

Codognotto Network S.r.l.

Consolidated financial statements as at December 31, 2020

Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010





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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Shareholders of
Codognotto Network S.r.l.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Codognotto Network Group (the Group), which comprise the balance sheet as at December 31, 2020, the income statement and consolidated statement of cash flows for the year then ended, and explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Italian regulations governing financial statements.

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 our report. We are independent of the Codognotto Network S.r.l. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Sole Director and Those Charged with Governance for the consolidated financial statements

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

The Sole Director is responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Sole Director prepares the consolidated financial statements on a going concern basis unless he either intends to liquidate the Parent Company Codognotto Network S.r.l. or to cease operations, or has no realistic alternative but to do so.

The statutory auditor ("Sindaco Unico") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

EY S.p.A.
Sede Legale: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.525.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
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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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and 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 have 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 have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Sole Director;
- we have concluded on the appropriateness of Sole Director's 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 financial statements or, if such disclosures are inadequate, to consider this matter in forming 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 have 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 have obtained sufficient appropriate audit evidence regarding the financial information of the entities 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.

We have 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 identify during our audit.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The Sole Director of Codognotto Network S.r.l. is responsible for the preparation of the Report on Operations of Codognotto Network Group as at December 31, 2020, including its consistency with the related consolidated financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations, with the consolidated financial statements of Codognotto Network Group as at December 31, 2020 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

In our opinion, the Report on Operations is consistent with the consolidated financial statements of Codognotto Network Group as at December 31, 2020 and complies with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Treviso, June 14, 2021

EY S.p.A.

Signed by: Maurizio Rubinato, Auditor

This report has been translated into the English language solely for the convenience of international readers.



CODOGNOTTO

THURSDAY

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30/09/2021
COMPANIES HOUSE

#401

Codognotto Network S. r. l. Unipersonale

Via Calnuova n. 20 - 31040 Salgareda (TV)

Tax code, VAT number and Treviso-Belluno Company Register no. 04224630261

R.E.A. of Treviso n. 332957

Share Capital Euro 1,000,000.00 - Fully Paid-up

Company subject to management and coordination by
"F.lli Codognotto di Codognotto Gianfranco & C. snc" - Tax Code 00359320264

Consolidated financial statements as at 31/12/2020

Consolidated Balance Sheet		31/12/2020	31/12/2019
ACTIVE			
A)	Receivables from shareholders for payments still due		
	Recalled part		
	Part to be recalled		
	Total receivables from shareholders for payments still due (A)	1.724.989	1.724.989
B)	Fixed assets		
I)	Intangible fixed assets		
	1) Start-up and expansion costs	0	1.122
	2) Development costs	0	0
	3) Industrial patent rights and intellectual property rights	324.046	293.910
	4) Concessions, licences, trade marks and similar rights	4.690	3.389
	5) Goodwill	1.472.089	1.980.953
	5a) Consolidation difference	0	0
	6) Assets under construction and advances	278.669	109.250
	7) More	485.144	874.555
	Total intangible fixed assets	2.564.638	3.263.179
II)	Tangible fixed assets		
	1) Land and buildings	17.281.320	17.644.733
	2) Plant and machinery	7.771.730	2.282.526
	3) Industrial and commercial equipment	598.366	940.064
	4) Other assets	7.206.056	9.987.127
	5) Assets under construction and advances	2.484.884	1.890.228
	Total tangible fixed assets	35.342.356	32.744.678
III)	Financial fixed assets		
	1) Shareholdings in:		
	a) subsidiaries	370.921	371.230
	b) affiliated companies	5.250	5.250
	c) parent companies	0	0
	d) companies controlled by parent companies	0	0
	d-bis) other companies	105.875	105.850
	Total Shareholdings	482.046	482.330
	2) Credits:		
	a) towards subsidiaries	325.043	378.857
	b) towards affiliated companies	321.264	321.264
	c) towards parent companies	13.401.307	3.761.307
	d) to companies subject to the control of parent companies	0	0
	d-bis) to other companies	166.117	131.320
	Total credits	14.213.731	4.592.748
	3) Other titles	0	0
	4) Derivative financial Instruments assets	0	0
	Total financial fixed assets	14.695.777	5.075.078

	Total fixed assets (B)		52.602.771	41.082.935
C)	Current Assets			
I)	Inventories			
	1) Raw, ancillary and consumable materials		2.563.165	2.737.791
	2) Work in progress and semi-finished products		72.056	46.224
	3) Work in progress to order		0	0
	4) Finished products and goods		2.496.172	2.550.101
	5) Advances		3.322	0
	Total inventories		5.134.715	5.334.116
II)	Credits			
	1) To customers	bt	95.180.055	87.095.296
		lt	0	0
	2) From subsidiaries	bt	718.429	615.896
		lt	0	0
	3) To affiliated companies	bt	0	0
		lt	0	0
	4) To parent companies	bt	1.042.245	547.593
		lt	0	0
	5) To companies controlled by parent companies	bt	0	0
		lt	0	0
	5-bis) Tributaries	bt	3.524.636	6.446.458
		lt	18.497	18.497
	5-ter) Prepaid taxes		1.169.916	1.091.296
	5-quater) Towards others	bt	3.232.866	4.385.574
		lt	197.646	219.615
	Total credits		105.084.290	100.420.225
III)	Financial assets not constituting fixed assets			
	1) Investments in subsidiaries		303.936	303.936
	2) Investments in affiliated companies		0	0
	3) Investments in parent companies		0	0
	3-bis) Shareholdings in companies controlled by parent companies		0	0
	4) Other shareholdings		0	0
	5) Derivative financial instruments assets		0	0
	6) Other financial assets		0	5.780.993
	Total financial assets not constituting fixed assets		303.936	6.084.929
IV)	Cash and cash equivalents			
	1) Bank and postal deposits		18.647.324	21.776.823
	2) Cheques		74	78.875
	3) Cash and valuables on hand		159.644	110.531
	Total cash and cash equivalents		18.807.042	21.966.229
	Total current assets (C)		129.329.983	133.805.499
D)	Accrued income and prepaid expenses		1.266.878	2.762.398
	TOTAL ASSETS (A+B+C+D)		184.924.621	179.375.821
LIABILITY				
A)	Group equity			
	I) Capital		1.000.000	1.000.000
	II) Share premium reserve		496.930	496.930
	III) Revaluation reserves		3.901.593	0
	IV) Legal reserve		691.116	685.521
	V) Statutory reserves		0	0
	VI) Other reserves, separately identified			
	- Extraordinary reserve		13.131.200	13.024.893
	- Capital contribution		360	360
	- Merger surplus reserve		0	0
	- Consolidation reserve		0	0
	- Conversion reserve		(194.957)	97.841
	- Rounding reserve		0	(1)
	- Various other reserves		0	0

VII)	Reserve for expected cash flow hedging transactions		
VIII)	Retained earnings (losses)	16.446.905	14.495.617
IX)	Profit (loss) for the year	1.265.469	1.927.681
X)	Negative reserve for own shares in portfolio	0	0
	Total group equity	36.738.616	31.728.842
	Capital and reserves of third parties	11.857.150	9.930.270
	Profit (loss) of minority interests	1.594.035	881.288
	Total third-party equity	13.451.185	10.811.558
	Total consolidated equity (A)	50.189.801	42.540.400
B)	Provisions for risks and charges		
1)	For pensions and similar obligations	517.081	496.642
2)	For deferred taxes	1.116.232	1.167.818
3)	Derivative financial instruments liabilities	0	0
4)	Other	368.524	363.489
	Total provisions for risks and charges (B)	2.001.837	2.027.949
C)	Severance pay (C)	1.735.246	1.776.888
D)	Debts		
1)	Bonds	bt 0	0
		lt 0	0
2)	Convertible bonds	bt 0	0
		lt 0	0
3)	Payables to shareholders for loans	bt 0	0
		lt 0	0
4)	Payables to banks	bt 43.595.352	49.009.173
		lt 2.529.902	3.167.066
5)	Payables to other lenders	bt 1.503.506	2.838.164
		lt 673.409	809.278
6)	Advances	bt 129.859	36.740
		lt 0	0
7)	Payables to suppliers	bt 68.756.645	59.239.356
		lt 0	0
8)	Debts represented by debt securities	bt 0	0
		lt 0	0
9)	Payables to subsidiaries	bt 158.701	189.965
		lt 0	0
10)	Payables to affiliated companies	bt 2.250	2.250
		lt 0	0
11)	Payables to parent companies	bt 1.754.533	2.960.502
		lt 0	0
11-bis)	Payables to companies controlled by parent companies	bt 5.561	0
		lt 0	0
12)	Tax debts	bt 5.780.331	8.629.608
		lt 33.493	22.759
13)	Payables to social security institutions	bt 969.228	1.104.174
		lt 0	0
14)	Other liabilities	bt 3.425.894	3.920.423
		lt 312.708	287.168
	Total payables (D)	129.631.372	132.216.626
E)	Accruals and deferred income	1.366.365	813.958
TOTAL LIABILITIES (A+B+C+D+E)		184.924.621	179.375.821

Consolidated Profit and Loss Account		31/12/2020	31/12/2019
A)	Sales		
1)	Revenues from sales and services	306.561.481	320.940.239
2)	Changes in inventories of work in progress, semi-finished and finished products	422.929	314.823
3)	Change in contract work in progress	55.567	36.237
4)	Increases in fixed assets for internal work	0	0
5)	Other income and revenues	6.663.751	9.663.155
	Total Sales (A)	313.703.728	330.954.454
B)	Costs of sales		
6)	For raw materials, consumables and goods	34.439.059	39.950.254
7)	For services	229.805.236	235.886.861
8)	For use of third party assets	8.951.994	9.779.077
9)	For staff		
a)	Wages and salaries	20.991.652	23.639.961
b)	Social charges	4.783.577	5.312.349
c)	Severance pay	813.204	826.855
d)	Pensions and similar benefits	0	0
e)	Other costs	242.426	218.795
	Total personnel costs	26.830.859	29.997.960
10)	Amortisation and depreciation		
a)	Amortisation of intangible assets	1.209.565	1.279.079
b)	Amortisation of tangible fixed assets	4.052.204	4.144.451
c)	Other write-downs of fixed assets	0	0
d)	Write-down of receivables included in current assets and cash and cash equivalents	1.727.863	1.482.071
	Total depreciation and amortisation	6.989.632	6.905.601
11)	Changes in inventories of raw, ancillary and consumable materials and goods for resale	159.721	369.146
12)	Provisions for risks	20.979	50.000
13)	Other provisions	0	0
14)	Other operating expenses	3.263.816	5.362.886
	Total costs of sales (B)	310.461.296	328.301.785
	Difference between sales and cost of sales (A - B)	3.242.432	2.652.669
C)	Financial income and expenses		
15)	Income from shareholding:		
-	from subsidiaries	0	0
-	from affiliated companies	0	0
-	from parent companies	0	97.504
-	by companies controlled by their parent companies	0	0
-	others	0	56
	Total income from shareholdings	0	97.560
16)	Other financial income		
a)	From receivables included in fixed assets		
-	from subsidiaries	1.674	4.669
-	from affiliated companies	0	0
-	from parent companies	309.450	315.174
-	by companies controlled by their parent companies	0	0
-	others	(1)	6.890
	Total financial income from receivables included in fixed assets	311.123	326.733
b)	From securities included in fixed assets other than equity investments	0	0
c)	From securities included in current assets that are not equity investments	98.017	79.016
d)	Income other than above		
-	from subsidiaries	0	0
-	from affiliated companies	0	0
-	from parent companies	0	0
-	by companies controlled by their parent companies	0	0
-	others	372.101	534.532
	Total income other than above	372.101	534.532
	Total other financial income	781.241	940.281
17)	Interest and other financial charges		
-	towards subsidiaries	0	0
-	towards affiliated companies	0	0
-	towards parent companies	69.964	0
-	to companies subject to the control of parent companies	0	0
-	others	590.928	723.762

	Total interest and other financial charges	660.892	723.762
17a)	Foreign exchange gains/losses	116.136	(29.739)
	Total financial income and charges (15 + 16 - 17 + - 17-bis)	236.485	284.340
D)	Value adjustments on financial assets		
18)	Revaluations		
a)	Of shareholdings	0	0
b)	Of financial fixed assets that are not shareholdings	0	0
c)	Of securities included in current assets	0	0
d)	Of derivative financial instruments	0	0
	Total revaluations	0	0
19)	Write-downs		
a)	Of shareholdings	0	25.600
b)	Of financial fixed assets	0	0
c)	Of securities held as current assets	0	0
d)	Of derivative financial instruments	0	0
	Total write-downs	0	25.600
	Total value adjustments on financial assets (18 - 19)	0	(25.600)
	Profit before tax (A-B+/-C+/-D)	3.478.917	2.911.409
20)	Current, deferred and prepaid income taxes for the year		
	Current taxes	805.267	701.473
	Taxes relating to previous years	(135.705)	0
	Deferred and prepaid taxes	(50.148)	(599.033)
	Income (expenses) from participation in the tax consolidation / tax transparency scheme	0	0
	Total current, deferred and prepaid income taxes for the year	619.414	102.440
21)	Consolidated profit (loss) for the year	2.859.503	2.808.969
	Result attributable to the group	1.265.468	1.927.681
	Result attributable to minority interests	1.594.035	881.288

Consolidated Cash Flow Statement	31/12/2020	31/12/2019
A) Cash flows from operating activities		
Profit (loss) for the year	2.859.504	2.808.969
Income tax	619.414	102.440
Interest expense/(income)	349.768	- 216.519
(Dividends)	-	- 97.560
(Gains)/Losses on disposal of assets	- 406.364	- 8.081
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses on disposal	3.422.322	2.589.249
<i>Adjustments for non-monetary items that did not have a counterpart in net working capital</i>		
Provisions to funds	887.157	921.989
Depreciation of fixed assets	5.261.769	5.423.530
Impairment losses	-	-
Value adjustments to financial assets and liabilities of derivative financial instruments not involving a monetary movement	-	25.600
Other adjustments up/(down) for non-monetary items	- 376.067	- 156.396
Total adjustments for non-monetary items that did not have a counterpart in net working capital	5.772.858	6.214.723
2) Cash flow before changes in CCN	9.195.180	8.803.972
Changes in net working capital		
Decrease/(Increase) in inventories	199.401	313.517
Decrease/(Increase) in receivables from customers	- 8.249.381	- 6.709.032
Increase/(Decrease) in trade payables	8.215.653	- 568.311
Decrease/(Increase) in accrued income and prepaid expenses	1.495.520	- 309.150
Increase/(Decrease) in accrued expenses and deferred income	552.407	254.686
Other changes in net working capital	128.305	1.446.690
Total changes in net working capital	2.341.906	- 5.571.601
3) Cash flow after changes in the NCA	11.537.086	3.232.371
Other adjustments		
Interest received/(paid)	- 590.928	502.153
(Income taxes paid)	- 76.000	- 40.425
Dividends received	-	97.504
(Use of funds)	- 903.326	- 688.460
Total other adjustments	- 1.570.254	- 129.228
NET CASH FLOW PROVIDED BY/(USED IN) OPERATING ACTIVITIES (A)	9.966.832	3.103.143
B) Cash flows from investing activities		
<i>Tangible fixed assets</i>		
(Investments)	- 2.375.059	- 5.642.786
Divestments (Realised value)	831.766	363.868
<i>Intangible fixed assets</i>		
(Investments)	- 514.285	- 302.582
Divestments (Realised value)	-	-
<i>Financial fixed assets</i>		
(Investments)	-	-
Disinvestments	-	-
<i>Financial assets not held as fixed assets</i>		
(Investments)	-	- 2.099.998
Disinvestments	5.879.010	2.142.161
Acquisition of subsidiaries net of cash and cash equivalents	-	-
Disposal of subsidiaries net of cash and cash equivalents	-	-
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	3.821.431	- 5.539.338
C) Cash flows from financing activities		
<i>Third-party means</i>		
Increase/(Decrease) in short-term bank debt	- 5.413.821	4.189.769
Financing	-	2.100.000
(Repayment of loans)	- 2.107.691	- 3.911.928
<i>Own means</i>		
Capital increase against payment	-	-
(Repayment of capital)	-	-
Sale/(purchase) of own shares	-	-
(Dividends and interim dividends paid)	-	-
Intra-group loan disbursements	- 9.794.797	- 2.659.389
Repayment of intra-group loans	368.857	2.200.000
NET CASH FLOW PROVIDED BY/(USED IN) FINANCING ACTIVITIES (C)	- 16.947.452	1.918.452



Increase (decrease) in cash and cash equivalents (A ± B ± C)	- 3.159.188	- 517.745
Cash and cash equivalents at the beginning of the year of which:	21.966.229	22.483.974
Bank and postal deposits	21.776.823	22.286.345
Cheques	78.875	138.257
Cash and valuables on hand	110.531	59.372
Cash and cash equivalents at the end of the year of which:	18.807.042	21.966.229
Bank and postal deposits	18.647.324	21.776.823
Cheques	74	78.875
Cash and valuables on hand	159.644	110.531

Salgareda, 28 May 2021

The Administrator
Maurizio Codognotto



Codognotto Network S.r.l. Unipersonale

Via Calnuova n. 20 - 31040 Salgareda (TV)

Tax code, VAT number and Treviso-Belluno Company Register no. 04224630261

R.E.A. of Treviso n. 332957

Share Capital Euro 1,000,000.00 - Fully Paid-up

Company subject to management and coordination by

"F.lli Codognotto di Codognotto Gianfranco & C. snc" - Tax Code 00359320264

Management Report of the Board of Directors on the Consolidated financial statements as at 31/12/2020

Dear Member,

The consolidated financial statements submitted for your attention closed with a profit attributable to the Group of 1,265,468 euros, net of taxes.

This "Directors' Report on Operations" - accompanying the consolidated financial statements for the year ended 31/12/2020 - is divided as follows:

- analysis of the Group's economic, financial and asset situation;
- reviewing the performance of operations both as a whole and in the various sectors in which the Group operated;
- illustration of the other information required by the Civil Code.

1) Foreword

Please note that as of 16 March 2018, Codognotto Network Srl underwent a significant corporate reorganisation to accommodate the industrial activities of the Codognotto Group.

