risks and charges

The table below summarises the amount of the item *provisions for risks and charges* at 31 December 2020 and 2019:

Euro Thousand

Provision for taxes	4.034	1.673
Provision for legal disputes	57	119
Provision for risks and future charges	10.417	7.490
Other provisions for risks	560	203
Total	15.068	9.485

The changes in provisions for risks and charges for the financial years 2020 and 2019 are attached below:

Euro Thousand

Provisions for risks on professional activities	7 490	112	3.662	(847)	10 417
Other provisions for risks	1 995		700	1.956	4.651
Total provisions for risk and charges	9.485	112	4.362	1.109	15.068

Euro Thousand

Provisions for risks on professional activities	4 605	(24)	2 864	45	7 490
Other provisions for risks	1 998	(25)	456	(434)	1.995
Total provisions for risk and charges	6.603	(49)	3.320	(389)	9.485

The item *Provisions for risks and future charges* of Euro 10,417 thousand at 31 December 2020 (Euro 7,490 thousand at 31 December 2019) was set up to cover the potential consequences of the proceedings in progress exceeding the amount of our insurance policy ceilings.

The other provisions for risks shown above, equal to EURO 4,651 thousand at 31 December 2020 (EURO 1,995 thousand at 31 December 2019) are for potential risks, mainly related to the activities of the Group's foreign companies and include the provision for taxes (for Euro 4,034 thousand) covering tax liabilities.

10.14 Other payables and other current and non-current liabilities

The table below shows the details of other payables and other current and non-current liabilities as at 31 December 2020 and 2019:

Euro Thousand

Trade payables	-	**1**
Personnel payables	3.498	3.978
Other payables	10.282	12.201
Other non-current payables	**13.780**	**16.179**
Total	13.780	16.180

Euro Thousand

Personnel payables	16.762	15.266
Social charges payables	5.721	5.537
Other current payables towards Registro Italiano Navale	-	3
Other current accrued liabilities	(705)	448
Other current payables	39.740	30.639
Other current deferred income	1.675	1.552
Current customer advances	35	37
Other current payables to third parties	4	-
INPS	4.960	6.296
INAIL	(1)	(81)
Other social security payables (foreign companies)	135	188
Other current payable	**68.326**	**59.885**
Total	68.326	59.885

The Item *Other non-current payables* of Euro 13,780 thousand at 31 December 2020 (Euro 16,180 thousand at 31 December 2019) relates to the staff payables equal to Euro 3,498 thousand (Euro 3,978 thousand at 31 December 2019) which includes primarily the estimate of the liability to certain Company executives in relation to the long-term incentive plan, remained unchanged from the previous year. This item also includes payables to third parties for minority interests on which cross call and put options have been stipulated in favour of the Group and minority shareholders for Euro 10,240 thousand relating to the Company *Rina Prime Value Services S.p.A.*

The item *Other current payables and liabilities* of EURO 68,326 thousand at 31 December 2020 (EURO 59,885 thousand at 31 December 2019) consists of the items described below:

- Payables to personnel, equal to Euro 16,762 thousand at 31 December 2020 (EURO 15,266 thousand at 31 December 2019) include the payable for holidays and permits not taken, amounts due and bonuses to be paid to employees.

- Payables to social security and welfare institutions of Euro 10,815 thousand at 31 December 2020 (EURO 11,940 thousand at 31 December 2019) include the social security contributions accrued during the year on deferred remuneration.
- Accrued liabilities and deferred income amounting to Euro 970 thousand at 31 December 2020 (EURO 2,000 thousand at 31 December 2020) refer to prepaid or deferred liabilities or income that are relevant to a period other than that in which they are recorded.