This reorganisation took the form of an increase in the share capital from Euro 10,000.00 to Euro 1,000,000.00 through the transfer of the branch of business, currently operating in Salgareda (TV) Via Dell'Artigianato n.7, owned by the sole shareholder company "F.LLI CODOGNOTTO DI CODOGNOTTO GIANFRANCO & C. - S.N.C.", a branch of business consisting of the provision of services to the companies in which "F.LLI CODOGNOTTO DI CODOGNOTTO GIANFRANCO & C. - S.N.C.S.N.C.", which are part of the "Codognotto Group", and thus by all the activities instrumental to the management of employees (HR office), technological services (IT office), administrative services and processing of accounting data, including employees and all legal relations connected with and dependent on said company branch, all as better specified in the appraisal report. Also included in the branch of business were the shareholdings that were held by the transferring company F.LLI CODOGNOTTO DI CODOGNOTTO GIANFRANCO & C. - S.N.C. in the operating companies of the group and more precisely:

- of the company ISOLTEMA S.P.A. with registered office in Gambettola (FC);
- of the company GENERAL MEMBRANE S.P.A. with registered office in Ceggia (VE), to which refers, together with its subsidiaries, the activity of production and marketing of products for the building industry (PRODUCTION);
- of the company CODOGNOTTO ITALIA S.P.A. with registered office in Salgareda (TV), which, together with its subsidiaries, is responsible for transport, shipping and logistics services (SERVICES).

The value exceeding the increase in share capital was allocated to share premium.



The purpose of the increase in the share capital was to increase the equity of the company "CODOGNOTTO NETWORK S.R.L." and to enable it, by means of the transfer of the company branch, to carry out its activities autonomously and independently of the parent company "F.LLI CODOGNOTTO DI CODOGNOTTO GIANFRANCO & C. - S.N.C.".

On 12 June 2018, the equity investment Isoltema S. p. A. was then sold to a third party, realising a capital gain of €14,405,823.

2) Situation at 31/12/2020

The balance sheet, profit and loss statement and financial situation of the "Codognotto Network Group" as at 31/12/2020 is summarised in the tables below and commented on with the aid of graphics.

Reclassified balance sheet (in thousands of Euros)

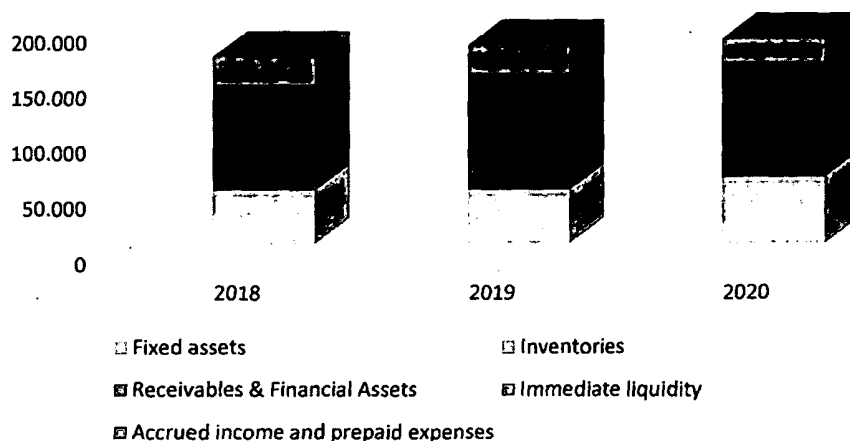
RECLASSIFIED COMMENTS	31/12/2020	31/12/2019	Change	% change
Cash and Cheques	160	189	-30	-15,67%
Banks Current Accounts Receivable	18.647	21.777	-3.129	-14,37%
Financial assets	304	6.085	-5.781	-95,01%
IMMEDIATE LIQUIDITY	19.111	28.051	-8.940	-31,87%
Receivables from customers, subsidiaries, associates and parent companies	96.941	88.259	8.682	9,84%
Other receivables	8.144	12.161	-4.018	-33,04%
Accrued income and prepaid expenses	1.267	2.762	-1.496	-54,14%
DEFERRED LIQUIDITY	106.351	103.183	3.169	3,07%
RESIDENCIES	5.135	5.334	-199,401	-3,74%
CURRENT ASSETS	130.597	136.568	-5.971	-4,37%
Receivables from shareholders for payments still due	1.725	1.725	0	0,00%
Intangible fixed assets	2.565	3.263	-699	-21,41%
Tangible fixed assets	35.342	32.745	2.598	7,93%
Financial fixed assets	14.696	5.075	9.621	189,57%
FIXED ASSETS	54.328	42.808	11.520	26,91%
TOTAL ASSETS	184.925	179.376	5.549	3,09%

SOURCES	31/12/2020	31/12/2019	Change	% change
Payables to banks	43.595	49.009	-5.414	-11,05%
Payables to other lenders	1.504	2.838	-1.335	-47,03%
Payables to suppliers, subsidiaries, associates and parent companies, advances	70.808	62.429	8.379	13,42%
Tax debts	5.780	8.630	-2.849	-33,02%

Payables to social security institutions	969	1.104	-135	-12,22%
Other liabilities	3.426	3.920	-495	-12,61%
Accruals and deferred income	1.366	814	552	67,87%
CURRENT LIABILITIES	127.448	128.744	-1.296	-1,01%
Payables to banks	2.530	3.167	-637	-20,12%
Payables to other lenders	673	809	-136	-16,79%
Other liabilities	346	310	36,274	11,70%
T.F.R. Fund	1.735	1.777	-42	-2,34%
Provisions for risks and charges	2.002	2.028	-26	-1,29%
CONSOLIDATED LIABILITIES	7.287	8.091	-805	-9,94%
THIRD-PARTY CAPITAL	134.735	136.835	-2.101	-1,54%
Share capital	1.000	1.000	0	0,00%
Reserves / Retained earnings (losses)	34.473	28.801	5.672	19,69%
Result for the year	1.265	1.928	-662	-34,35%
Minority interests	13.451	10.812	2.640	24,41%
NET ASSETS	50.190	42.540	7.649	17,98%
TOTAL LIABILITIES	184.925	179.376	5.549	3,09%

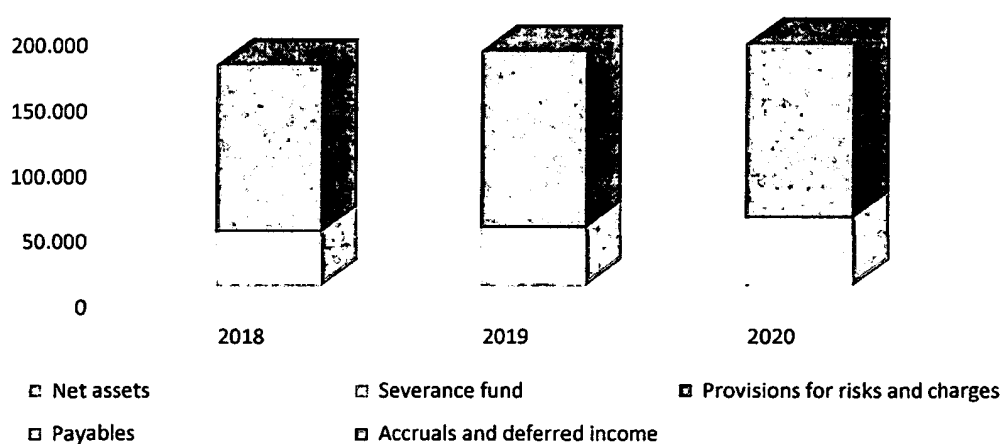
COMPOSITION OF ASSETS (in thousands of Euros)

Year	Fixed assets	Inventories	Receivables & Fin. act.	Immediate liquidity	Accrued income and prepaid expenses	Total
2018	42.228	5.648	96.343	22.484	2.453	169.156
2019	42.808	5.334	106.505	21.966	2.762	179.376
2020	54.328	5.135	105.388	18.807	1.267	184.925



COMPOSITION OF CAPITAL LIABILITIES (in thousands of Euros)

<i>Year</i>	<i>Net assets</i>	<i>Severance fund</i>	<i>Provisions for risks and charges</i>	<i>Payables</i>	<i>Accruals and deferred income</i>	<i>Total</i>
2018	39.859	1.577	1.783	125.378	559	169.156
2019	42.540	1.777	2.028	132.217	814	179.376
2020	50.190	1.735	2.002	129.631	1.366	184.925


Financial situation

It is important to point out that short-term payables to banks - a form of financing that has always been preferred by the Group - represent the majority of the Codognotto Group's overall indebtedness. Furthermore, it should be noted that:

- there is ample availability and different sources of funding, with different banking institutions;
- there are no significant concentrations of liquidity risk on either the financial assets or the funding sources side;
- the Group has approximately 19 million in cash and cash equivalents at the date of approval of the financial statements;
- as described in the significant events after the end of the financial year in the notes to the financial statements, in the first months of 2021 the company Codognotto Italia received a loan for approximately EUR 4.9 million.

	31.12.2020	31.12.2019	Change
Bank accounts	18.647.324	21.776.823	(3.129.499)
Current financial receivables	-	5.780.993	(5.780.993)
Cash in hands	159.718	189.406	(29.688)
LIQUID ASSETS	18.807.042	27.747.222	(8.940.180)
Payables to banks (within 12 months)	(40.025.497)	(46.868.856)	6.843.359
Payables to other financial institutions (within 12 months)	-	-	-
Short-term portion of loans	(3.569.855)	(2.140.317)	(1.429.538)
SHORT-TERM FINANCIAL DEBTS SHORT-TERM	(43.595.352)	(49.009.173)	5.413.821
Payables to banks (over 12 months)	-	-	-
Payables to other financial institutions (over 12 months)	-	-	-
Long-term portion of loans	(2.529.902)	(3.167.066)	637.164
LONG-TERM DEBT LONG TERM	(2.529.902)	(3.167.066)	637.164
NET FINANCIAL DEBT	(27.318.212)	(24.429.017)	(2.889.195)
Non-current financial receivables	14.213.731	4.592.748	9.620.983
NET FINANCIAL POSITION	(13.104.481)	(19.836.269)	6.731.788

Reclassified economic situation (in thousands of Euros)

Description	31/12/2020	31/12/2019	Change	%change
Revenues from sales	308.450	324.236	-15.785	-4,87%
In-house production	478	351	127	36,30%
Value of operational production	308.929	324.587	-15.658	-4,82%
External operating costs	274.604	288.817	-14.213	-4,92%
Added value	34.325	35.770	-1.445	-4,04%
Personnel costs	26.831	29.998	-3.167	-10,56%
Gross operating margin	7.494	5.772	1.722	29,84%
Depreciation and provisions	6.990	6.906	84	1,22%
Operating result	504	-1.134	1.638	-144,47%
Outcome of the ancillary area	2.738	3.787	-1.049	-27,69%
EBIT	3.242	2.653	590	22,23%
Financial area result (net of financial expenses)	897	983	-85	-8,66%
Financial charges	661	724	-63	-8,69%
Gross profit before tax	3.479	2.911	568	19,49%
Income tax	619	102	517	504,66%
Net result	2.860	2.809	51	1,80%
Consolidated net income attributable to minority interests	1.594	881	713	80,88%
Consolidated net profit attributable to the Group	1.265	1.928	-662	-34,35%

The items "Revenues from sales" and "External operating costs" include costs for damages and reimbursements included respectively in the items "B14-Sundry operating expenses" and "A5-Other revenues" as they are considered typical of the transport sector business, with reference to the subsidiary Codognotto S.p.A. and its subsidiaries.

The economic analysis will focus on commenting on the composition of turnover for the two macro business areas, namely transport, shipping and logistics services (SERVICES) and the production and marketing of construction products (PRODUCTION).

Description	2020			2019		
	TOTAL	SERVICES	PRODUCTION	TOTAL	SERVICES	PRODUCTION
Revenues from sales	308.450	259.873	48.578	324.236	275.754	48.482
In-house production	478	-	478	351,06	0	351,06
Value of operational production	308.929	259.873	49.056	324.587	275.754	48.833
External operating costs	274.604	238.563	36.040	288.817	251.314	37.503
Added value	34.325	21.309	13.016	35.770	24.440	11.330

As shown in the table above, 84% of the Group's turnover comes from the transport, forwarding and logistics services sector with a turnover of almost 260 million Euros.

This performance can be further broken down by division, showing respectively:

- Full and partial loads: 218 million
- Sea and Air Freight: 28.6 million
- Logistics: 10 million
- Other income (including customs services and damage claims): €3.2 million

The division related to the production and marketing of building products covers 16% of the consolidated turnover with more than EUR 49 million.

According to the reclassification of the profit and loss statement by value added, the "Services" division recorded an absolute value of EUR 21.3 million or 8.2% of the relative turnover, while the "Production" division recorded a value of EUR 13 million or 26.5%.

This value highlights the strong competition in the transport sector compared to the production sector.

The latter produces and markets a special photovoltaic membrane that is characterised by its innovative features and creates a small niche market.

The same division is active in the search for new products that satisfy customers who are increasingly attentive to environmental and work safety issues. To this end, the Group continues to pursue objectives of constant innovation and diversification of the products it offers its customers, seeking to position itself in the market not only as a producer of waterproofing materials, but in the broader sense of a producer of "solutions" to problems related to waterproofing.

FS analysis and performance indicators

FIXED ASSET FINANCING RATIOS		2020	2019	%change
Structure Margin 1	$\frac{\text{Equity}}{\text{Fixed assets}}$	-4.138	-268	1446,8%
Structure Quotient 1	$\frac{\text{Equity}}{\text{fixed assets}}$	0,92	0,99	-7,0%
Structural Margin 2	$\frac{(\text{Equity} + \text{Consolidated liabilities})}{\text{Fixed assets}}$	3.149	7.824	-59,8%
Structure quotient 2	$\frac{(\text{Equity} + \text{consolidated liabilities})}{\text{fixed assets}}$	1,06	1,18	-10,6%

FINANCING STRUCTURE RATIOS		2020	2019	%change
Overall debt ratio	$\frac{(\text{Pml} + \text{Pc})}{\text{Own means}}$	2,68	3,22	-16,5%
Financial Indebtedness Quotient. Financial	$\frac{\text{Financing liabilities}}{\text{Equity}}$	0,92	1,23	-25,1%

PROFITABILITY RATIOS		2020	2019	%change
Net ROE	$\frac{\text{Net profit}}{\text{equity}}$	5,70%	6,60%	-13,7%
Gross ROE	$\frac{\text{Gross profit}}{\text{equity}}$	6,93%	6,84%	1,3%
ROI	$\frac{\text{Operating result}}{(\text{C/O} - \text{Operating Pass.})}$	0,65%	-1,70%	-138,4%
ROS	$\frac{\text{Operating profit}}{\text{Sales revenue}}$	0,16%	-0,35%	-146,7%

SOLVENCY RATIOS		2020	2019	%change
Availability margin	$\frac{\text{Current assets}}{\text{Current liabilities}}$	3.149	7.824	-59,8%

Availability quotient	<i>Current assets</i> / <i>Current liabilities</i>	1,02	1,06	-3,4%
Treasury margin	<i>(Deferred Liq. + Immediate Liq.) - Current pass.</i>	-1.986	2.489	-179,8%
Treasury quotient	<i>(Deferred Liq. + Immediate Liq.) / Current Liabilities</i>	0,98	1,02	-3,4%

With regard to solvency indicators, please refer to the comments above on the ratio of working capital to current liabilities.

3) Performance

a) Revenues - b) Costs

Revenues	2020
Transport (A1)	215.589
Product sales (A1)	48.584
Shipping (A1)	30.840
Warehousing (A1)	10.269
Ancillary to the above (A1)	1.280
Change in inventories and work in progress (A2 + A3)	478
Transport contributions (A5)	2.624
Other income (A5)	4.040
	313.704

Costs	2020
Raw materials (B6)	34.439
Services (B7)	229.805
God. Third party assets (B8)	8.952
Staff (B9)	26.831
Amortisation and depreciation (B10)	6.990
Change in inventories (B11)	160
Provisions (B12+B13)	21
Miscellaneous charges (B14)	3.264
	310.461

c) Investments

During the year, investments were made that are better described in the Explanatory Notes, to which reference should be made.

4) Other information referred to in Article 2428, paragraphs 2 and 4, C.C.

a) Research and development activities

In 2020, the Company's research and development activities, with significant innovative aspects, were mainly focused on three specific projects:

- C-Roads Italy;
- FEDeRATED;
- FENIX.

Codognotto Italia S.p.A. has therefore continued along the path undertaken in the previous years. In this regard, it is important to point out that the activities related to the projects C-Roads Italy, FEDeRATED and FENIX, are included in the European Research and Innovation Programmes already approved by the Commission.

Codognotto Italia S.p.A., through the implementation of the above-mentioned projects, has contributed and will continue to contribute to the increase of the general level of knowledge, determining an objective technological and scientific progress through the results obtained.

Codognotto Italia S.p.A., in addition to its own internal staff, also made use of qualified external expertise in order to pursue the project objectives.

The "C-Roads Italy" project is a joint initiative of European Member States and road operators to test and implement C-ITS services in the light of cross-border harmonisation and interoperability.

Through the C-Roads platform, authorities and road operators join forces to harmonise the implementation of cooperative intelligent transport systems (C-ITS) across Europe. The aim is to achieve the implementation of interoperable cross-border C-ITS services for road users. In this way, vehicles, already today connected devices, will interact directly with each other and with the road infrastructure, enabling road users and traffic managers to share and use previously unavailable information and to coordinate their actions.

This cooperative element should significantly improve road safety, traffic efficiency and driving comfort by helping the driver to make the right decisions and adapt to the traffic situation.

The C-Roads cooperation is considered as an appropriate instrument for Member States to continue their involvement in the dynamic field of C-ITS.

Member States across Europe will set up the necessary C-ITS pilot sites for the testing and subsequent operation of Day-1 use cases, recommended by the European Commission's C-ITS Commission, by investing in their infrastructure. Based on these specifications and agreements, technical and organisational aspects will be tested at several pilot sites across Europe, where different organisational frameworks, technical approaches, operating environments and vehicle fleets will test and evaluate the performance and feasibility of harmonised C-ITS systems and services.

The overall project foresees the development of the following macro-activities:

- upgrades of the road infrastructure in the areas covered by the experimentation and testing phase;
- analysis and study of the relationships and interactions between different technologies in mixed traffic conditions;
- optimisation of the algorithms underlying automated vehicle management, through the use of C-ITS systems;
- analysis and study of the different levels of interoperability of communication systems, with the aim of defining, developing and perfecting a common standard in the quality of the information transmitted;
- implementation of simulations on the impact of the 3 automated driving applications, based on available databases;
- implementation of pilot actions and subsequent analysis, evaluation and validation of results.