Other payables equal to Euro 40,909 thousand at 31 December 2020 (Euro 30,639 thousand at 31 December 2019) mainly includes payables for withholdings on employee income, payables for VAT and other similar tax payables, as well as Euro 1,954 thousand relating to payables to third parties for minority interests on which cross call and put options have been stipulated in favour of the Group and minority shareholders in relation to the Company *Comete Engineering S.A.*

10.15 Trade payables

Trade payables, for an amount of Euro 77,125 thousand at 31 December 2020 (Euro 70,838 thousand at 31 December 2019) include payables owed by the Group to third party suppliers for the purchase of goods and services. Trade payables are due to expire in less than 12 months. The rise is also related to the increase in current assets with a view to greater efficiency in the management of net working capital.

Euro Thousand

Trade payables	**77.018**	**69.187**
Current payables towards Registro Italiano Navale	20	1.643
Current payables towards other group companies	87	8
Current Group trade payables	**107**	**1.651**
Total	77.125	70.838

10.16 Current tax payables

Current tax payables for an amount of Euro 7,615 thousand at 31 December 2020 (Euro 7,075 thousand at 31 December 2019) refer to current taxes, net of related advances.

This amount refers to payables for income taxes of the Group's foreign companies; under the tax consolidation agreement, the corresponding payables for the Italian companies are classified under liabilities to the Registro Italiano Navale.

11. Notes to the Income statement

11.1. Revenues

Revenues from sales consists of services performed and invoiced by the Group to its clients by the end of the financial year, and include invoices and credit notes to be issued.

The following is a percentage breakdown of revenues by business line:

CERTIFICATION	74.260	15%	76.646	16%
ENERGY	190.459	39%	176.372	37%
INDUSTRY	50.133	10%	54.578	12%
MARINE	135.120	28%	127.794	27%
REAL ESTATE & INFRASTRUCTURE	40.222	8%	35.680	8%
Other revenues	-	-	252	0%
Total	490.194	100%	471.322	100%

For an analysis of revenue trends compared to last year, please refer to the description in the Report on Operations.

The following is a breakdown of sales revenues by geographic area:

America	36.277	7%	42.359	9%
Asia	63.495	13%	54.870	12%
EMEA	207.378	42%	190.463	40%
Italy	183.044	37%	183.629	39%
Grand Total	**490.194**	**100%**	**471.322**	**100%**

The difference between the overall value shown above and the financial statements is attributable to a series of other revenues that by their nature are not related to specific businesses and therefore are classified as *Other revenues*.

11.2 Other revenues

Other revenues, amounting to Euro 8,465 thousand for the year ended 31 December 2020 (Euro 10,715 thousand at 31 December 2019) mainly include income from tax credits for research and development activities equal to Euro 1,683 thousand; increases in fixed assets for internal work for Euro 1,716 thousand; income from insurance and legal fee reimbursements for Euro 564 thousand; and income for tax incentives from the Chinese government for Euro 261 thousand. The remaining part relates to non-recurring revenues of the various companies of the Group divided among them.

11.3 Costs for raw materials

Costs for raw materials, equal to Euro 4,508 thousand for the year ended 31 December 2020 (Euro 5,431 thousand at 31 December 2019) include stationery costs, costs relating to materials and consumables, purchases of inventoried and promotional goods.

11.4 Service costs

The details of the item *service costs* for the financial years 2020 and 2019 are shown below:

Euro Thousand

Insurance for business activities	3.112	3.754
Personnel inurance	4.618	4.240
Administrative and fiscal conulting	8.912	9.079
Maintenance and software licenses	7.482	6.058
Commisssions on trade brokers	605	1.049
Technical consultancy NES	133 676	103 904
Legal and notary fees	1.871	1 633
Cleaning and security	1.936	1.483
Agency commissions	677	365
Fees for courses sold to costumers	89	525
Pubblications an subscriptions	625	495
Associative and acrreditation shares	4.333	4.479
Travel costs	8 649	20 705
Utilities	1 531	1.954
Bank services	2.169	1.674
Remuneration to auditors an committees	637	228
Representation expenses	876	1.547
Telephone expenses	2.088	2.137
Postal charges and courier services	598	602
Canteen and meal vochers	1.116	2.280
Fair and congresses	459	1.635
Furniture and real estate maintenance	2 063	2.041
Other costs of services	2 981	2 498
Training to employees costs	637	853
Costs from Registro Italiano Navale	62	82
Costs from third parties	64	-
Total service costs	**191.866**	**175.300**

Service costs include an increase in costs for technical consultancy (equal to approximately Euro 29.5 million), mainly linked to the contract in Libya described in the Report on Operations, as well as a substantial reduction in travel expenses (for approximately Euro 12 million) following the restrictions on movements due to the Covid-19 pandemic. The remaining service costs are substantially in line with the previous year.

1.5 Personnel costs

The details of the item *Personnel costs* for the financial years 2020 and 2019 are shown below:

Euro thousand

Salaries and wages	161.547	166.888
Social charges	37.559	39.635
Employee severance indemnity	6.981	7.175
Contributions to other pension plans	754	744
Other personnel costs	8.073	13.665
Fees to directors	203	237
Total Personnel costs	215.117	228.344

The item Salaries and wages includes the entire expenditure for employees, including additional monthly payments, bonuses, any changes in category and performance improvements, and unused holiday leave.

The item Social charges reflects the cost of contributions incurred by Group companies in compliance with the laws in force in each individual state.

The item Other personnel costs includes the costs for mileage and travel allowance paid to employees, as well as the benefits applied by Group companies abroad according to local laws, benefits and related expenses.

The workforce at 31 December 2020 and 2019, broken down by professional category, is shown below:

Executives	117	118
Employees	3.717	3.748
Workers	2	4
Total workforce	3.836	3.870

11.6 Depreciation and Amortisation

Depreciation and amortisation of fixed assets is summarised in the following table:

Euro thousand

Deprecition buildings	933	943
Depreciation plant and equipment	476	535
Depreciation leasehold improvements	1.672	1.767
Deprecitaion commercial and industrial equipment	476	502
Depreciation transport vehicle	50	38
Depreciation furniture	383	322
Depreciation machineries	1.131	996
Depreciation other tangible assets	496	497
Depreciation of tangible assets	**5.617**	**5.600**
Depreciation of vehicles - IFRS 16	4.130	4.001
Depreciation of buildings - IFRS 16	6.983	6.664
Depreciation of electronic machineries - IFRS 16	46	54
Depreciation of tangible assets - IFRS 16	**11.159**	**10.719**
Depreciation of tangible assets	**16.776**	**16.319**
Depreciation of goodwill	61	80
Amortization other intangible assets	13.619	6.654
Amortization patents		5.452
Amortization software	-	1
Amortizations set-up and extension expenses	1.549	1.515
Amortization of intangible assets	**15.229**	**13.702**
Total Depreciation and amortization	32.005	30.021

The depreciation of tangible assets, net of the effects deriving from the application of the IFRS 16 accounting standard as described above, is equal to Euro 5,617 thousand (Euro 5,600 thousand in 2019) and mainly refers to the categories of *Leasehold improvement costs, buildings and electronic machines*. The effect deriving from IFRS 16 involves depreciation of Euro 11,159 thousand (Euro 10,719 in 2019) mainly relating to the categories of *buildings and vehicles*. For the effects of the adoption of IFRS 16, please refer to the table in paragraph 9.

The depreciation of intangible assets, equal to EURO 15,229 thousand, refers mainly to assets deriving from the purchase price allocation of the Edif Group.