In this community project Codognotto Italia S.p.A. is an active part and participates concretely in the development of the specific applications: "Truck Platooning", "Passenger Cars Highway Chauffeur" and "Combined scenarios of trucks and passenger cars", contributing to the following activities:

- definition of the "market requirements" necessary for the detailed definition of the pilot actions and related Use Cases;
- definition of KPIs useful for the assessment phase of the Truck Platooning pilot action;
- Operational implementation of the Truck Platooning pilot action, with the provision of its assets;
- data collection and subsequent analysis during the Truck Platooning pilot action;
- drawing up a market analysis concerning the possible impact of the systemisation and large-scale application of tested and validated technological innovations;
- definition of the IT upgrades needed to maximise the exploitation of the potential offered by Truck Platooning, with a specific focus on the Fleet Management System;
- definition of updates concerning the regulatory aspect, offering the market operator's point of view.

With specific reference to the activities planned during 2020, these were continued, it is relevant to highlight that due to the need to complete the activity the project duration was extended to the year 2021.

The "FEDeRATED" project was also funded by the main European funding programme in the transport sector called Connecting Europe Facility, the same programme that finances the main European transport infrastructures such as TAV, TAP, etc.

In this context, the overall work plan can be summarised in the following activities:

1. Creation of a vision on the evolution of digitisation in logistics;
2. Definition of a master plan of key actions;
3. Implementation of pilot projects aimed at increasing the capacity to collect data, analyse them and share them effectively;
4. Definition of a marketing campaign to promote the concept of digitisation in logistics and the fundamentals of FEDeRATED;
5. Overall management of the project, the partnership and the allocated budget.

The project has a small partnership of 15 actors with a predominance of public players. The lead partner is the Dutch Ministry. In this context, the role of the Codognotto Group is most relevant as it is the coordinator of the Italian partnership and the marketing manager of the whole partnership.

With regard to the business plan envisaged for the year 2020, Codognotto Italia S.p.A. participated actively, in order to make its own contribution to the development of the planned programme.

The "FENIX" project is also part of the main European funding programme in the transport sector called Connecting Europe Facility, a programme that deals with financing the main European transport infrastructures such as TAV, TAP, etc.

In this context, the overall work plan is aimed at supporting the development and validation of digital information systems for the transport network within the EU. In particular, the project activities are aimed at interconnecting different digital platforms in order to harmonise information and implement new solutions to streamline the different processes, all through a codified and uniform interaction with a single centralised platform able to manage all information through a common protocol.

The project has a very broad partnership, with a prevalence of public players. The lead partner is ERTICO - ITS Europe, the total number of beneficiaries is 43 and the number of implementing partners is 22. Within the activities planned for the year 2020, Codognotto Italia S.p.A. made its contribution through the implementation of the planned activities.

The subsidiary General Membrane S.p.A. continued its research and development activities during the 2021 financial year, focusing its efforts on particularly innovative projects, known as the "R&D" project:



Activity 1: Study, research, design and development aimed at improving products and increasing production efficiency, optimising energy costs and reducing processing costs.

The projects were carried out at the CEGGIA (VE) plant.

For the development of the above mentioned projects, the company incurred costs for a total value to be quantified. On the total incremental expenditure, the company intends to avail itself of the Research and Development tax credit provided for under Article 1, paragraph 35, of Law No. 190 of 23 December 2014, and to use it in accordance with the procedures provided for by the aforementioned legislation.

Research activities will continue during the financial year 2021.

The company is confident that the positive outcome of these innovations will generate good results in terms of turnover with a lasting impact on the company's economy.

b) Transactions with subsidiaries, associates, parent companies, companies subject to the control of the latter and other related parties

In the consolidated financial statements, credit/debit and cost/revenue relationships with fully consolidated subsidiaries have been eliminated. With regard to transactions with subsidiaries or associated companies valued at cost, reference should be made to the Explanatory Notes.

As at 31/12/2020, the Parent Company Codognotto Network S. r. l. is subject to management and coordination by "F.lli Codognotto di Codognotto Gianfranco & C. S.n.c." with registered office in Salgareda (TV) in Via dell'Artigianato n. 7, tax code and registration number with the Register of Companies of Treviso 00359320264. Pursuant to art. 2497-bis of the Italian Civil Code, the Notes to the Financial Statements show the essential data of the latest financial statements (currently available, i.e. the one closed on 31/12/2019) of the Company exercising management and coordination activities.

The tables below provide a summary of the financial and economic relations of the Codognotto Network Group, respectively, with the parent company F.lli Codognotto S.n.c. and with the subsidiaries and associated companies whose investments are valued at cost in these consolidated financial statements.

F.lli Codognotto di Codognotto Gianfranco & C. S.n.c.			
Hierarchical rank	Parent company		
Registered office	Salgareda (TV) - Italy		
Share held by parent company as at 31.12.2019	100,00%		
Share held by parent company as at 31.12.2020	100,00%		
Trade receivables	Euro	1.042.245	
Trade payables	Euro	1.754.533	
Financial receivables	Euro	13.401.307	
Financial debts	Euro	47.770	
Revenues	Euro	633.148	
Costs	Euro	3.421.632	

Teorema Slovensko s.r.o.			
Hierarchical rank	Subsidiary		
Registered office	Trnava - Slovakia		
Share held as at 31.12.2019	85,00%		
Share held as at 31.12.2020	85,00%		
Trade receivables	Euro	0	
Trade payables	Euro	0	
Financial receivables	Euro	195.043	
Financial debts	Euro	0	



Revenues	Euro	0
Costs	Euro	0

Codognotto Luxembourg S.A.		
Hierarchical rank		Subsidiary
Registered office		Luxembourg
Share held as at 31.12.2019		100,00%
Share held as at 31.12.2020		100,00%
Trade receivables	Euro	0
Trade payables	Euro	3.293
Financial receivables	Euro	0
Financial debts	Euro	0
Revenues	Euro	0
Costs	Euro	99.293

Codognotto Hungary Kft.		
Hierarchical rank		Subsidiary
Registered office		Budapest - Hungary
Share held as at 31.12.2019		100,00%
Share held as at 31.12.2020		100,00%
Trade receivables	Euro	503
Trade payables	Euro	0
Financial receivables	Euro	30.000
Financial debts	Euro	0
Revenues	Euro	464
Costs	Euro	0

Codognotto Middle East FZE		
Hierarchical rank		Subsidiary
Registered office		United Arab Emirates
Share held as at 31.12.2019		90,90%
Share held as at 31.12.2020		90,90%
Trade receivables	Euro	187.417
Trade payables	Euro	96.207
Financial receivables	Euro	0
Financial debts	Euro	0
Revenues	Euro	134
Costs	Euro	6.934

Codognotto Logistic and Transport UK Ltd		
Hierarchical rank		Subsidiary
Registered office		London - United Kingdom
Share held as at 31.12.2019		100,00%
Share held as at 31.12.2020		100,00%
Trade receivables	Euro	5.451
Trade payables	Euro	18.511
Financial receivables	Euro	0



Financial debts	Euro	0
Revenues	Euro	1.210
Costs	Euro	739.341

Codognotto Logistics and Transport Spain S.L.		
Hierarchical rank	Subsidiary	
Registered office	Barcelona - Spain	
Share held as at 31.12.2019	100,00%	
Share held as at 31.12.2020	100,00%	
Trade receivables	Euro	0
Trade payables	Euro	0
Financial receivables	Euro	100.000
Financial debts	Euro	0
Revenues	Euro	0
Costs	Euro	0

Codognotto Freight Forwarding Service DMCC		
Hierarchical rank	Subsidiary	
Registered office	Dubai - United Arab Emirates	
Share held as at 31.12.2018	0,00%	
Share held as at 31.12.2019	100,00%	
Trade receivables	Euro	0
Trade payables	Euro	0
Financial receivables	Euro	0
Financial debts	Euro	0
Revenues	Euro	0
Costs	Euro	0

General Membrane Malta		
Hierarchical rank	Subsidiary	
Registered office	St. Julians -Malta	
Share held as at 31.12.2019	51,00%	
Share held as at 31.12.2020	51,00%	
Trade receivables	Euro	0
Trade payables	Euro	0
Financial receivables	Euro	0
Financial debts	Euro	0
Revenues	Euro	0
Costs	Euro	0

General Roof Service Srl		
Hierarchical rank	Subsidiary	
Registered office	Naples - Italy	
Share held as at 31.12.2019	76,09%	
Trade receivables	Euro	506.740
Trade payables	Euro	220.652
Financial receivables	Euro	0



Financial debts	Euro	0
Revenues	Euro	589.208
Costs	Euro	122.100

B&G Srl		
Hierarchical rank		Subsidiary
Registered office		Monza - Italy
Share held as at 31.12.2019		30,00%
Trade receivables	Euro	0
Trade payables	Euro	0
Financial receivables	Euro	321.264
Financial debts	Euro	0
Revenues	Euro	0
Costs	Euro	0

c) Own shares and shares or quotas of parent companies

At the date of preparation of these consolidated financial statements, the Parent Company does not hold (and has never held during the 2020 financial year) any treasury shares or shares/quotas of parent companies, either directly or indirectly through trust companies.

d) Foreseeable development of operations

The commitment of the transport sector continues in the implementation of the new business model for the Full Truck Load division and in the development of the other two divisions, Logistic & Distribution and Air&Ocean.

A comparative analysis of the "Actual 2021" v/s "Actual 2020" figures for the first three months of each year shows an increase in turnover of approximately 7%, with evidence of an improvement in operating margins.

In April 2021 the trend is further improving, with a significant increase in turnover compared to the same period in 2020 (+39%), also due to the recovery of the markets.

As regards the production and marketing of waterproofing products, there was an increase in sales volumes in the first quarter of 2021, and rising raw material costs.

In terms of sales, the commercial strategy implemented is focused on the necessary increase in average sales prices, which is essential to counter the increase in raw materials that characterises the first quarter of 2021. However, an increase in volumes is expected for the 2021 financial year, both in the domestic market and in foreign markets, especially since no periods of forced closure are expected in 2021 as in 2020.

On the margins front, future scenarios are not foreseeable; however, activities aimed at containing general costs continue, as well as constant investment in research and development in order to optimise production processes. This strategy has led to appreciable results in 2019 and 2020, while for 2021 the outlook is uncertain due to raw material increases.

However, the company will continue to diversify and innovate the range of products offered, and will pay particular attention to all the opportunities that the market will offer, with a focus on high-potential emerging markets and areas that are not currently covered by the sales network.

The Group will also carefully evaluate all the opportunities that the market will offer and will continue, also for the 2021 financial year, to invest in technical and financial resources in research and development, in order to pursue the constant improvement of production efficiency with a view to continuous and careful cost control, in order to achieve the highest possible management cost-effectiveness.



e) List of the Group's branch offices

In 2020, the Group operated - through its various component companies - at the locations listed below.

Company	Headquarters	Secondary offices
Codognotto Network S.r.l.	Salgareda (Treviso)	
Codognotto Italia S.p.A.	Salgareda (Treviso)	Gorizia, Genoa, Pordenone, Piacenza, Pontenure (PC), Castelfranco V.to (TV), S.Giorgio di Nogaro (UD), Zoppola (PN), Basiano (MI), Orbassano (TO), S.Stino di Livenza (VE), Camerano (AN), Sora (FR), Agrate Brianza
General Membrane S.p.A.	Ceggia (VE)	Orbassano (TO)
Direct Service S.r.l.	Salgareda (Treviso)	-----
Codognotto Adriatica S.r.l.	Salgareda (Treviso)	Gualdo Tadino (PG)
Codognotto d.o.o. (formerly Siltani d.o.o.)	Ajdovščina (SLO)	-----
Codognotto France s.a.s.u.	Benesse Maremne (FR)	-----
Codognotto Slovensko s.r.o.	Modranka-Trnava (SK)	-----
- Teorema Slovensko s.r.o.	Modranka-Trnava (SK)	-----
Direct Service Logistics UK Ltd	Elstree (UK)	-----
Codognotto Romania S.R.L.	Timisoara (RO)	Bucharest (RO), Arad (RO), Baia Mare (RO)
Codognotto Polska Sp. z o.o.	Łódź (PL)	Ustroń (PL), Zabrze (PL)
Codognotto Austria GmbH	Vienna (A)	-----
Codognotto Espana SL	Barcelona (ES)	-----
Codognotto Bel FLLC	Minsk (BY)	-----
Codognotto Deutschland G.m.b.H.	Düsseldorf (DE)	-----
Codognotto Logistics India Pvt. Ltd.	Mumbai (IN)	Bangalore (IN), Chennai (IN), New Delhi (IN)
Codognotto Singapore Pte. Ltd.	Singapore	-----
Codognotto Middle East FZE	Dubai A.F.Z. (UAE)	-----
Codognotto Bulgaria Eood	Sofia (BG)	-----
Codognotto Luxembourg S.A.	Luxembourg (LU)	-----
Codognotto Hungary Kft.	Budapest (HU)	-----
Codognotto Portugal Lda	Oporto (PT)	-----
Codognotto Logistic and Transport UK Ltd	London (UK)	-----
Codognotto Logistics and Transport Spain S.L.	Barcelona (ES)	-----
Codognotto Freight Forwarding Service DMCC	Dubai A.F.Z. (UAE)	-----
General Membrane S.A.	Buzau (RO)	-----
General Membrane Malta Ltd Company	St. Julians (MT)	-----
General Roof Service S.r.l.	Naples	-----
B&G S.r.l.	Monza	-----

With regard to the Group's structure at 31 December 2020, please refer to the organisation chart in the notes to the consolidated financial statements.

f) Financial instruments used by the Group

The Group has financial assets and liabilities by way of trade receivables and payables arising from its core business and investment activities.

g) The Group's financial risk management objectives and policies and any exposure to other risks

For the management of finance and treasury, the Group is inspired by criteria of prudence and limited risk in the choice of financing/investment operations and which foresees the absolute prohibition of speculative operations, but only strictly connected and functional to the operative and characteristic management of the same.

That said, in the following, while limiting the discussion to only those risks reasonably considered most relevant in terms of their impact on the Group's financial position and results of operations, the approach of the Group's companies in managing business risk will be highlighted.

Exchange rate risk

The Group companies operate mainly in Euro; the exposure to this risk, which is in any case medium-low, derives from operating in "non-Euro" monetary areas as well as from the time lag between the recording of revenues and costs in foreign currency and their financial realisation; is managed - where necessary - by limiting the terms of payment extension or, albeit for marginal amounts compared to the total amount of receivables arising from commercial sales transactions, through specific financial instruments aimed solely at hedging the risk of exchange rate fluctuations, which were not present at the closing date of these consolidated financial statements.

Credit risk

Credit risk represents the Group's exposure to the risk of potential losses arising from a counterparty's failure to meet its obligations. Credit risk is limited by continuous monitoring of the reliability of new and established customers.

Moreover, the Group - also in consideration of the current economic trend and with a view to improving its efficiency and financial autonomy - has considered it appropriate to implement the credit management and control system, monitoring the situation on a monthly basis through specific *reports*.

Positions for which an objective condition of partial or total uncollectability is identified are subject to a specific write-down. The amount of the write-down takes into account an estimate of the recoverable flows. As of 31/12/2020, the updated values of receivables as well as write-down provisions - the latter recorded in the financial statements for a total of €2,866,000 - appear adequate to take into account any risks of uncollectability.

Liquidity risk

In spite of the negative sign of the "solvency indicators", the activities carried out by the Group companies are not exposed to liquidity risk thanks to prudent financial management and, above all, to their self-financing capacity.

h) Information on environment and personnel

With reference to the date of 31/12/2020 and in compliance with the provisions of Article 2428, paragraph 2, of the Italian Civil Code, it is specified that

- ☐ the Group carries out its activities in compliance with environmental and occupational hygiene regulations;
- ☐ no damage to the environment has occurred and no criminal proceedings for environmental damage are pending;
- ☐ there were no allegations of occupational diseases on employees or former employees and/or mobbing cases;
- ☐ with the exception of accidents that are typical and physiological for an activity such as road haulage, there were 6 accidents, none of which lasted more than 40 days;
- ☐ there have been no occupational deaths of staff on the register.



The parent company Codognotto Network S.r.l. currently holds the "Certificate of Excellence", having obtained the following awards:

- ☒ Quality Certificates 'ISO 9001' → guarantees internal organisational and management quality and services;
- ☒ ISO 14001" Environment Certificate → demonstrates our commitment to reducing and preventing the impact of our services on the environment;
- ☒ The "OHSAS 18001" Health and Safety certificate → testifies to the attention paid to staff and employees, who are considered fundamental resources and key players in the company's activities.
- ☒ Security Certificate "ISO28000"¹ → guarantees the implementation of a security management system along the supply chain (Supply Chain Security)
- ☒ SQAS² attestation → international attestation of the quality of logistics services provided by the chemical sector

At Group level, the new Declaration of Verification of GHG emissions ("Carbon Footprint") was also obtained, in accordance with the new release of the "ISO 14064 - 1:2019" standard.

i) Information pursuant to Article 2364, paragraph 2, of the Italian Civil Code

By way of derogation from the statutory provisions contained in articles 2364, paragraph 2, and 2478-bis, C.C. - but in any case in compliance with art. 26.2 of the Articles of Association - the financial statements are submitted for approval to the Shareholders' Meeting within the longer term of 180 days from the end of the financial year as allowed by art. 106 of Law Decree no. 18/2020 (so-called "Decreto Cura Italia"), converted into Law no. 27 of 24/04/2020, following the "COVID-19" emergency.

*** **

Salgareda (TV), 28/05/2021

***The Administrator
Maurizio Codognotto***

¹ ISO 28001 defines the requirements for the implementation of a supply chain security management system. The standard is applicable to all sectors, from manufacturing to services, from logistics to transport and covers every stage of production or supply.

² SQAS stands for Safety and Quality Assessment System. It is dedicated to providers of logistics, transport, storage, management and distribution services for chemical products. SQAS is not a certification as such, but an assessment against standards promoted by the chemical industry in Europe.



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30/09/2021
COMPANIES HOUSE

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Codognotto Network S.r.l. Unipersonale

Via Calnuova n. 20 - 31040 Salgareda (TV)

Tax code, VAT number and Treviso-Belluno Company Register no. 04224630261

R.E.A. of Treviso n. 332957

Share Capital Euro 1,000,000.00 - Fully Paid-up

*Company subject to management and coordination by
"F.lli Codognotto di Codognotto Gianfranco & C. snc" - Tax Code 00359320264*

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

STRUCTURE AND CONTENT OF THE BUDGET

The consolidated financial statements include the financial statements of the Parent Company "Codognotto Network S.r.l. Unipersonale" and the financial statements of the companies in which it holds a controlling interest, either directly or through its subsidiaries.