11.7 Provisions and write- downs

The details of the item *Provision and impairments* for the years 2020 and 2019 are shown below:

Euro thousand

Total Provisions and write-downs of trade receivables	6.188	3.166
Total Provisions for risk and charges	3.540	3.320
Total write-downs	1	60
Total Provisions and write-downs	9.729	6.546

11.8 Other costs

The table below shows the breakdown of the item *Other costs* for the financial years 2020 and 2019:

Euro thousand

Rent and leases	9.105	9.647
Long term car rental expenses	5.065	5.699
Lease payments	1.122	1.423
Rents and leases from Registro Italiano Navale	1.742	1.377
Lease payments - IFRS16	(11.913)	(11.363)
Office equipment rental fees	39	44
Total Leasehold of third party assets	5.160	6.827
Other operating costs	4.323	3.774
Credit losses	3.832	539
Extraordinary expenses	3.236	4.235
Total Other operating costs	11.391	8.548
Total Other costs	16.551	15.375

The *leasehold of third party assets* mainly includes lease payments paid by Group companies for the lease of office buildings, in Italy and abroad. Following the application of IFRS 16, the cost for use of third party assets is adjusted with a decrease of Euro 11,913 thousand, mainly referring to property leases and car rental.

The remaining amounts between rents and rentals refer to contracts of less than 12 months and to ancillary expenses not falling within the IFRS 16 standard.

The item *Other operating costs* mainly include other charges primarily relating to various Italian and foreign taxes, losses on receivables and non-recurring expenses.

11.9 Financial income and expenses

The breakdown of financial income and expenses for the financial years 2020 and 2019 is shown below:

Euro Thousand

Ordinary capital gains from other equity investments	120	1.973
Income from investments	**120**	**1.973**
Income from other financial investments	-	-
Income from other financial investments (non equity)	-	-
Negotiable interest income	8	15
Other Negotiable interest income	**8**	**15**
Financial income from thid parties	12	-
Interest on bank and postal accounts	427	1.008
Other financial income	244	240
Financial income from Registro Italiano Navale	47	46
Other financial income	**730**	**1.294**
Foreign exchange gains	10.579	10.402
Unrealised foreign exchange gains	7.149	3.334
Exchange rate gains	**17.728**	**13.736**
Total Financial Income	18.586	17.018
Interest charges on bank loans	5.106	5.333
Interest charges on leasing	149	160
Interests and other non-current payables	-	2
Interests and other current payables	36	403
Interest charges on payables - IFRS 16	1.573	1.200
Ordinary losses from equity investments	28	16
Securities write-downs	621	548
Minusvalenze partecipazioni imprese del Gruppo	3	-
Other financial expenses	1.596	1.161
Financial expenses from Registro Italiano Navale	86	165
Investments costs	**9.198**	**8.988**
Foreign exchange losses	10.120	8.988
Unrealised exchange losses	10.496	3.720
Loss on currency transactions	**20.616**	**12.708**
Total Financial expenses	29.814	21.696

The item *Income from investments* includes the income deriving from the *price adjustment* envisaged in the contract for the sale of the Company ITA Istituto Tecnologie Avanzate S.r.l. which took place during the 2019 financial year.

The item "Foreign exchange gains/losses" includes gains and losses realised during the year or estimated based on the exchange rates at the end of the year.

The item *Other financial income* include interest receivable on bank and post-office current accounts.

The item *Financial expenses* mainly includes interest expense for loans, such as interest expense on bank and post office deposits and bank expenses for loans granted by banking and credit institutions. The item also includes interest expense deriving from the application of the IFRS 16 accounting standard for Euro 1,573 thousand. For the effects of the adoption of IFRS 16, please refer to the table in paragraph 9.

11.10 Taxes

The details of the item *taxes* for the financial years 2020 and 2019 are shown below. The payable for deferred tax liabilities is classified under assets as a reduction of the receivable for deferred tax assets.

Euro thousand

Regional tax on productive activities (IRAP)	2.161	2.600
Corporate income tax (IRES)	9.292	6.476
Previous year taxes	335	385
Deferred tax assets	(1.722)	(2.577)
Deferred tax liabilities	(1.983)	(1.435)
Withholding taxes	1.015	1.359
Total Taxes	9.098	6.808

12. Related party transactions

The details of related party transactions are shown below:

Euro thousand

Registro Italiano Navale	2.964	1.141	1 804	86	266	47
Fees to directors			1 659			
Total	2.964	1.141	3.463	86	266	47
Total financial statement item	44.668	68.325	469.776	29.814	486.522	18.586
% on total	7%	2%	0.7%	0.3%	0.1%	0.3%

Euro thousand

Registro Italiano Navale	5 100	3.146	1 459	165	238	46
Fees to directors			1 179			
Total	5.100	3.146	2.638	165	238	46
Total financial statement item	35.958	59.886	461.044	21.696	465.463	17.018
% on total	14%	5%	0.6%	0.8%	0.1%	0.3%

13. Board of Statutory Auditors' fees

In 2020, the total amount of the remuneration of the parent Company's board of statutory auditors amounted to Euro 108 (Euro 102 thousand for 2019).

14. External auditors' fees

The fees for auditing the RINA Group accounts and the fees for other consulting services paid to auditing Company PricewaterhouseCoopers SpA for the years ended 31 December 2020 and 2019 are summarised in the following table:

Euro thousand

Audit fees	330	311
Fees for other services and audits	120	192
Total external auditors' fees	450	503

15. Commitments and guarantees

At 31 December 2020, the Group has guarantees issued by credit institutions and insurance companies in favour of third parties for Euro 70,297 thousand (Euro 47,335 thousand at 31 December 2019).

The guarantees are issued by these institutions for participation in tenders (bid bonds) or the execution (performance bonds) of tender contracts; the most significant amounts are attributable to the main operating companies of the Group: in particular Rina Consulting SpA presents sureties for Euro 47,737 thousand (Euro 32,249 thousand at 31 December 2019), RINA Check Srl for Euro 8,368 thousand (Euro 6,106 thousand at 31 December 2019) , RINA Services SpA for Euro 7,820 thousand (Euro 5,323 thousand at 31 December 2019).

The increase recorded in 2020 was determined by the increase in the number and size of the tenders and contracts to which the Group offers these bank and insurance guarantees.

16. Important events occurring after the closure of the financial period

For a description of the significant events occurring after the close of the year, please refer to the contents of the Report on Operations

Annex 1 - Consolidation area

RINA S.p.A.	ITALY	EUR	100
RINA Services S.p.A.	ITALY	EUR	100
RINA Consulting S.p.A.	ITALY	EUR	100
RINA Consulting - CSM S.p.A.	ITALY	EUR	100
RINA CHECK S.r.l.	ITALY	EUR	100
AGROQUALITA' S.p.A.	ITALY	EUR	54
RINA Academy S.r.l.	ITALY	EUR	**100**
Studio Sperimentale Metalsiderurgico SSM S.r.l.	ITALY	EUR	100
RINA Consulting - Polaris S.r.l.	ITALY	EUR	100
RINA Consulting - GET S.r.l.	ITALY	EUR	100
ComServices S.r.l.	ITALY	EUR	100
CND Studio S.r.l.	ITALY	EUR	100
RINA Prime Value Services S.p.A.	ITALY	EUR	50
NPLS RE Solutions S.r.l.	**ITALY**	**EUR**	**32,96**
Prime Green Solutions S.p.A.	**ITALY**	**EUR**	**100,00**
AstaSy Agency S.r.l.	**ITALY**	**EUR**	**100**
RINA International B.V.	NETHERLANDS	EUR	100
RINA EMEA B.V.	NETHERLANDS	EUR	100
RINA INDUSTRY B.V.	NETHERLANDS	EUR	100
RINA Consulting BV	NETHERLANDS	EUR	100
RINA ASIA B.V.	NETHERLANDS	EUR	100
RINA Netherlands B.V.	NETHERLANDS	EUR	100
RINA UK Ltd*	UK	GBP	100
Edif Group Management Limited*	UK	GBP	100
NDE Global Technical Services UK Limited*	UK	GBP	100
RINA Tech UK Limited*	UK	GBP	100
RINA Consulting Defence Ltd*	UK	GBP	100
NDE Technical Services UK Ltd*	UK	GBP	100
RINA Belgium BVBA	BELGIUM	EUR	100
RINA Consulting SA	BELGIUM	EUR	100
RINA Bulgaria Ltd	BULGARIA	BGN	100
RINA CLASSIFICATION AND CERTIFICATION CYPRUS LIMITED	CIPRO	EUR	100
RINA Jadran D.o.o.	CROATIA	HRK	100
RINA DENMARK ApS	DENMARK	DKK	100
REGISTRO ITALIANO NAVALE FINLAND O.Y.	FINLAND	EUR	100
RINA France S.a.r.l.	FRANCE	EUR	100
Rina Consulting SAS	FRANCE	EUR	100
RINA Germany GmbH	GERMANY	EUR	100
RINA Tech Germany GmbH	GERMANY	EUR	100
RINA Hellas Limited Classification Society	GRECE	EUR	100
RINA Latvia SIA	LETTONIA	EUR	100
UAB RINA Baltic	LITUANIA	EUR	100
RINA RE S.A.	LUSSEMBURGO	EUR	100
RINA MALTA LIMITED	MALTA	EUR	100
RINA Mediterranean Institute Ltd	MALTA	EUR	100
RINA Norway A.S.	NORWAY	NOK	100
RINA Poland Sp. z o.o. (Spolka z ograniczona odpowiedzialnoscia)	POLAND	PLN	100
RINA Ibena S.L. Sucursal em Portugal	PORTUGAL	EUR	100
RINA Simtex S.r.l.	ROMANIA	RON	100
RINA CONSULTING-EAST EUROPE SRL	ROMANIA	RON	80
POLARIS-ANSERV SRL	ROMANIA	RON	80
RINA Ibena S.L.U.	SPAIN	EUR	100
RINA Tech Spain S.L.U.	**SPAIN**	**EUR**	**100**
RINA SWEDEN AB	SWEDEN	SEK	100
RINA Switzerland SA	SWITZERLAND	CHF	100
RINA Consulting S.r.o.	CHEZK REPUBLIC	CZK	100