The list of companies included in the consolidation area as of 31/12/2020 is reported later in these notes in the paragraph "Consolidation area and methods". Details of investments in non-consolidated subsidiaries pursuant to Article 28, point 2), letters a) and c), of Legislative Decree no. 127/1991 and investments in associated companies, valued at cost, are also shown in the aforementioned paragraph.

The consolidated financial statements for the year ended 31/12/2020 have been prepared in order to present the Group's financial and economic situation in accordance with the requirements contained in Legislative Decree 39/2015, which amended the rules on consolidated financial statements set out in Legislative Decree 127/1991, and subsequent amendments supplemented by the technical rules contained in Italian accounting standards.

It consists of balance sheet, profit and loss and notes to the financial statements, all accompanied by the "Report on Operations", and has been prepared in accordance with the criteria set out in the Italian Civil Code. The notes to the financial statements are also accompanied by the reconciliation between the financial statements of the consolidating company Codognotto Network S.r.l. and the consolidated financial statements.

The data used for the consolidation are taken from the financial statements of the individual companies, drawn up in accordance with the provisions of Articles 2423 et seq. of the Italian Civil Code, suitably modified to standardise them within the Group.

The tables in the Notes to the Financial Statements [except for those relating to "Companies included in the consolidation area" on pages 4 and 5), those relating to revalued buildings and leased properties on pages 14) and 15), those relating to "Investments" on pages 18) and 19), those relating to "Taxes" on page 36), and those relating to "Commitments and guarantees" on page 38)] show values in thousands of Euro, in accordance with Article 29, paragraph 6, of Legislative Decree 127/91.

As at 31/12/2020, the Parent Company Codognotto Network S.r.l. is subject to management and coordination by "F.lli Codognotto di Codognotto Gianfranco & C. S.n.c." - with registered office in Salgareda (TV) in Via dell'Artigianato n. 7, tax code, VAT number and registration number with the Treviso-Belluno Register of Companies 00359320264, share capital of Euro 200,000 - which, pursuant to art. 2497 bis, 4, paragraph 4, of the Italian Civil Code, is subject to management and coordination by "F.lli Codognotto di Codognotto Gianfranco & C. S.n.c.". 7, tax code, VAT number and registration number with the Register of Companies of Treviso-Belluno 00359320264, share capital of Euro 200,000 - of which, pursuant to art. 2497 bis, paragraph

4, of the Italian Civil Code, we illustrate the main data of the last two financial statements currently available (values in Euro):

	Last exercise	Previous year
Date of last approved FS	31/12/2019	31/12/2018
B) Fixed assets	26.176.862	26.465.191
C) Current assets	9.429.921	6.899.977
D) Accrued income and prepaid expenses	641.961	880.833
Total assets	36.248.744	34.246.001
A) Equity		
Share capital	200.000	200.000
Reserves	22.828.933	24.014.935
Profit (loss) for the year	124.600	(542.031)
Total Equity	23.153.533	23.672.904
C) Employee severance pay	148	724
D) Payables	13.078.131	10.506.166
E) Accrued expenses and deferred income	16.932	66.207
Total liabilities	36.248.744	34.246.001

	Last exercise	Previous year
Date of last approved FS	31/12/2019	31/12/2018
A) Value of production	5.852.367	6.394.010
B) Costs of production	7.369.365	6.547.364
C) Financial income and expenses	2.263.845	(376.275)
D) Value adjustments on financial assets	(610.829)	
Income tax for the year	11.419	12.402
Profit (loss) for the year	124.600	(542.031)

INFORMATION ON THE GROUP'S ACTIVITIES

Codognotto Network S.r.l. Unipersonale carries out - with effect from 16/03/2018 - the main activity of group holding as well as the management of administrative and technical services of any type and kind including the processing of company, accounting, statistical, administrative and technical data.

The Codognotto Network Group operates mainly in two sectors:

- transport, forwarding and logistics sector;
- production and marketing of construction products.

In 2020, the "transport, forwarding and logistics branch" includes a total of 22 companies in Italy and abroad:

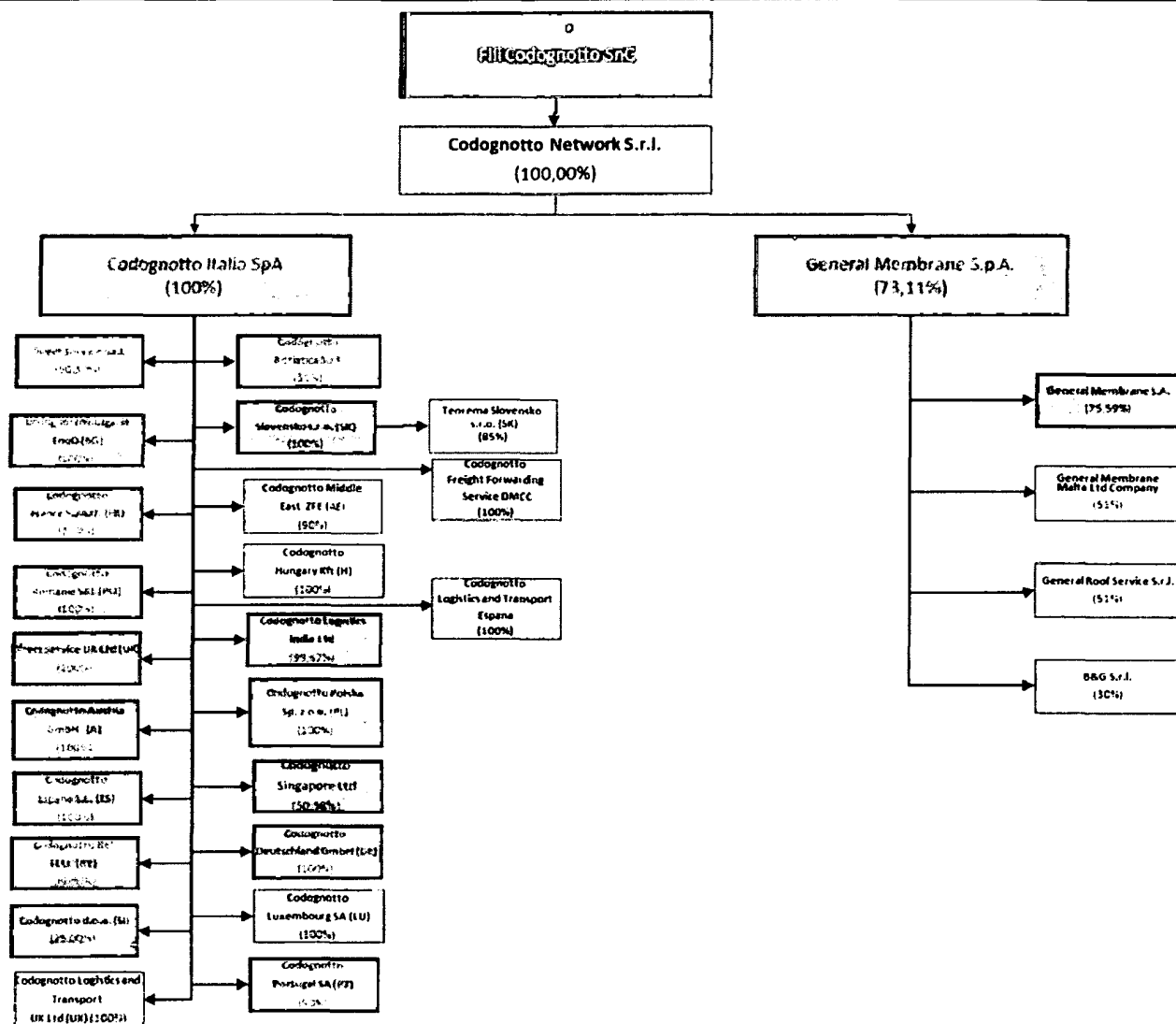
- road transport, through the Group's fleet of industrial vehicles (tractors and tractor units), trailers and semi-trailers;
- transport by rail with its own equipment;



- Maritime and air transport (LCL and FCL maritime services in import and export; air freight, direct and charter cargo in import and export with handling of bulk and/or palletized goods, IATA agent);
- intermodal combined transport, exploiting and combining the different services provided by the Group companies, also with a view to protecting the environment;
- groupages services;
- partial or complete freight forwarding services;
- logistics activities, warehousing and storage of goods, at the main warehouses of: Salgareda (TV), Castelfranco Veneto (TV), Gorizia, Basiano (MI), Pordenone, Pontenure (PC), San Stino di Livenza (VE);
- carrying out import-export operations;
- advice on customs matters.

With regard to the production and marketing of building products, more specifically waterproofing and insulating products for roofs, the Group produces and markets a particular photovoltaic membrane that has distinguished itself over time for its innovative characteristics and that has achieved significant results over the years in terms of sales volumes.

The Consolidated Financial Statements are not prepared by F.lli Codognotto di Codognotto Gianfranco & C. S.n.c., as a Partnership is not required to do so by law, but by the sub-holding Codognotto Network S.r.l, which is the parent company of the Codognotto Group.

THE CORPORATE STRUCTURE OF THE "CODOGNOTTO NETWORK GROUP" AT 31/12/2020


Unconsolidated companies are highlighted in blue.

SCOPE AND METHODS OF CONSOLIDATION

The financial statements of the companies included in the consolidation area are consolidated using the line-by-line consolidation method, as detailed below. Pursuant to Article 38, paragraph 2, and Article 39, paragraph 1, of Legislative Decree no. 127/91, the companies included in the consolidation area for the year 2020 are listed below:

Company	Headquarters	Currency	Share Capital	Share of ownership		Consolidation method
				Direct	Indirect	
Codognotto Network S.r.l.	Salgareda (TV)	Euro	1.000.000	Consolidating agent		-



Codognotto Italia S.p.A.	Salgareda (TV)	Euro	4.358.000	100,00%	-	Integral
General Membrane S.p.a.	Ceggia (VE)	Euro	10.846.500	73,11%	-	Integral
Codognotto Polska Sp. z o.o.	Łódź (PL)	PLN	50.000	100,00%	-	Integral
		Euro	12.134			
Direct Service S.r.l.	Salgareda (TV)	Euro	10.400	50,30%	-	Integral
Codognotto Adriatica S.r.l.	Salgareda (TV)	Euro	10.000	51,00%	-	Integral
Codognotto Slovensko s.r.o.	Trnava (SK)	Euro	2.000.000	100,00%	-	Integral
Codognotto France S. a. s. u.	Benesse M. (F)	Euro	48.000	100,00%	-	Integral
Codognotto Portugal Lda	Oporto (PT)	Euro	200.000	90,00%	-	Integral
Codognotto Romania S.R.L.	Timisoara (RO)	RON	3.567.600	100,00%	-	Integral
		Euro	749.912			
Direct Service Logistics UK Ltd	Elstree (U.K.)	GBP	1.100	100,00%	-	Integral
		Euro	1.283			
Codognotto Austria G.m.b.H.	Vienna (A)	Euro	200.000	100,00%	-	Integral
Codognotto Espana S.L.	Barcelona (ES)	Euro	185.000	100,00%	-	Integral
Codognotto Bel F.L.C.	Minsk (BY)	BYN	310.562	99,00%	-	Integral
		Euro	145.539			
Codognotto d.o.o. (formerly Siltani d.o.o.)	Ajdovščina (SLO)	Euro	10.000	75,00%	-	Integral
Codognotto Deutschland G.m.b.H.	Düsseldorf (DE)	Euro	225.000	100,00%	-	Integral
Codognotto Singapore Pte. Ltd.	Singapore	SGD	477.000	50,98%	-	Integral
		Euro	283.537			
Codognotto Logistics India Pvt. Ltd.	Mumbai (IN)	INR	28.944.080	99,67%	-	Integral
		Euro	357.155			
Codognotto Bulgaria E. o. d.	Sofia (BG)	BGN	68.000	100,00%	-	Integral
		Euro	34.768			
General Membrane S.A.	Buzau (RO)	RON	21.220.000	75,59%	-	Integral
		Euro	5.082.485			

Investments in subsidiaries that - pursuant to Article 28, point 2), letters a) and c), of Legislative Decree No. 127/91 have not been consolidated because of their immaterial size - are recorded at their purchase or subscription value:

Company	Headquarters	Currency	Share Capital	Share of ownership		Evaluation method
				Direct	Indirect	
Teorema Slovensko s.r.o. (*)	Trnava (SK)	Euro	5.000	-	85,00%	Cost
Codognotto Luxembourg S.A.	Luxembourg (LU)	Euro	31.000	100,00%	-	Cost
Codognotto Hungary Kft.	Budapest (HU)	HUF	10.490.000	100,00%	-	Cost
		Euro	33.972			
Codognotto Middle East FZE	Dubai Airport Free Zone (UAE)	AED	1.650.000	90,90%	-	Cost
		Euro	406.060			
Codognotto Logistics and Transport Spain S.L.	Barcelona (ES)	Euro	10.000	100,00%	-	Cost
Codognotto Logistics and Transport UK Ltd	London (U.K.)	GBP	2	100,00%	-	Cost
		Euro	2			
Codognotto Freight Forwarding Service DMCC (**)	Dubai Airport Free Zone (UAE)	AED	NA	100,00%	-	Cost
		Euro	NA			
General Membrane Malta Ltd Company	St. Julians (MT)	Euro	50.000	51,00%	-	Cost
General Roof Service S.r.l.	Naples	Euro	10.000	76,09%	-	Cost



B&G S.r.l.	Monza	Euro	10.000	30,00%	-	Cost
Notes: (*) indirect control exercised through Codognotto Slovensko s.r.o.						
Note: (**) the financial statements of the subsidiary Codognotto Freight Forwarding Service DMCC are not available at the time of preparation of the consolidated financial statements.						

CONSOLIDATION CRITERIA AND PRINCIPLES FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidation criteria adopted to prepare the consolidated financial statements are as follows:

- assumption of the assets and liabilities of the companies consolidated on a line-by-line basis and elimination of the carrying amount of the investments held by the Parent Company and the other consolidated companies against the related shareholders' equity at the date of consolidation;
- on first-time consolidation, the positive differences emerging between the book value of the investments and the portions of shareholders' equity are attributed to the higher value of the assets and liabilities acquired and for any difference, where applicable, to the item "Consolidation difference"; otherwise, they are deducted from the item "Retained earnings (losses)", since this is considered the most prudent criterion among those provided for by Article 33 of Legislative Decree No. 127/91;
- negative accounting differences between the carrying amount of investments and the equity of the investees are recognised in an equity item called 'Retained earnings (losses) carried forward';
- debit and credit items, revenues and expenses and all significant transactions between the companies included in the scope of consolidation have been eliminated;
- all profits and losses, arising from transactions between the companies included in the scope of consolidation and not yet realised in the exchange with third parties, were eliminated;
- the portion of shareholders' equity and results attributable to minority shareholders are deducted from consolidated shareholders' equity and results and shown separately in the balance sheet and income statement;
- the conversion into Euro of the financial statements of foreign subsidiaries expressed in currencies other than Euro is made by applying to assets and liabilities the exchange rates in force at the end of the financial year, to the income statement components the average exchange rates of the financial year, while the shareholders' equity is assumed at historical exchange rates conventionally identified with the exchange rates relating to the first financial year in which the investment was included in the consolidation area. Exchange rate differences arising from the translation of financial statements expressed in foreign currencies, applying the above method, are accumulated in a specific shareholders' equity reserve until the disposal of the investments. The following table shows the exchange rates applied to the conversion, as taken from the Banca d'Italia's exchange rate archive (<https://tassidicambio.bancaditalia.it>):

Country	Currency		Exchange rate at 31/12/2020	Average exchange rate 2020
Belarus	New Belarusian Ruble	BYN	3,1646	2,7928
Bulgaria	New Lev	BGN	1,9558	1,9558
India	Indian Rupee	INR	89,6605	84,6392
Poland	Zloty	PLN	4,5597	4,4430
United Kingdom	Pound sterling	GBP	0,8990	0,8897
Romania	New Leu	RON	4,8683	4,8383
Singapore	Singapore dollar	SGD	1,6218	1,5742

- any investments acquired during the year are eliminated against the equity of the investees at the respective dates of acquisition;
- all the companies included in the scope of consolidation closed their financial year on 31/12/2020.

In drawing up these financial statements, no derogation has been made from the principles of preparation set out in Article 2423 bis of the Italian Civil Code, and in particular:

- 1) the valuation of the items was carried out on a going concern basis;

- 2) the economic function of the asset or liability considered has been taken into account;
- 3) the principle of prudence has been respected, with only profits realised at the end of the financial year being taken into account in the financial statements, while taking into account the risks and losses incurred, even if known after the end of the financial year;
- 4) income and expenses pertaining to the period covered by the financial statements have been taken into account, regardless of the date of receipt or payment;
- 5) the heterogeneous elements included in the individual items have been valued separately;
- 6) the valuation criteria adopted are uniform for all the companies included in the consolidation area.

EVALUATION CRITERIA

The valuation criteria of the items in the consolidated financial statements - illustrated below - comply with the provisions of Article 2426 of the Italian Civil Code.

Intangible fixed assets

They are recorded at historical purchase cost, including any directly attributable incidental expenses, and relate to costs with proven multi-year usefulness.

Intangible assets are shown in the balance sheet assets net of the related amortisation, the plans for which have been drawn up taking into account the period of time in which the assets are expected to produce benefits. The following table shows the various types of intangible assets and their amortisation criteria.

<i>Category</i>	<i>Depreciation criteria</i>
Patent and intellectual property rights	3 years constant amortisation
Goodwill (up to the limit of the cost incurred)	10 years constant amortisation
Consolidation Difference	10 years constant amortisation
Fixed assets under construction and advances	suspended pending completion of the work
Other intangible assets	remaining duration of leasing contracts

The amortisation period thus identified expresses the remaining useful life of the assets, rights and deferred charges constituting each item.

The longer amortisation period provided for Goodwill with respect to that indicated in Article 2426, point 6), of the Italian Civil Code is justified by the assumption that Group Companies will maintain their advantageous positions in the market to which they refer for a long time.

Goodwill was generated by two separate transactions involving the transfer of business units:

- the "transfer of the transport and logistics business unit" carried out in 2012 by the holding company F.lli Codognotto di Codognotto Gianfranco & C. S.n.c., which also brought as a dowry the goodwill resulting from the merger by incorporation of "Coan & C. S.p.A." (an international road transport company) and "Coan & C. S.p.A." (an international road transport company). (an international road haulage company) and
- the "transfer of shipping business unit" carried out in 2017 by Itk Zardini S.r.l..

Both have been recorded with the consent of the Board of Statutory Auditors, in accordance with Article 2426, point 6) of the Civil Code.

If, regardless of the depreciation already recorded, an impairment loss occurs, the asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is reinstated, adjusted only for depreciation, with the exception of Goodwill.

Tangible fixed assets

They are recorded at purchase or production cost, plus any directly attributable incidental costs, and adjusted by the corresponding accumulated depreciation.

Depreciation rates, which are charged systematically to the income statement on a straight-line basis (except for those relating to the year in which the individual asset to which they refer enters into operation), were

calculated considering the use, destination and economic-technical duration of the assets, based on the criterion of residual possibility of use. This criterion was deemed to be well represented by the following rates:

<i>Category</i>	<i>Depreciation rate</i>
Land and Buildings	3% – 4%
Lightweight construction	10%
General installations	10% – 12%
Specific installations	10% – 15% – 30%
Machinery	15% – 20%
Specific equipment	15% – 20%
Various equipment	10%
Furniture and furnishings	12% – 15%
Ordinary office machines	12%
Electronic office machines	20%
On-board system - G.P.R.S.	20%
Internal means of transport	20%
Vehicles	10% – 20%
Cars	25%
Fixed assets under construction and advances	suspended pending completion of the work

Maintenance costs of an incremental nature are allocated to the asset to which they relate and depreciated at the rate applicable to the latter; ordinary maintenance costs, on the other hand, are charged in full to the income statement.

If, regardless of the depreciation already booked, an impairment loss occurs, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value, adjusted only for depreciation, is reinstated.

Some of the assets included in the item Land and Buildings were revalued pursuant to and for the purposes of Decree-Law No. 185 of November 29, 2008 (converted with amendments into Law No. 2 of January 28, 2009), as well as Decree-Law No. 5 of February 10, 2009 (converted into Law No. 33 of April 9, 2009). During the year, following the approval of Law Decree 104/2020 converted into Law 126 of 13 October 2020, the Company revalued certain assets included in the items Land and Buildings and Plant and Machinery.

Financial fixed assets

Equity investments in non-consolidated subsidiaries and other companies

Equity investments, which are excluded from the scope of consolidation because their inclusion would be irrelevant for the purposes indicated in the second paragraph of Article 29 of Legislative Decree No. 127/91, are booked, if they have the character of a long-term investment, among financial fixed assets; otherwise, if acquired for subsequent disposal, they are recorded among financial assets that do not constitute fixed assets. Investments in subsidiaries not consolidated on a line-by-line basis are recorded at their purchase or subscription value. Participations in other companies are valued on the basis of the purchase cost including any accessory charges or on the basis of the subscription price, net of write-downs relating to those losses considered likely to have a lasting effect on the value of the participations themselves; the original value of the participation is reinstated in subsequent financial years if the reasons for the write-down no longer exist.

On the other hand, the valuation at cost is maintained, even if it is higher than that corresponding to the share of the investee's net assets, only if the earnings prospects (or the unrealised gains included in the investments) allow for the recovery of the higher value recorded.

Investments in subsidiaries and affiliated companies, if the conditions of Article 36, paragraph 2, of Legislative Decree No. 127/91 are not met, are instead recorded in the financial statements for an amount equal to the corresponding fraction of shareholders' equity resulting from the last financial statements, drawn up in compliance with Articles 2423 and 2423-bis of the Italian Civil Code, after deducting dividends and making the adjustments required by correct principles for preparing consolidated financial statements. The positive difference between the value calculated using this criterion and the corresponding value at the end of the

previous year, for the part deriving from profits or losses, is recorded in a specific item of the income statement.

Other financial assets

Other financial assets consisting of financial receivables are recorded at their estimated realisable value.

Inventories

Inventories are recorded as follows:

- inventories of raw, ancillary and consumable materials are valued at the lower of purchase cost and realisable cost based on market trends; the purchase cost of fungible goods is valued using the weighted average method; this value does not differ appreciably from the current values at year-end;
- Inventories consisting of finished goods and merchandise are valued at the lower of production or purchase cost and realisable value based on market trends; the production or purchase cost of fungible goods is valued using the weighted average method; this value does not differ appreciably from the current values at year-end.

Credits

Receivables are recognised in the balance sheet at amortised cost - taking into account the time factor - and at their estimated realisable value.

In particular, the initial registration value is represented by the nominal value of the credit, net of all premiums, discounts and allowances, and including any costs directly attributable to the transaction that generated the credit. Transaction costs, commission income and expenses, if any, and any difference between the initial amount and the nominal amount at maturity are included in the calculation of amortised cost using the effective interest method.

The effects of the application of amortised cost and discounting are presumed to be immaterial when the maturity of the loans is within 12 months, taking into account all contractual and material considerations existing at the time the loan is recognised, and if the transaction costs and any difference between the initial amount and the nominal amount at maturity are not material. In such cases discounting is omitted, interest is charged at nominal value and any transaction costs are recognised as prepaid expenses and amortised on a straight-line basis over the life of the receivable, as an adjustment to the nominal interest income.

A specific allowance for doubtful accounts is set up to cover possible risks of insolvency. The adequacy of the allowance with respect to doubtful accounts is periodically assessed and, in any case, at the end of each financial year, taking into account both past or probable bad debts and general economic, sector and country risk conditions.

Financial assets not constituting fixed assets

Securities not held as fixed assets are valued at the lower of purchase cost and market value.

Cash and cash equivalents

They are recorded at their nominal value. Foreign currency holdings are valued on the basis of year-end exchange rates.

Provisions for risks and charges

They have been quantified - on the basis of the information available at the time of preparation of the draft financial statements - by taking into account liabilities that are certain but of indefinite duration and liabilities that are likely to occur and whose amount can be reasonably estimated.

In the valuation of these provisions, the general criteria of prudence and accrual have been respected, and no general risk provisions have been set up without economic justification.

Severance fund

It has been calculated in such a way as to take into account the actual debt to its employees, on the basis of

what is legally due to them in the event of termination of employment at the end of the financial year, considering all forms of remuneration of an ongoing nature.

It should be noted that, starting from the 2007 financial year, the Italian legislation on severance pay underwent a substantial change, leading to the payment of the accrued fund to complementary pension funds or to the treasury fund managed by I.N.P.S. in the case of companies with more than 50 employees.

Debts

This item includes liabilities that are certain and definite, both in amount and in date of payment, which are thus opposed to the provisions for risks and charges; this item does not include either the severance indemnity fund or the accruals and deferrals that are shown separately.

Payables are recognised in the financial statements using the amortised cost method, taking into account the time factor. In particular, the initial registration value is represented by the nominal value of the debt, net of transaction costs and all premiums, discounts and allowances directly deriving from the transaction that generated the debt. Transaction costs, any commissions receivable and payable and any difference between the initial value and the nominal value at maturity are included in the calculation of the amortised cost using the effective interest method.

As regards payables, as provided for by the Italian accounting standard OIC19 at paragraph 91, on the first application of the standard, we opted to take advantage of what is indicated by Legislative Decree no. 139/2015 which, at Article 12, paragraph 2, states that the amendments provided for by Article 2426, paragraph 1, no. 8, of the Italian Civil Code "may not be applied to the components of items referring to transactions that have not yet exhausted their effects in the financial statements". In consideration of this, the Codognotto Network Group applies the amortised cost to payables arising after the financial year starting from 01/01/2016.

The company has exercised the option not to use the amortised cost method as it does not consider the effects deriving from its application to be significant.

Accruals and deferrals

Accruals and deferrals are determined according to the criterion of the actual accrual period of the costs and revenues to which they refer. For accruals and deferrals lasting several years, the conditions that had determined their original entry were verified, adopting, where necessary, the appropriate changes.

Positive and negative income components

Positive and negative income components are accounted for in accordance with the principle of prudence and accrual, and the related accruals and deferrals are recognised, either as additions or adjustments.

Revenues from and costs of services are recognised as the services are performed, while revenues from sales of products are recognised at the time of transfer of ownership, which is normally the delivery or shipment of the goods.

Revenues and costs of a financial nature are recognised on an accrual basis.

Income tax

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

- provisions for taxes paid or payable for the year, determined in accordance with current rates and regulations;
- the amount of deferred or prepaid taxes relating to temporary differences that arose or were reversed during the year;
- adjustments to the balances of deferred tax assets and liabilities to reflect changes in rates during the year.

Tax consolidation

With effect from the 2019 financial year, the Company participates in the "National Tax Consolidation" as a consolidating company.

Conversion criteria for values expressed in foreign currencies

Receivables and payables originally expressed in foreign currencies are recorded at the exchange rates in force on the date they arose.

In particular, assets and liabilities that are not fixed assets as well as fixed financial receivables are adjusted to the exchange rate at the end of the financial year. Gains and losses arising from the translation of receivables and payables are credited and debited respectively to the Profit and Loss Account under item 17-bis "Foreign exchange gains and losses". Any net profit deriving from the adjustment of foreign currency items to year-end exchange rates contributes to the formation of the result for the year and is allocated to a specific reserve that cannot be distributed until realised.

Fixed assets denominated in foreign currencies, on the other hand, are recorded at the exchange rate at the time of their acquisition or at the lower rate at the balance sheet date only if negative changes have led to an impairment loss.

Emergence from Covid-19 - Business continuity

The Group closed the 2020 financial year with shareholders' equity of €36,739 thousand, including a profit for the year of €1,265 thousand, and had net financial indebtedness of €29,495 thousand at 31 December 2020, mainly consisting of short-term ("revocable") loans, normally renewed with bank counterparties.

The results of the 2020 financial year were conditioned by unexpected and deemed non-recurring phenomena, mainly associated with the effects of the pandemic.

As known, in fact, on 11 March 2020, the WHO, after assessing the levels of severity and global spread of the SARS-CoV-2 infection, declared that the COVID-19 epidemic can be considered a pandemic. In Italy, with the Dpcm of 9 March 2020 'Further implementing provisions of Decree-Law No. 6 of 23 February 2020, containing urgent measures on the containment and management of the epidemiological emergency from COVID-19, applicable throughout the national territory. (20A01558) (GU n.62 del 9-3-2020)", the Italian Prime Minister declares a national lockdown with restrictions on the mobilisation of people, productive and commercial activities while keeping the movement of goods free. Similar measures were also adopted in other European and Asian countries where the Group is present with subsidiaries.

The impact of Covid caused a reduction in Group turnover of approximately -4.5% per year compared to 2019. The Group has taken various qualitative actions to address and reduce the decrease in turnover: activation of the Cassa Integrazione in Italy and similar instruments in other countries, cost containment and a reduction in investments.

The Director promptly took action to guarantee a solid financial balance and a liquidity endowment consistent with the Group's needs. In particular, also in consideration of the commitments for the instalments of the existing loans expiring in 2021, Codognotto Italia took steps to obtain new financing and during the first months of 2021 a new loan of approximately Euro 4.9 million with a duration of 6 years was finalised. Also in consideration of this new loan granted, of the structure of the loans entrusted by the banking system (although mainly short-term), together with the level of the credit lines granted, the Sole Director believes that the financial structure is adequate to support the needs of the group.

In this context of uncertainty, the Group has updated its income and financial forecasts for future years: thanks to the actions taken on the commercial side, as well as on the cost side, the management sees a recovery in turnover and an increase in operating margins.

In this context still characterised by uncertainties due to the effects of the pandemic on the global economy and therefore on the group's expected performance, the Director, considering the forecasts of expected future cash flows and the balance of the group's financial structure, has matured the conviction that the group will be able to continue its activities in conditions of financial equilibrium and has therefore drawn up the financial statements as at 31 December 2020 applying the accounting criteria of a going concern. On this basis, the financial statements for the year 2020 have been prepared on a going concern basis.

- BALANCE SHEET -

A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL DUE

At 31 December 2020, there are receivables from shareholders for payments still due as the share capital of General Membrane S.p.A. is partially paid up; in particular, the amount of €1,724,989 corresponds to the receivable pertaining to third parties.

(B) FIXED ASSETS

I - Intangible fixed assets

The table shows the amount of "Intangible fixed assets".

	Start-up and expansion costs	Development costs	Industrial patent and intellectual property rights	Concessions, licences, trade marks and similar rights	Goodwill	Assets under construction and advances	Other intangible assets	Total intangible fixed assets
Value at start of year								
Cost	6	701	947	102	5.095	109	1.948	8.909
Depreciation (Depreciation fund)	5	701	653	99	3.114	0	1.073	5.646
Book value	1	0	294	3	1981	109	875	3263
Changes during the year								
Increases due to acquisitions	0	0	189	1	0	279	45	514
Depreciation for the year	1	0	265	0	509	0	435	1.210
Other changes	0	0	106	0	0	-109	0	-3
Total changes	-1	0	30	1	-509	169	-389	-699
Year-end value								
Cost	6	989	1.369	18	5.095	279	2.031	9.786
Depreciation (Depreciation fund)	6	989	1.045	14	3.623	0	1.545	7.222
Book value	0	0	324	5	1.472	279	485	2.565

At 31 December 2020, intangible fixed assets - totalling 2,565 thousand Euro - are composed as follows:

- Start-up and expansion costs relate to notary and accessory charges incurred by General Membrane S.p.A. following the 2016 share capital increase;
- Patent rights and intellectual property rights - equal to Euro 324 thousand - relate to management and application software used by the Group;
- the most significant item under Concessions, licences, trademarks and similar rights relates to the granting of the so-called "European Trademark"; the rest relates to licences and other concessions of the consolidated company "General Membrane S.A.".
- goodwill - equal to 1,472 thousand euro - refers to the goodwill conferred by F.Ili Codognotto S.n.c. to Codognotto Italia S.p.A. resulting from the merger by incorporation of Coan & C. S.p.A. (2004), to the goodwill generated following the transfer of the transport and logistics business unit from F.Ili Codognotto S.n.c. to Codognotto Italia S.p.A. (2012) and, finally, to the goodwill generated following the transfer of the transport and logistics business unit from F.Ili Codognotto S.n.c. to Codognotto Italia S.p.A. (2012). (year 2012) and, finally, to the goodwill generated following the transfer of the shipping branch of business from Itk Zardini S.r.l. to Codognotto Italia S.p.A. (year 2017);

- Intangible assets in progress refer to costs attributable to General Membrane spa, incurred for the implementation of the new accounting software;
- other fixed assets - amounting to Euro 485 thousand - mainly refer to costs incurred for the design and development of the new business model that led to the redefinition of all operational, commercial, administrative and management logics for the transport part of the Codognotto Group. The process of formulating the new model took place from 2015 and was in fact completed in the first few months of 2019; 2018 was the year in which the company's efforts were most concentrated, also in terms of work commitment and costs incurred. It was considered reasonable to quantify the time frame for the realisation of the results of the new business model as 3 years. This item also includes incremental expenses and capitalised maintenance costs incurred on leased property and equipment.

In the balance sheet, intangible assets are stated at "net values", i.e. with a direct reduction of the related amortisation.

II - Tangible fixed assets

The table shows the amount of "Tangible fixed assets".

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Assets under construction and advances	Total tangible fixed assets
Value at start of year						
Cost	23.555	10.242	4.847	20.819	1.892	61.354
Depreciation (Depreciation fund)	5.910	7.960	3.907	10.832	1	28.609
Book value	17.645	2.283	940	9.987	1.890	32.745
Changes during the year						
Increases due to acquisitions	18	668	27	1.057	604	2.375
Decreases due to disposals and divestments (of book value)	3	36	1	484	0	523
Depreciation for the year	317	749	369	2.617	0	4.052
Other changes	-62	5.606	1	-737	-10	4.798
Total changes	-363	5.489	-342	-2.781	595	2.598
Year-end value						
Cost	22.906	16.270	4.873	19.141	2.486	65.677
Depreciation (Depreciation fund)	5.625	8.499	4.275	11.935	1	30.335
Book value	17.281	7.772	598	7.206	2.485	35.342

At 31 December 2020, property, plant and equipment amounted to EUR 35,342,000 and were made up as follows:

B.II - 1) Land and buildings

The balance - as of 31/12/2020 - is EUR 17,281,000.

In relation to this item, it should be noted that during the year ended on 31/12/2008 - as provided for and regulated by Law Decree no. 185 of 29 November 2008 (the so-called anti-crisis decree, converted with amendments by Law no. 2 of 28 January 2009), as well as by Law Decree no. 5 of 10 February 2009 (converted by Law no. 33 of 9 April 2009) - the real estate assets included in the fixed assets already at 31/12/2007 were revalued. In particular, the revaluation concerned:

- A) Codognotto Italia S.p.A., with respect to the property located at Via Enrico Fermi 27, Gorizia, consisting of an industrial building, warehouse, offices and open area;

B) Direct Service S.r.l., as far as the office/shop located in Salgareda (TV) in Via Roma n. 14.

C) General Membrane S.p.A. as regards three buildings for industrial and managerial use located in Ceggia (VE) and Longarone (BL) - with relative land and appurtenances.

The table below shows - for these properties - the pre-revaluation cost, the revaluation value and, finally, the post-revaluation cost.

A)	Real estate	Nature	Cost before revaluation	Reassessment carried out	Post-revaluation cost
	Via E. Fermi 27, Gorizia	Land	203.466	18.058	221.523
		Building	1.000.096	590.702	1.590.800
	TOTALS		1.203.562	608.760	1.812.323

B)	Real estate	Nature	Cost before revaluation	Reassessment carried out	Post-revaluation cost
	Via Roma 14, Salgareda (TV)	Land	255	55.000	55.255
		Building	4.956	227.736	232.692
	TOTALS		5.211	282.736	287.947

C)	Property 1	Nature	Cost before revaluation	Reassessment carried out	Post-revaluation cost
	Via Venezia 28, Ceggia (VE)	Land	122	1.527	1.649
		Building	1.401	2.027	3.428
	TOTALS		1.523	3.554	5.077

C)	Property 2	Nature	Cost before revaluation	Reassessment carried out	Post-revaluation cost
	Via I Maggio 8, Ceggia (VE)	Land	43	180	223
		Building	68	230	298
	TOTALS		111	410	521

C)	Property 3	Nature	Cost before revaluation	Reassessment carried out	Post-revaluation cost
	Z.I. Villanova 14 Longarone (BL)	Land	18	11	29
		Building	56	33	89
	TOTALS		74	44	118

The value of the buildings was divided between the "building" component and the "underlying and appurtenant land" component. The entire valuation was recorded as an increase in assets, with a counterpart entry in an equity reserve: the respective depreciation funds were not revalued. The respective depreciation funds have not been revalued. The "building" component has also been recognised for tax purposes, with payment of the related substitute taxes.

It should be noted that during the year, the property located in Gualdo Tadino, Via Flaminia, owned by the company Codognotto Adriatica, was revalued on the basis of Law Decree 104/2020, as an exception to the criterion of recording at purchase cost including directly attributable accessory charges.