(*) exempted from audit of company financial statements in accordance with Section 479A of the UK Company Act 2006.

RINA Albania ShpK	ALBANIA	ALL	100
SARL BACT BUREAU ALGERIEN DE CONTROLE TECHNIQUE	ALGERIA	DZD	49
RINA Saudi Arabia LLC	SAUDI ARABIA	SAR	100
Construction Technical Services Arabia Limited	SAUDI ARABIA	SAR	50
RINA CONGO SAS	CONGO	XAF	100
RINA West Africa Sarl	IVORY COAST	XOF	100
RINA Egypt L.L.C	EGYPT	EGP	100
RINA EMEA Dubai branch	UNITED ARAB EMIRATES	AED	100
RINA EMEA BV - ABU DHABI BRANCH	UNITED ARAB EMIRATES	AED	100
RINA Energy Ghana Limited	GHANA	GHS	100
D'Appolonia JV Company Limited	GHANA	GHS	65
RINA Lebanon SAL	LIBANO	LBP	55
RINA Maroc S a r l A U	MAROCCO	MAD	100
RINA Mozambique Lda	MOZAMBICO	MZN	100
RINA Consulting Lda	MOZAMBICO	MZN	100
RINA CTSI Nigeria Limited	NIGERIA	NGN	51
RINA International Engineering Consultancy LLC	OMAN	OMR	100
RINA RUS L L C	RUSSIA	RUB	100
RINA EMEA (Incorporated in The Netherlands)	SOUTH AFRICAN REPUBLIC	ZAR	100
RINA Tech South Africa (Pty) Ltd	SOUTH AFRICAN REPUBLIC	ZAR	100
RINA Tech Africa (Pty) Ltd	SOUTH AFRICAN REPUBLIC	ZAR	100
RINA Tunisia Sarl	TUNISIA	TND	100
Laboratoire d'Analyses et d'Essais LAB21 SA	TUNISIA	TND	100
Comete Engineering S.A.	TUNISIA	TND	70
RINA Denizcilik ve Belgelendirme Limited Sirketi	TURKEY	TRY	100
RINA CONSULTING MUHENDISLIK LIMITED SIRKETI	TURKEY	TRY	100
RINA Ukraine LTD	UKRAINE	UAH	100