The revaluation was determined by taking into account the market value. The economic value of the assets, according to the results of a special appraisal report drawn up by an expert in the sector, was compared with the residual value of the asset to be depreciated. Accounting method

The revaluation was performed using the accounting technique of reducing the accumulated depreciation and increasing the historical cost.

The revaluation was recognised for tax purposes (as well as for statutory purposes), by means of a substitute tax of 3% of the revaluation value, which will be paid in 3 instalments starting from 2021. The positive balance from the revaluation, net of the substitute tax, was recorded under shareholders' equity in a special reserve in suspension of taxation. The depreciation in the financial statements is calculated on the non-revalued value of



the assets, therefore the depreciation of these higher values is made starting from the financial year following their recording. The value was determined by an appraisal drafted by Alessandro Brisotto, a surveyor, who identified a market value of Euro 92,939.

The new revalued value does not exceed the recoverable value and in carrying out the revaluation the replacement cost was not exceeded.

As required by the accounting standards, leasing contracts have been represented in the consolidated financial statements according to the financial method, representing the investment within the fixed assets and recording the value of the capital share of the residual instalments of the contracts in the financial liabilities. Accordingly, the following assets have been accounted for in the "Land and Buildings" category, in accordance with the method described above (values expressed in Euro units):

Codognotto Italia S.p.A.

Grant	Banca Agrileasing S.p.A.
Contract no.	3011150004 of 30/01/2001
Contract duration	96 months
Redemption	07/01/2009
Location	Gorizia, Via dell'Industria
Cost of goods	335.988

Direct Service S.r.l.

Grant	UniCredit Leasing S.p.A. (formerly Locat S.p.A.)
Contract no.	IF/00563924 of 09/05/2000
Contract duration	96 months
Redemption	31/05/2008
Location	Ponte di Piave (TV), Piazza Marco Polo
Cost of goods	224.659

Grant	Claris Leasing S.p.A.
Contract no.	2333 of 11/10/2001
Contract duration	96 months
Redemption	15/10/2009
Location	San Donà di Piave (VE), Via Kennedy
Cost of goods	258.228

Codognotto Adriatica S.r.l.

Grant	BNP Paribas Leasing S.p.A. (formerly Fortis Lease S.p.A.)
Contract no.	L0000222 (formerly IM 016227) of 02/03/2005
Contract duration	96 months
Redemption	04/12/2014
Location	Gualdo Tadino (PG), Via Flaminia
Cost of goods	99.152

Grant	BNP Paribas Leasing S.p.A. (formerly Fortis Lease S.p.A.)
Contract no.	L0000585 (formerly IM 023316) of 30/10/2006
Contract duration	180 months
Location	Gualdo Tadino (PG), Z.I. Nord
Cost of goods	471.268

With reference to the real estate assets of the Group's foreign companies, it should be noted that the subsidiary Codognotto Slovensko s.r.o. purchased - in May 2008 - a plot of land, now suitable for building, of about 220,000 m2 located in Zeleneč, along the Bratislava-Trnava motorway, a short distance from the

Samsung and Peugeot production sites. The land is served by a motorway junction that cuts the property in half; two separate urban planning projects for the establishment of logistics centres are being studied for the two areas. The initial investment was approximately Euro 3,700,000.

B.II - 2) Plant and Machinery

This item, amounting to a total of € 7,772,000, includes costs relating to plant engineering (burglar alarms, fire prevention, telephone and electricity) and warehouse structures and shelving.

It should be noted that during the 2020 financial year, the plant and machinery of the subsidiary General Membrane were revalued pursuant to Legislative Decree 104/2020, revaluing assets as shown in the table below. The revaluation was determined having regard to the market value. The economic value of the assets, according to an appraisal report drawn up by an expert in the field, was compared with the residual value of the assets to be depreciated. The revaluation was accounted for by increasing the historical cost, the related depreciation provisions were not revalued. As a balancing entry, a reserve has been entered in the shareholders' equity. The revaluation will be recognised for tax purposes. We certify that the net value of the revalued assets resulting from the financial statements under review does not exceed their fair market value.

DESCRIPTION	Historical cost	Adm. provision	Net value as at 31/12/2020	Current value	Net value after revaluation	Revalued amount
1) Material Storage Facility	578.281,95	578.281,95	0,00	495.400,00	495.400,00	495.400,00
2) Compound preparation plant	33.500,00	33.500,00	0,00	741.000,00	741.000,00	741.000,00
3) Production plant Line 3	84.038,90	84.038,90	0,00	1.189.000,00	1.189.000,00	1.189.000,00
4) Production plant Line 1	618.122,18	618.122,18	0,00	1.599.000,00	1.599.000,00	1.599.000,00
5) Production plant Line 2	113.809,10	113.809,10	0,00	1.025.000,00	1.025.000,00	1.025.000,00
6) Smoke extraction and abatement system	296.419,53	296.419,53	0,00	136.000,00	136.000,00	136.000,00
7) Thermal oil plant	74.780,00	74.780,00	0,00	80.100,00	80.100,00	80.100,00
8) Industrial water cooling plant	6.750,00	6.750,00	0,00	130.500,00	130.500,00	130.500,00
Total	1.805.701,66	1.805.701,66	0	5.396.000,00	5.396.000,00	5.396.000,00

B.II - 3) Industrial and commercial equipment

Equipment consists of both generic equipment, present in almost all Group companies, and specific equipment. The balance of the item at 31 December 2020 was Euro 598,000.

B.II - 4) Other Assets

The residual category "Other assets" - amounting to a total of Euro 7,206 thousand - includes a large variety of tangible assets:

- furniture and fittings;
- ordinary office machines;
- electronic office machines;
- on-board system / G.P.R.S.;
- internal means of transport;
- vehicles and cars.

The most significant item is the vehicles (such as trucks, trailers and semi-trailers) used by the various Group companies.

B.II - 5) Fixed assets under construction

The item amounts to a total of Euro 2,485 thousand and is made up of the costs incurred by Codognotto

Slovensko s.r.o. relating to the urbanisation of the land in Zeleneč for the construction of a car park, the costs incurred by Codognotto Polska Sp. z o.o. for the improvements it is making to the Lodz office, the costs incurred by General Membrane Romania for the construction of an industrial shed, not yet completed as at 31 December 2020.

III - Financial fixed assets

The composition of and changes in financial fixed assets - separated into "investments" and "receivables" - are shown in the tables below, expressed in thousands of Euros.

Description		2020
III)	Financial fixed assets	
1)	Shareholdings in:	
a)	subsidiaries	371
b)	affiliated companies	5
c)	parent companies	0
d)	companies controlled by parent companies	0
d-bis)	other companies	106
1)	Total Shareholdings	482
2)	Credits:	
a)	towards subsidiaries	325
b)	towards affiliated companies	321
c)	towards parent companies	13.401
d)	to companies subject to the control of parent companies	0
d-bis)	to other companies	166
2)	Total credits	14.214
3)	Other titles	0
4)	Derivative financial instruments assets	0
Total financial fixed assets		14.696

B.III - 1) Shareholdings

	Investments in subsidiaries	Investments in affiliated companies	Holdings in other companies	Total Shareholdings
Value at start of year				
Cost	371	5	106	482
Book value	371	5	106	482
Changes during the year				
Acquisitions/capital increases	0	0	0	0
Reclassifications (of book value)	0	0	0	0
Decreases due to disposals (of book value)	0	0	0	0
Total changes	0	0	0	0
Year-end value				
Cost	371	5	106	482
Book value	371	5	106	482

Shareholdings in non-consolidated subsidiaries - amounting to 371 thousand Euro - are entered at their purchase or subscription value; the table provides the essential data.

Teorema Slovensko s.r.o.	
Registered office	Trnava - Slovakia
Identification code	SK2023386552
Share held as at 31.12.2020	85,00%



Share capital as at 31.12.2020	Euro	5.000
Net assets as at 31.12.2020	Euro	855
Result for the financial year 2020	Euro	(180)
Book value	Euro	140

Codognotto Luxembourg S.A.		
Registered office	Luxembourg	
Identification code	LU28938142	
Share held as at 31.12.2020	100,00%	
Share capital as at 31.12.2020	Euro	31.000
Net assets as at 31.12.2020	Euro	49.333
Result for the financial year 2020	Euro	9.511
Book value	Euro	31.000

Codognotto Hungary Kft		
Registered office	Budapest - Hungary	
Identification code	HU10628322	
Share held as at 31.12.2020	100,00%	
Share capital as at 31.12.2020	Euro	29.102
Net assets as at 31.12.2020	Euro	18.747
Result for the financial year 2020	Euro	(16.947)
Book value	Euro	197.730

Codognotto Logistics and Transport UK LTD		
Registered office	London - United Kingdom	
Identification code	GB316255223	
Share held as at 31.12.2020	100,00%	
Share capital as at 31.12.2020	Euro	2
Net assets as at 31.12.2020	Euro	27.666
Result for the financial year 2020	Euro	20.194
Book value	Euro	2

Codognotto Freight Forwarding Service DMCC		
Registered office	Dubai - United Arab Emirates	
Identification code	DMCC179532	
Share held as at 31.12.2020	100,00%	
Share capital at 31.12.2020(*)	Euro	NA
Net assets as at 31.12.2020(*)	Euro	NA
Result for the year 2020(*)	Euro	NA
Book value	Euro	50.958

(*) the financial statements of the subsidiary Codognotto Freight Forwarding Service DMCC are not available at the time of preparation of the consolidated financial statements.

Codognotto Logistics and Transport Spain S.L.		
Registered office	Barcelona - Spain	
Identification code	B67514570	
Share held as at 31.12.2020	100,00%	
Share capital as at 31.12.2020	Euro	10.000
Net assets as at 31.12.2020	Euro	2.932
Result for the financial year 2020	Euro	(3.606)
Book value	Euro	10.000

General Roof Services s.r.l.			
Registered office			Naples
Identification code			
Share held as at 31.12.2020			76,09%
Share capital as at 31.12.2020	Euro		100.000
Net assets as at 31.12.2020	Euro		185.127
Result for the financial year 2020	Euro		101.085
Book value	Euro		76.091

(*) the financial statements of the subsidiary General Roof Services are not available at the time of preparation of the consolidated financial statements

General Membrane Malta Ltd Company			
Registered office			St. Julians - Malta
Identification code			
Share held as at 31.12.2020			51,00%
Share capital as at 31.12.2020	Euro		50.000
Net assets as at 31.12.2020	Euro		13.424
Result for the financial year 2020	Euro		(11.210)
Book value	Euro		5.000

General Membrane Malta Ltd Company is inactive and is being closed down.

Investments in "associated companies" include the associate's shareholding (corresponding to 30%) in B&G S.r.l., with registered office in Milan, and is recorded in the financial statements at acquisition cost of €5,250. The balance at 31/12/2020 of the investments in other companies - equal to 106 thousand Euro - refers to:

- ✓ Euro 1,113 to Banca Friuladria;
- ✓ Euro 637 to Unionfidi;
- ✓ for Euro 25 to Waysped;
- ✓ 103,677 to Copernit S.p.A.

B.III - 2) Long-term receivables

	Value at start of year	Changes during the year	Year-end value	Portion due within one year
Long-term receivables from subsidiaries	379	-54	325	325
Long-term receivables from affiliated companies	321	0	321	321
Long-term receivables from parent companies	3.761	9.640	13.401	13.401
Non-current receivables from other companies	131	35	166	166
Total long-term receivables	4.593	9.621	14.214	14.214

This item is mainly fed by the following loans:

- ☒ interest-bearing loan granted by Codognotto Italia S.p.A. to the subsidiary Codognotto Logistics and Transport Spain for Euro 100,000;
- ☒ interest-bearing loan granted by Codognotto Italia S.p.A. to Codognotto Hungary Kft. for Euro 30,000.
- ☒ interest-bearing loan granted by Codognotto Slovensko to the subsidiary Teorema Slovensko 195,043 in the amount of € 195,043
- ☒ non-interest-bearing loan granted by General Membrane to the company "B&G Srl" for €321,264
- ☒ interest-bearing loan granted by Codognotto Italia S.p.A. to the parent company F.Ili Codognotto S.n.c. for Euro 11,901,307;
- ☒ interest-bearing loan granted by Codognotto Network s.r.l. to the parent company F.Ili Codognotto S.n.c.

for Euro 1,500,000;

☒ receivables from other companies for €166,117 relating mainly to deposits receivable.

OTHER ASSET AND LIABILITY ITEMS

C) Current assets

The tables below show - in detail - the composition of the various items of current assets. The values are shown in thousands of Euros.

<i>Description</i>		2020
C)	Current Assets	
I)	Inventories	
1)	Raw, ancillary and consumable materials	2.563
2)	Work in progress and semi-finished products	72
3)	Work in progress to order	0
4)	Finished products and goods	2.496
5)	Advances	3
	Total inventories	5.135
II)	Credits	
1)	To customers	bt 95.180 lt 0
2)	From subsidiaries	bt 718 lt 0
3)	To affiliated companies	bt 0 lt 0
4)	To parent companies	bt 1.042 lt 0
5)	To companies controlled by parent companies	bt 0 lt 0
5-bis)	Tributaries	bt 3.525 lt 18
5-ter)	Prepaid taxes	bt 1.170
5-quarter)	Towards others	bt 3.233 lt 198
	Total credits	105.084
III)	Financial assets not constituting fixed assets	
1)	Investments in subsidiaries	304
2)	Investments in affiliated companies	0
3)	Investments in parent companies	0
3-bis)	Shareholdings in companies controlled by parent companies	0
4)	Other shareholdings	0
5)	Derivative financial instruments assets	0
6)	Other financial assets	0
	Total financial assets not constituting fixed assets	304
IV)	Cash and cash equivalents	
1)	Bank and postal deposits	18.647
2)	Cheques	0
3)	Cash and valuables on hand	160
	Total cash and cash equivalents	18.807
Total current assets (C)		129.330



I - Inventories

Inventories - as of 31/12/2020 - amounted to € 5,135 thousand and refer to raw materials and finished products related to the production of the companies associated with General Membrane, to the stocks of diesel fuel present in the tanks and reservoirs of motor vehicles as well as to the stocks of workshop materials and tyres.

	Value at start of year	Change during the year	Year-end value
Raw, ancillary and consumable materials	2.738	-175	2.563
Work in progress and semi-finished products	46	26	72
Finished products and goods	2.550	-54	2.496
Advances	0	3	3
Total inventories	5.334	-199	5.135

II - Credits

	Value at start of year	Change during the year	Year-end value	Portion due within one year	Portion due after one year
Receivables from customers included in current assets	87.095	8.085	95.180	95.180	0
Receivables from subsidiaries included in current assets	616	103	718	718	0
Receivables from parent companies included in current assets	548	495	1.042	1.042	0
Tax receivables included in current assets	6.465	-2.922	3.543	3.525	18
Deferred tax assets recognised as current assets	1.091	79	1.170		
Receivables from others included in current assets	4.605	-1.175	3.431	3.233	198
Total current receivables	100.420	4.664	105.084	103.698	216

Receivables from customers - as at 31/12/2020 - amount to EUR 95,180,000.

Receivables from customers are shown net of a provision for bad debts (for a total of Euro 2,867 thousand) set aside to take account of doubtful positions. It should also be noted that receivables considered uncollectable have been "written off", using provisions for bad debts already existing in the balance sheet.

	Provision for bad debts
Value at start of year	2.272
Changes during the year	
Use during the year	(1.133)
Provision for the year	1.728
Total changes	595
Year-end value	2.867

Receivables from subsidiaries amount to Euro 718 thousand and mainly refer to relations with the non-consolidated subsidiaries General Roof Services Srl, Codognotto Logistics and Transport UK LTD, Codognotto Middle East FZE and Codognotto Hungary Kft.

Receivables from parent companies amount to Euro 1,042 thousand and refer to relations with the holding company F.Ili Codognotto S.n.c. by the companies included in the consolidation area.

The geographic breakdown of trade receivables (from customers, from subsidiaries, from parent companies, from companies subject to the control of the parent companies) totalling 96,941 thousand Euro is shown below:

Geographical area	Receivables from customers included in current assets	Receivables from subsidiaries included in current assets	Receivables from parent companies included in current assets	%
Italy	46.316	507	1.042	49%
Other EU countries	40.509	24	0	42%
Rest of the World	8.355	187	0	9%
Total	95.180	718	1.042	100%

Tax receivables - as at 31/12/2020 - amount to Euro 3,543 thousand and can be summarised as follows:

Nature	Amount
Taxes on income and production	327
Miscellaneous taxes to be refunded	11
Withholding taxes on employees and self-employed persons	2
Domestic VAT	2.192
Foreign VAT refunded	786
More	226
Total	3.543

The amount of foreign V.A.T. to be refunded is generated by goods and services (fuel, tolls, tunnels, ferries, etc.) that each Group company purchases in a country other than its country of residence; these purchases are subject to the V.A.T. of the foreign European country and the individual companies request a refund for this tax in accordance with the procedure set out in European Directive 2008/9/EC of the EU Council of 12/02/2008.

Deferred tax assets - at 31/12/2020 - amounted to €1,170,000: deferred tax assets, recognised in the individual companies, were calculated by applying the tax rates in force in the respective countries (Italy 24%+3.9%; Slovakia 21%; Slovenia 19%; Poland 19%).

	Financial year 2020		Financial year 2019	
	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Prepaid taxes				
On provision for bad debts	2.066	491	2.071	461
On supplementary clientele severance pay 2007-2012	111	27	121	30
On lower amortisation of goodwill and licences	1	0	6	2
On accrual of tax loss	2.219	526	2.497	599
Total prepaid taxes	5.046	1.170	4.695	1.091

	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Deferred taxes				



Interest on arrears for 2012-2013 collected	1	0	1	0
Other temporary differences	4.914	1.116	5.201	1.168
Total deferred taxes	4.915	1.116	5.202	1.168

Receivables from others - amounting to 3,431 thousand Euro - are summarised in the following table:

Nature	Amount
Excise refund receivables	373
Receivables from social security institutions	93
Guarantee deposits	198
Various	2.768
Total	3.431

III - Financial assets not constituting fixed assets

	Value at start of year	Changes during the year	Year-end value
Investments in subsidiaries	304	0	304
Other securities not held as fixed assets	5.781	-5.781	0
Total financial assets not constituting fixed assets	6.085	-5.781	304

Financial assets not constituting fixed assets are represented by the shares in Codognotto Middle East FZE. Other securities not held as fixed assets consisted of units in the Hermes Linder Fund Sicav Plc, Class A, for EUR 5,780,993. The units were sold on 20 January 2020, realising a capital gain of €98,017.

IV - Liquid assets

The item "Cash at bank and in hand" - at 31/12/2020 - amounts to EUR 18,807,000 and represents the cash and cash equivalents at the end of the financial year.

	Value at start of year	Change during the year	Year-end value
Bank and postal deposits	21.777	-3.129	18.647
Cheques	79	-79	0
Cash and other valuables on hand	111	49	160
Total cash and cash equivalents	21.966	-3.159	18.807

Please refer to the cash flow statement for an analysis of changes in cash and cash equivalents during the year.

D) Accrued income and prepaid expenses

The item "Accrued income and prepaid expenses" - as at 31/12/2020 - is equal to Euro 1,267 thousand and is generated; mainly, by the third-party liability insurance policies on vehicles and by prepaid expenses on the purchase cost of tyres and spare parts for Codognotto Italia S.p.A., Codognotto Polska Sp. z o.o. and Codognotto d.o.o. vehicles.



	Value at start of year	Change during the year	Year-end value
Accrued income and prepaid expenses	2.762	-1.496	1.267

A) Equity

As at 31 December 2020, the consolidated shareholders' equity of the Group and third parties amounted to a total of Euro 50,189,801 - of which Euro 36,738,616 referred to the Group and Euro 13,451,185 referred to third parties - and was composed of the items described below.

Share capital

The share capital at 31/12/2020 amounts to Euro 1,000,000 fully subscribed and paid up by the sole shareholder "F.lli Codognotto di Codognotto Gianfranco & C. S.n.c.".

Share premium reserve

The item "Share premium reserve" of a total of €496,930 consists of the premium created upon the contribution of 15 March 2018.

Revaluation reserve

The item "Legal reserve" of €3,901,593 was set up in 2020 following the revaluation of corporate assets as provided for by Law 126/2020 for the portion pertaining to the group.

Legal reserve

The item "Legal reserve" of 691,116 euros is fed by the Parent Company's allocation of profits from previous years.

Other reserves

Other reserves of € 12,936,603 consist of the extraordinary reserve created following the allocation of profits from previous years, capital contributions, the reserve for rounding to the nearest euro unit and the translation reserve. In particular, the latter derives from the conversion of financial statements expressed in foreign currency:

- ☒ at the average exchange rate for economic and
- ☒ at the year-end exchange rate for balance sheet balances.

Retained earnings (losses)

The item "Retained earnings (losses)" - amounting to a total of € 16,446,905 - includes the accumulated income results of the consolidated companies as well as the effects of the accounting entries made during consolidation.

Profit (loss) for the year

The 2020 financial year closed with a net profit attributable to the Group of €1,265,469.

These are set out below:

- (a) the reconciliation statement between the shareholders' equity at 31/12/2020 and the net result for the year 2020 shown in the Parent Company's financial statements and those resulting from the Consolidated Financial Statements:

Description of Movements	31/12/2019	Reserves	Profit (loss) for the year	31/12/2020
Shareholders' equity of the consolidating company Codognotto Network s.r.l.	15.320		103	15.422

Difference between book value and pro-rata value of equity and results of consolidated investments	13.975	4.037	834	18.845
Leasing accounting according to the financial method	2.397		242	2.638
Conversion reserve	98	293	-	195
Delta principle	60		88	28
GROUP shareholders' equity	31.729	3.744	1.265	36.739

(b) the statement of changes and composition of shareholders' equity at 31/12/2020 showing the "Group" share, the "Minority" share and the consolidated figure.

<i>Changes in consolidated shareholder s' equity</i>	<i>Initial cons. 2019</i>	<i>Movement in conversion reserve</i>	<i>Allocation Profit/loss 2019</i>	<i>Other movements</i>	<i>Profit (loss) for the year 2020</i>	<i>Final cons. 2020</i>
Share Capital	1.000	-	-		-	1.000
Share premium reserve	497					497
Revaluation Reserve	-	-	-	3.902	-	3.902
Legal Reserve	686	-	6		-	691
Extraordinary Reserve	13.025	-	106		-	13.131
Conversion Reserve	98	-293			-	-195
Profits / (Losses) to New Profit/(loss) for the year	14.496	-	1.816	136	-	16.447
	1.928	-	1.928	-	1.265	1.265
P. Group net worth	31.728	293	-	4.037	1.265	36.738
Cap. and Third Party Res.	9.930	-	881	1.046		11.857
Third-party result	881	-	881	-	1.594	1.594
P. Net of Third Parties	10.812	-	-	1.046	1.594	13.451
P. Consolidated Net Worth	42.540	293	-	5.083	2.860	50.189

B) Provisions for risks and charges

	Provision for pensions and similar obligations	Provision for taxes, including deferred taxes	Other funds	Total provisions for risks and charges
Value at start of year	497	1.168	363	2.028
Changes during the year	0	0	0	0
Use during the year	-33	0	-6	-38

Provision for the year	53	96	21	170
Other changes	0	-148	-10	-158
Total changes	20	-52	5	-26
Year-end value	517	1.116	369	2.002

1. Provision for pensions and similar obligations

The account - whose balance as at 31/12/2020 is equal to Euro 517 thousand - is mainly fed by the "supplementary clientele severance indemnity fund" allocated by the company General Membrane, by the TFM fund (severance indemnity fund) of Codognotto Adriatica and by the "Quiescence fund" deriving from the transfer of the company branch between F.Ili Codognotto S.n.c. and Codognotto Italia S.p.A.

2. Provision for deferred taxes

The provision for deferred taxes - as of 31/12/2020 - is equal to Euro 1,116,000: deferred taxes, recorded by the individual companies, were calculated by applying the tax rates in force in the respective countries. For further details, please refer to the paragraph on deferred tax assets.

3. Other

The balance - as at 31/12/2020 - is equal to Euro 369,000 and mainly refers to the "Reclamation Risk Fund" for Euro 297,674, established in 2014 by the company General Membrane, following the change in method provided for by the new version of OIC 16 regarding the separation of land pertaining to buildings and to the "General Risk Fund" for Euro 50,000.

C) Provision for severance indemnities

As of 31/12/2020, the balance of the "Provision for severance indemnities" is equal to € 1,735 thousand and has been calculated in such a way as to take into account the actual debt that the Group companies have towards their employees on the basis of the amount legally due to them in the event of termination of employment at the end of the financial year.

D) Payables

The total amount of payables - at 31/12/2020 - is equal to Euro 129,631,000.

A breakdown of the individual items is given below.

Description		2020	
D)	Debts		
1)	Bonds	bt	0
		lt	0
2)	Convertible bonds	bt	0
		lt	0
3)	Payables to shareholders for loans	bt	0
		lt	0
4)	Payables to banks	bt	43.595
		lt	2.530
5)	Payables to other lenders	bt	1.504
		lt	673
6)	Advances	bt	130
		lt	0
7)	Payables to suppliers	bt	68.757
		lt	0
8)	Debts represented by debt securities	bt	0
		lt	0
9)	Payables to subsidiaries	bt	159
		lt	0

10)	Payables to affiliated companies	bt	2
		lt	0
11)	Payables to parent companies	bt	1.755
		lt	0
11-bis)	Payables to companies controlled by parent companies	bt	6
		lt	0
12)	Tax debts	bt	5.780
		lt	33
13)	Payables to social security institutions	bt	969
		lt	0
14)	Other liabilities	bt	3.426
		lt	313
Total payables (D)			129.631

The changes during the year are shown below:

	Value at start of year	Change during the year	Year-end value	Portion due within one year	Portion due after one year
Payables to banks	52.176	-6.051	46.125	43.595	2.530
Payables to other lenders	3.647	-1.471	2.177	1.504	673
Advances	37	93	130	130	0
Payables to suppliers	59.239	9.517	68.757	68.757	0
Payables to subsidiaries	190	-31	159	159	0
Payables to affiliated companies	2	0	2	2	0
Payables to parent companies	2.961	-1.206	1.755	1.755	0
Payables to companies controlled by parent companies	0	6	6	6	0
Tax debts	8.652	-2.839	5.814	5.780	33.493
Payables to social security institutions	1.104	-135	969	969	0
Other liabilities	4.208	-469	3.739	3.426	313
Total payables	132.217	-2.585	129.631	126.082	3.550

4) Payables to Banks

Bank loans and overdrafts amount to Euro 46,125 thousand and are broken down as follows:

Description	Amount
Current accounts payable	40.025
Loans payable - short-term portion (within 12 months)	3.570
Loans payable - medium/long-term portion (over 12 months)	2.530
Total Due to banks	46.125

The financial analysis is better described in the management report.

5) Payables to other lenders

Payables to other lenders - totalling €2,177,000 - comprise the representation, using the financial method, of the value of the capital share of the residual instalments of the leasing contracts signed by the various Group companies.

6) Advances

The item equal to Euro 130 thousand consists of advances paid by customers.

7) Payables to suppliers



Payables to suppliers amounted to EUR 68,757,000 at 31 December 2020.

9) Payables to subsidiaries

As at 31/12/2020, payables to subsidiaries amount to Euro 159,000 and refer to relations with non-consolidated subsidiaries, in particular Codognotto Middle East FZE.

10) Payables to affiliated companies

At 31/12/2020, payables to affiliated companies amounted to Euro 2,000.

11) Payables to parent companies

As at 31 December 2020, payables to parent companies amounted to Euro 1,755 thousand and refer to the balance of trade payables - to F.lli Codognotto S.n.c. - relating to vehicle rentals, property leases, workshop repairs and outsourced services provided to the various Group companies.

The geographic breakdown of trade payables (to suppliers, to subsidiary companies, to associated companies, to parent companies, to companies subject to the control of the parent companies) totalling Euro 70,802,000 is shown below:

Geographical area	Payables to suppliers	Advances	Payables to subsidiaries	Payables to affiliated companies	Payables to parent companies	%
Italy	29.270	130	0	2	1.755	43%
Other EU countries	34.984	0	62	0	0	49%
Rest of the World	4.503	0	96	0	0	7%
Total	68.757	130	159	2	1.755	100%

12) Tax debts

Taxes payable only include liabilities for taxes that are certain and defined, while liabilities for taxes that are probable or uncertain as to amount or as to the date on which they will arise or for deferred taxes, if any, are recorded under liability item B. 2).

Taxes payable - as of 31/12/2020 - amount to Euro 5,814 thousand and are composed as follows:

	Amount
Domestic VAT payables	4.817.158
Payables for withholding taxes on employees and self-employed persons	497.317
Income and production tax payables	448.646
Other	50.764
Total tax liabilities	5.813.886

The VAT payable to the Treasury is mainly supplied by Codognotto Italia S.p.A. and also includes the payable for "suspended VAT" deriving from the particular regime (as per Article 74, paragraph 4, Presidential Decree 633/72) of road haulage companies for third parties, which have the right to enter the VAT in the "VAT register of sales" invoices issued within the calendar quarter following the quarter in which they were issued, thus postponing the payment of VAT by one quarter.

13) Payables to social security institutions

As at 31 December 2020, payables to social security institutions amounted to € 969 thousand; their composition is set out below:

	Amount
Payables to I.N.P.S. (or other compulsory social security institutions)	941
Payables to I.N.A.I.L.	1
Payables to supplementary pension funds	27
Total tax liabilities	969

14) Other payables

Payables to others amount to Euro 3,739,000 and include payables that cannot be classified in other categories and are summarised in the table below:

	Amount
Payables to employees	2.962
Payables to Directors	35
Payables to Statutory Auditors	0
Other liabilities	593
Guarantee deposits received - over 12 months	149
Total tax liabilities	3.739

E) Accrued expenses and deferred income

The item "Accrued expenses and deferred income" - as of 31/12/2020 - is equal to Euro 1,366 thousand and is mainly generated by government grants on multi-year investments and by deferred income on revenues related to transport and shipments pertaining to the future.

	Value at start of year	Change during the year	Year-end value
Total accrued expenses and deferred income	814	552	1.366

AMOUNT OF RECEIVABLES AND PAYABLES WITH A RESIDUAL MATURITY OF MORE THAN 5 YEARS AND OF DEBTS ASSISTED BY COLLATERAL

It should be noted that none of the Group companies:

- has receivables with a residual maturity of more than 5 years.
- has payables with a residual maturity of more than five years.

SIGNIFICANT EFFECTS OF CHANGES IN CURRENCY EXCHANGE RATES OCCURRING AFTER THE END OF THE FINANCIAL YEAR

At 31/12/2020, there were receivables and payables denominated in currencies other than the euro. With regard to these positions, there were some differences - sometimes positive, sometimes negative - between the foreign currency balance at the exchange rate of the last day of the financial year and the (accounting)

balance at the exchange rate of the day on which the transactions arose.

The "valuation differences" - which are small in amount and not at all significant - have been charged to item C.17-bis of the income statement, together with "realised gains/losses".

THE AMOUNT OF RECEIVABLES AND PAYABLES RELATING TO TRANSACTIONS INVOLVING THE OBLIGATION OF THE PURCHASER TO REPURCHASE ON A FORWARD BASIS

As at 31/12/2020, there were no repurchase agreements in place.

- PROFIT AND LOSS ACCOUNT -

REVENUES FROM SALES AND SERVICES

A) Sales

<i>Description</i>		2020
A)	Sales	
1)	Revenues from sales and services	306.561
2)	Changes in inventories of work in progress processing, semi-finished and finished goods	423
3)	Change in contract work in progress	56
4)	Increases in fixed assets for internal work	0
5)	Other income and revenues	6.664
	Total sales (A)	313.704

The change in and breakdown of the individual revenue items which, taken as a whole, make up the "Sales" are illustrated below.

A) Sales			
Description	Current year	Previous year	Variations
1) revenues from sales and services	306.561	320.940	-14.379
2) Changes in inventories of work in progress, semi-finished and finished goods	423	315	108
3) Changes in contract work in progress	56	36	19
5) other revenues and income	6.664	9.663	-2.999
Totals	313.704	330.954	-17.251

1) Revenues from sales and services

Category of activity	Current year value	Previous year's value
Revenues from transport	215.589	234.220
Revenues from sales	48.584	48.531
Revenues from shipments	30.840	27.343

Revenues from storage and warehousing	10.269	9.414
Revenues from customs operations	562	517
Miscellaneous revenues	718	916
Total - A.1)	306.561	320.940
Total - A.1) - in Euro units	306.561.481	320.940.239

Revenues from transport to third parties refer to transport services carried out by the Group with its own vehicles (owned, leased or rented from F.Ili Codognotto S.n.c.) or with third party vehicles.

Revenues from sales relate to the marketing of building products and more specifically waterproofing and insulation products for roofs and related accessories.

Revenues from shipments refer to services carried out by the Group for air, sea and land shipments; they concern, in addition to Codognotto Italia S.p.A., the subsidiaries Codognotto Logistics India Pvt. and the subsidiaries Codognotto Logistics India Pvt. Ltd. and Codognotto Singapore Pte. Ltd.

Revenues from storage and warehousing refer to storage and handling services performed at warehouses managed by Codognotto Italia S.p.A. and Codognotto d.o.o..

Revenue from customs activities arises from the performance of customs procedures, including simplified procedures.

The breakdown of revenues by geographical area is detailed in the following table:

Geographical area	Current year value	Previous year's value
Italy	113.377	119.319
Other EU countries	138.515	138.103
Rest of the World	54.669	63.518
Total	306.561	320.940

5) Other revenues and income

Categories of activity	Current year value	Previous year's value
Refunds	1.889	3.295
Insurance refunds	344	1.595
Rental income	205	208
Revenues from administrative services	13	158
Capital gains on disposal	319	292
Non-recurring income and contingent assets	844	786
Excise tax and hauliers' benefits	2.624	1.905
Workshop activities	9	188
Other non-recurring revenues	416	1.238
Total - A.5)	6.664	9.663
Total - A.5) - in Euro units	6.663.751	9.663.155

Among the most significant items are contributions on "road hauliers' excise duties" referring to subsidies on fuel consumption by Codognotto Italia S.p.A., Codognotto Polska Sp. z o.o. and Codognotto d.o.o. in Italy, Slovenia and France.

Insurance refunds relates to reimbursements received in connection with accidents: it covers both damage to goods transported and damage to vehicles.

Refunds include the recharging to third parties of various costs and charges incurred "in the name and on behalf of" as well as the recharging of damages contested to Group companies and reversed to the responsible third party.

Finally, other income refers to positive components arising from the performance of activities ancillary to the main activity, other than those classifiable under items A.1) - C.15) - C.16) - D.18).

OTHER POSITIVE AND NEGATIVE INCOME COMPONENTS

B) Costs of sales

Description		2020
B)	Costs of sales	
6)	For raw materials, consumables and goods	34.439
7)	For services	229.805
8)	For use of third party assets	8.952
9)	For staff	
a)	Wages and salaries	20.992
b)	Social charges	4.784
c)	Severance pay	813
d)	Pensions and similar benefits	0
e)	Other costs	242
	Total personnel costs	26.831
10)	Amortisation and depreciation	
a)	Amortisation of intangible assets	1.210
b)	Amortisation of tangible fixed assets	4.052
c)	Other write-downs of fixed assets	0
d)	Write-down of receivables included in current assets and liquid assets	1.728
	Total depreciation and amortisation	6.990
11)	Changes in inventories of raw and ancillary materials, consumables and goods	160
12)	Provisions for risks	21
13)	Other provisions	0
14)	Other operating expenses	3.264
Total costs of sales (B)		310.461

The change in and breakdown of the individual cost items which, taken as a whole, make up the "Cost of sales" are shown below.

B) Costs of sales			
Description	Current year	Previous year	Variations
6) for raw materials, consumables and merchandise	34.439	39.950	-5.511
7) for services	229.805	235.887	-6.082
8) for use of third party assets	8.952	9.779	-827
9.a) Wages and salaries	20.992	23.640	-2.648
9.b) social security charges	4.784	5.312	-529
9.c) severance pay	813	827	-14
9.e) other costs	242	219	24
10.a) amortisation of intangible fixed assets	1.210	1.279	-70

10.b) depreciation of tangible fixed assets	4.052	4.144	-92
10.d) write-downs of receivables included in current assets and cash and cash equivalents	1.728	1.482	246
11) Change in inventories of raw materials, consumables and goods for resale	160	369	-209
12) Provisions for risks	21	50	-29,021
14) Other operating expenses	3.264	5.363	-2.099
Totals	310.461	328.302	-17.840

6) For raw materials, consumables and goods

This item includes the following types of costs:

Description	Current year value	Previous year's value
Purchase of fuels, lubricants and additives	5.798	9.024
Purchase of vehicle equipment (tyres, tarpaulins, spare parts, etc.)	678	1.134
Purchasing raw materials	24.193	17.994
Purchase of photovoltaic equipment	170	9.012
Purchasing packaging	760	705
Purchase of finished products	1.571	1.610
Purchase of various materials (stationery, etc.)	1.268	471
Total - B.6)	34.438	39.950
Total - B.6) - in euro units	34.438.291	39.950.254

7) For services

This item includes the following types of costs:

Description	Current year value	Previous year's value
Transport services from third parties	194.901	197.160
Tolls, tunnels and ferries	11.809	12.834
Costs for goods handling	4.154	4.368
Rail transport	0	348
Maintenance and repairs	2.991	3.486
Accounting, tax, legal and administrative advice	4.123	4.762
Insurance	1.627	1.880
Directors' and employees' fees / Expense reimbursement	323	1.798
Fees of the Board of Statutory Auditors and Auditors	141	95
Telephone charges / utilities	1.929	1.840
Miscellaneous commercial	3.228	343
Various administrative	1.001	1.347
Customs charges	177	361



Other costs for services	3.401	5.263
Total - B.7)	229.805	235.887
Total - B.7) - in euro units	229.805.236	235.886.861

Costs for transport services from third parties refer to charges incurred for the purchase of transport services (domestic and international) from third parties not belonging to the Group.