RINA Hong Kong Ltd Australia branch	AUSTRALIA	AUD	100
RINA Tech Australia Pty Ltd	AUSTRALIA	AUD	100
RINA Tech Renewables Australia Pty Ltd	AUSTRALIA	AUD	100
RINA Azerbaijan MMC	AZERBAIGIAN	AZN	100
RINA Bangladesh Ltd	BANGLADESH	BDT	100
RINA Energy (B) Sdn Bhd	BRUNEI	BND	50
RINA Shanghai Quality and Technical Services Co Ltd	CHINA	CNY	100
RINA Italy Classification Society (China) Co.Ltd	CHINA	CNY	100
RINA Tech China Co. Ltd	CHINA	CNY	100
RINA (SHANGHAI) QUALITY CERTIFICATION CO., LTD	CHINA	CNY	100
RINA Asia BV Korea branch	COREA DEL SUD REPUBBLICA	KRW	100
RINA Academy Philippines inc	PHILIPPINES	PHP	51
RINA Classification and certification Philippines Inc.	**PHILIPPINES**	**PHP**	**100**
RINA GEORGIA LLC	GEORGIA	GEL	100
RINA Hong Kong Ltd	HONG KONG	HKD	100
RINA Intermodal Limited	HONG KONG	USD	100
RINA India Pvt Ltd	INDIA	INR	100
RINA Consulting Private Limited	INDIA	INR	100
PT RINA Indonesia	INDONESIA	IDR	100
RINA KAZAKHSTAN LLP	KAZAKHSTAN	KZT	100
RINA Tech Kazakhstan LLP	**KAZAKISTAN**	**KZT**	**100**
RINA Malaysia Sdn. Bhd	MALAYSIA	MYR	100
RINA Malaysia Energy Sdn Bhd	MALAYSIA	MYR	100
RINA Hong Kong Limited Taiwan branch	(TAIWAN)	TWD	100
RINA Hong Kong Ltd Singapore branch	SINGAPORE	SGD	100
RINA Tech Singapore Pte Ltd	SINGAPORE	USD	100
RINA CEYLON (Private) Limited	SRI LANKA	LKR	100
RINA Hong Kong Ltd (Thailand branch)	THAILANDIA	THB	100
RINA HONG KONG LTD TURKMENISTAN BRANCH	TURKEMENISTAN	TMT	100
Representive Office of RINA Hong Kong Ltd in Hai Phong	VIETNAM	VND	100

RINA Iberia Suc. en Argentina	ARGENTINA	ARS	100
RINA Brasil Servicos Tecnicos Ltda	BRASILE	BRL	100
RINA Classification and Certification Canada Limited	CANADA	CAD	100
Hayes Stuart Inc.	CANADA	CAD	100
RINA Tech Canada Ltd	CANADA	CAD	100
RINA Clasificaciòn Maritima y Certificaciòn South Pacific Limitada	CILE	CLP	100
RINA Consulting SpA	CILE	CLP	100
Rina Tech Colombia SAS	**COLOMBIA**	**COP**	**100**
RINA ECUADOR CIA LTDA	ECUADOR	USD	100
RINA CLASSIFICATION AND CERTIFICATION MEXICO S. de R.L. de C.V.	MEXICO	MXN	100
RINA Consulting Sociedad Civil	MEXICO	MXN	100
RINA PANAMA SA	PANAMA	PAB	100
RINA PARAGUAY SRL	PARAGUAY	PYG	100
RINA PERU CLASIFICACION MARITIMA Y CERTIFICACION S.A.C.	PERU'	PEN	100
RINA USA Inc.	USA	USD	100
RINA Consulting inc.	USA	USD	100
RINA Tech USA Inc.	USA	USD	100
D'APPOLONIA SA	URUGUAY	USD	100