Loading, unloading and goods handling services have been outsourced and are carried out - at the Group's various warehouses - by specialised companies.

Maintenance and repairs refer to costs incurred for the repair and ordinary maintenance of capital assets (tangible and intangible): the item includes expenses on own assets, expenses on leased assets, as well as expenses for maintenance and periodic assistance fees.

Insurance costs cover a wide range of covers (registration book, third party liability, third party liability, goods, accident, fire and miscellaneous) and are certainly more significant among "transport" companies.

The item Directors' and collaborators' fees/expense refunds includes costs related to the directors of the various Group companies and to personnel hired with collaboration contracts (CO.CO.PRO. or project work) as well as mileage allowances, reimbursement of board and lodging, reimbursement of various expenses (analytical rather than lump-sum) made in favour of the same persons.

8) For use of third party assets

This item includes the following types of costs:

Description	Current year value	Previous year's value
Leases and rents of real estate	5.515	4.989
Vehicle hire	689	1.906
Miscellaneous rentals and operating leases	2.748	2.885
Total - B.8)	8.952	9.779
Total - B.8) - in euro units	8.951.994	9.779.077

Leases payable relate to offices, warehouses and yards, both of the consolidating company and of the various Italian and foreign subsidiaries.

Hire of means of transport relates to vehicles (tractors and semi-trailers) that the holding company F.lli Codognotto S.n.c. grants in usufruct to Codognotto Italia S.p.A., Codognotto Polska Sp. z o.o., Codognotto Slovensko s.r.o. and Codognotto d.o.o..

9) For staff

Personnel costs amounted to Euro 26,831,000 and included all expenses incurred for employees, including the cost of unused holidays and provisions required by law.

The table provides details of the Group's workforce by category, expressed as "average workforce for the year".

Category	Average workforce 2019	Average workforce 2020
Commercial and operational employees	300	298
Administrative clerks	171	147
Drivers	317	318
Warehousemen and workers	53	74

Total	841	837
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10) Depreciation and write-downs

Depreciation and amortisation - for a total of Euro 5,262 thousand - are broken down as follows:

- ❖ Euro 1,210 thousand relating mainly to the amortisation of goodwill and costs capitalised in 2018 relating to the design and development of the new business model recognised in Codognotto Italia S.p.A.;
- ❖ Euro 4,052,000 for depreciation of capital assets (especially motor vehicles) of the consolidated companies. The item **bad debt provision** of Euro 1,728 thousand includes, mainly, the provisions made by General Membrane S.p.A., Codognotto Italia S.p.A., Codognotto France Eurl, Codognotto Slovensko s.r.o., Codognotto Deutschland G.m.b.H., Direct Service UK, Codognotto Polska Sp. Zo.o. and Codognotto d.o.o..

11) Changes in inventories of raw, ancillary and consumable materials and goods for resale

The change - totalling Euro 369 thousand (with cost sign) - mainly refers to the change in inventories relating to the companies General Membrane S.p.a. and General Membrane S.a..

14) Other operating expenses

This is a residual item and includes all those operating costs not directly attributable to the previous cost items. For more detail, the following table is produced:

Description	Current year value	Previous year's value
Losses on receivables	678	240
Vehicle taxes	170	274
Taxes and fees	502	998
Capital losses on disposals	11	128
Exceptional costs/damage	1.248	2.832
Other operating expenses	655	890
Total - B.14)	3.264	5.363
Total - B.14) - in euro units	3.263.817	5.362.886

C) Financial income and expenses

C) Financial income and expenses			
Description	Current year	Previous year	Variations
15.c) income from equity investments - parent companies	0	98	-98
16.a1) other financial income - from receivables from subsidiaries	2	5	-3
16.a3) other financial income - from receivables from parent companies	309	315	-6
16.a5) other financial income - from receivables from other companies	0	7	-7
16.c) from securities included in current assets other than equity investments	98	79	19
16.d5) miscellaneous income	372	535	-162
17.c) interest and other financial charges - from parent companies	70	0	70

17.e) interest and other financial charges - from others	591	724	-133
17a) foreign exchange gains and losses	116	-30	146
Totals	236	284	-48

15) Income from participating interests - 16) Other financial income

These are recorded for a total of Euro 781,000 and are broken down into the main items as follows:

- interest income on the loan granted by Codognotto Italia S.p.A. to F.Ili Codognotto S.n.c., of Euro 309 thousand;
- profit from the sale of securities included in current assets that do not constitute shareholdings in the amount of EUR 98,000;
- interest income (on arrears, current account, discount) of €372,000.

17) Interest expense and other financial charges

The financial year ending on 31/12/2020 bears interest expenses and other financial charges for a total of Euro 661 thousand.

17-bis) Exchange gains / losses

This item - at the end of 2020 - shows a positive balance (exchange rate gains) of €116,000.

20) INCOME TAXES FOR THE YEAR

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

- provisions for taxes paid or payable for the year, determined in accordance with current rates and regulations;
- the amount of taxes paid in advance in relation to temporary differences that arose or were reversed during the year;
- the amount of taxes for which payment is deferred in relation to temporary differences that arose or were reversed during the year.

The following table provides details:

Profit before taxes (A-B+/-C+/-D)	3.478.917
20) Income tax for the year	(619.414)
<i>a) Current taxes</i>	<i>(805.267)</i>
<i>b) Taxes relating to previous years</i>	<i>135.705</i>
<i>c) Deferred and prepaid taxes</i>	<i>50.148</i>
21) Consolidated profit/(loss) for the year	2.859.503
Profit/(loss) for the year attributable to minority interests	1.594.035
Profit/(loss) for the year pertaining to the Group	1.265.468

ILLUSTRATION OF THE FORMATION OF TAXES, INCLUDING DEFERRED TAX ASSETS AND LIABILITIES

In order to maintain a correct and truthful representation of the financial statements and to account for the difference between the statutory result - on the one hand - and the taxable income - on the other hand - it is necessary to highlight the so-called deferred taxation, i.e. the exact determination of the taxes for the period as opposed to the current taxes that will actually have to be paid to the Treasury.

In particular, as specified by Accounting Standard No. 25, 'deferred tax liabilities and assets are accounted for



each year on the basis of the rates in force at the time the temporary differences are reversed, making appropriate adjustments in the event of a change in the rate with respect to previous years, provided that the legal provision varying the rate has already been enacted at the date of preparation of the financial statements'.

OTHER INFORMATION

Remuneration of directors and statutory auditors (Art. 2427 Civil Code, No. 16)

In accordance with the law, the total remuneration due to the Board of Directors and to the members of the Board of Statutory Auditors (article 2427, paragraph 1, no. 16, of the Italian Civil Code) of the Parent Company Codognotto Network S.r.l. is shown below. :

<i>Qualification</i>	<i>Compensation (in Euro)</i>
Board of Directors	0
Board of Auditors	5.720

Please note that:

- ✓ No remuneration is attributed to the Sole Director;
- ✓ The Single Statutory Auditor is responsible for supervision pursuant to Article 2403 of the Italian Civil Code, while the statutory audit pursuant to Article 14 of Legislative Decree No. 39/2010 is the responsibility of the Independent Auditors indicated in the following paragraph.
- ✓ during the year, no loans were disbursed and no guarantees were given in favour of the members of the Board of Directors and/or the Controlling Body, nor were there any at the end of the year.

Fees payable to the statutory auditor or auditing firm (Art. 2427 Civil Code, No. 16 bis)

Pursuant to Article 2427, no. 16 bis, of the Italian Civil Code, it should be noted that the total remuneration to the Auditing Firm "EY S.p.A." - with registered office in Rome, Via Lombardia no. 31, tax code 00434000584, registered at no. 2 in the Consob Register - for the activity of legal audit of the accounts (pursuant to art. 14 of Legislative Decree no. 39/2010 and art. 2409 bis of the Italian Civil Code) of the financial statements and consolidated financial statements of Codognotto Network S.r.l. amounts, for the year 2020, to € 4,800.

No other activities were carried out by the Auditing Firm in the interest of Codognotto Network S.r.l. and, therefore, no other remuneration was paid to the same subject for activities other than the legal audit mentioned above.

Shares, convertible bonds, similar securities and financial instruments

No Group Company has issued any dividend-bearing shares, convertible bonds, similar securities or other financial instruments other than the above.

Loans made by shareholders to the group

As of 31/12/2020, the Group's financial statements do not include any amounts due to shareholders for loans.

Assets and financing earmarked for a specific business

No Group company has set up assets and/or loans for specific business.

Transactions with related parties

Transactions carried out by Group companies with related parties (according to the definition contained in the international accounting principle IAS no. 24 as referred to in art. 2427, 2nd paragraph of the Italian Civil Code) are as follows

- (i) transactions with the parent company F.lli Codognotto S.n.c. (both of a financial nature and of a commercial nature, in particular as regards property leases and vehicle rentals);
- (ii) transactions of a financial and/or commercial nature with the subsidiaries B&G S.r.l. Teorema Slovensko



s.r.o. Codognotto Luxembourg S.A. Codognotto Hungary Kft. Codognotto Logistic and Transport UK LTD, Codognotto Logistic and Transport Spain and Codognotto Middle East FZE (unconsolidated companies).

These transactions have already been quantitatively highlighted in the comments to the consolidated balance sheet and consolidated income statement items in these notes.

It should be noted that all the above transactions, even for significant amounts, were carried out at conditions that did not deviate from normal market conditions.

Off-balance sheet transactions

There are no agreements - not recorded in the balance sheet - whose risks or benefits are significant and relevant for the purposes of assessing the Group's financial position and results of operations.

Exceptional items of income or expense of exceptional size or incidence

Pursuant to Article 2427, point 13, of the Italian Civil Code, it should be noted that no revenue or cost items of exceptional size or incidence have been recorded.

Rounding to the nearest euro unit

Balance sheet values are shown in Euro units by rounding off the relative amounts. Any rounding differences have been reported under the item "Euro rounding reserve" included in shareholders' equity.

Commitments, guarantees and contingent liabilities not shown in the balance sheet

In accordance with Article 2427, paragraph 1, number 9 of the Italian Civil Code, information is provided on commitments, guarantees and contingent liabilities not shown in the balance sheet.

<i>Nature</i>	<i>Description</i>	<i>Institute</i>	<i>Deadline</i>	<i>Nominal value</i>
Guarantees	Surety	Banco delle Tre Venezie	31/03/2022	100.000
	Surety	Banco delle Tre Venezie	31/08/2022	220.797
	Surety	Banco delle Tre Venezie	10/04/2021	50.291
	Surety	Unicredit	18/12/2021	1.900
	Surety	Unicredit	10/01/2021	3.000
	Surety	Unicredit	11/03/2021	150.000
	Surety	Unicredit	44296	50.000
	Surety	Unicredit	10/04/2021	114.000
	Surety	Unicredit	08/08/2021	251.000
	Surety	Unicredit	31/03/2022	140.000
	Surety	Unicredit	Indeterminate	466.120
	Surety	Unicredit	Indeterminate	151.190
	Surety	Monte Paschi di Siena	14/03/2023	512.816
	Surety	Monte Paschi di Siena	31/08/2024	2.758
	Surety	Monte Paschi di Siena	31/12/2022	216.549
	Surety	Intesa San Paolo		1.499.850

It should be noted that Codognotto Italia has issued a declaration of guarantee to the subsidiaries Direct Service UK and Codognotto Logistic and Transports UK to obtain the audit exemption on the 2020 financial statements.

The company also stated that the receivables with Codognotto Austria is subordinate to the satisfaction of other creditors in the event of the company's liquidation.



Information on significant events after the end of the financial year

As provided for by Law no. 40/2020 (which converted Decree Law no. 23 of 8 April 2020, the so-called Liquidity Decree), businesses, self-employed workers and self-employed professionals with a VAT number, and any other categories, have been given the opportunity to apply for a new business loan with the support of the following guarantees granted by the State:

- Central guarantee fund for SMEs ("Guarantee Fund")
- SACE Guarantee.

Codognotto Italia benefited from a loan of Euro 4,875,000 of which Euro 4,375,000 to be allocated to debt renegotiation and new liquidity (ex art. 13 paragraph 1 letter E law no.40/2020) and Euro 500,000 to be allocated to working capital and/or investments (ex art. 13 paragraph 1 letter C law no.40/2020). The duration is 6 years starting from 19 February 2021. The cost is in line with market expectations.

In order to improve the organisational structure of the transport business, the company F.Ili Codognotto s.n.c. transferred the company's operating branch, organised for workshop activities to Codognotto Italia S.p.a. by notarial deed dated 29 March 2021, drawn up by notary public Maurizio Bianconi of Treviso. The transaction resulted in the transfer of the "Workshop" Business Unit of F.Ili Codognotto di Codognotto Gianfranco & C. S.n.c. ("Contributing Company") through a specific share capital increase to be offered for subscription to the Contributing Company for 317,047.00 euro with a share premium of 423,874.00 euro to be paid in kind by contribution.

The "Workshop" business unit was valued by Massimo Di Terlizzi, who determined a book value of Euro 740,921 and an economic value of Euro 1,560,000.

After the transfer of the "Officina" branch of business to Codognotto Italia S.p.A. - after the allocation to F.Ili Codognotto S.n.c. of a number of newly issued shares equal to 317,047 - the single shareholder was reconstituted (on 30/04/2021) through the transfer of the shares from F.Ili Codognotto to the majority shareholder Codognotto Network s.r.l. at the price of Euro 1,560,000.

Please refer to the section in the Report on Operations for comments on the outlook.

Information required by Article 2427-bis C.C.

No derivative contracts were entered into during the year. Furthermore, there are no other cases that require the indication and information provided for by Article 2427-bis of the Italian Civil Code that have not already been reported in the comments on the financial statement items analysed above.

Information pursuant to Article 1, paragraph 125 of Law No. 124 of 4 August 2017

In compliance with the regulations in force as part of the application of the disclosure obligation pursuant to Article 1, paragraphs 125-129, of Law 124/2017 and on the basis of the regulatory interpretations provided by Assonime (Circular 5/2019), we specify the following:

<i>Provider</i>	<i>Amount received (€)</i>	<i>Date of payment</i>	<i>Causale</i>
Ministry of Infrastructure and Transport Central Committee for the National Register of Natural and Legal Persons engaged in Road Haulage for Third Parties TAX CODE: 97532760580	€ 5.000,00	18/12/2020	Slcure Road Transport Project Chapter 1294 P.G. Contributions towards the costs of sanitation of premises and vehicles and the purchase of PPE
Ministry of Infrastructure and Transport Directorate-General for Road Transport and Intermodality TAX CODE: 97532760580	€ 69.476,40	09/11/2020	Grants pursuant to Ministerial Decree 08/05/2018 no. 237 for the purposes of Presidential Decree 29/05/2009 no. 83 - "Professional Training". Fn 144/2018
Ministry of Infrastructure and Transport - Directorate General for Spatial Development, Planning and International Projects Division IV - Trans-European Networks and Corridors. Payment made by the General Inspectorate for Financial Relations with the European Union - I.G.R.U.E. TAX CODE: 97532760580	€ 35.710,30	24/09/2020	European project: C-ROADS ITALY European Programme: Connecting Europe Facility (CEF) Grant Agreement n. INEA/CEF/TRAN/M2016/1362075
Ministry of Infrastructure and Transport Directorate-General for Road Transport and Intermodality TAX CODE: 97532760580	€ 142.483,01	21/09/2020	Contributions pursuant to D.D. 17/07/2017 no. 76 for the purposes of D.M. 20/06/2017 no. 305 - "Incentives for investments in the road transport sector". Application protocol In 1592 / 2017
ERTICO - ITS Europe (Belgium)	€ 56.547,58	28/07/2020	European project: 713788 - OptiTruck European Programme: Optimal fuel consumption with Predictive PowerTrain control and calibration for intelligent Truck Call ID: H2020-GV-2014-2015
Universidad de la Iglesia de Deusto Entidad Religiosa (ES) NIF/CIF: R-4868004E	€ 10.642,41	13/03/2020	European project: LOGISTAR "Enhanced data management techniques for real time logistics planning and scheduling".



			Horizon 2020 Programme
			Grant Agreement No. 769142

In any case, for the sake of completeness and given the possibility provided for by Article 3 quater of DL 135/20015, please refer to the data already published in the National Register of State Aid (www.rna.gov.it)".

CONCLUSIONS

These consolidated financial statements, consisting of the balance sheet, income statement and notes, give a true and fair view of the equity, financial and economic situation of the "Codognotto Network Group", as well as the economic result for the year and correspond to the results - suitably reconciled - of the accounting records.

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Salgareda (TV), 28/05/2021

The Administrator
Maurizio Codognotto

ADDENDUM - CONTINUATION NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31/12/2020**"Scopes and methods of consolidation" (page 5 of 41)**

According to Section 479A, 479B and 479C of the Companies Act 2006, the relevant members have agreed to exempt from the audit of the individual accounts the subsidiaries mentioned later (the "Exempted Subsidiaries").

The parent undertaking, Codognotto Italia S.P.A., has guaranteed all outstanding liabilities to which the Exempted Subsidiaries are subject at the end of the financial year closing at 31/12/2020, until they are satisfied in full.

The guarantee is enforceable against Codognotto Italia S.P.A. by any person to whom the Exempted Subsidiaries are liable in respect of those liabilities.

The Exempted Subsidiaries are the following consolidated entities:

Company Name	Company Registration Number
Codognotto Logistics and Transport UK Ltd	11749527

Salgareda (TV), 09/09/2021

The Administrator

Maurizio Codognotto

