

PRESS RELEASE

Communication pursuant to article 11 of the AIM Issuers' Regulation  
(price sensitive disclosure)

**CYBEROO BOARD OF DIRECTORS APPROVES FY2020 CONSOLIDATED RESULTS.**

**Revenues in the Cyber Security market grew by +29%, well beyond the slight growth forecasted for the sector.**

**The value of production is growing.**

**EBITDA and net income fell as a result of bringing forward the investments planned for the three-year period in order to consolidate the service and the commercial structure.**

**87% of revenues from sales are recurring.**

- **Value of Production: €7.6 million (+13.5% compared to the 2019 Consolidated €6.72 million)**
- **EBITDA: €1.88 million (-23% compared to the 2019 Consolidated €2.45 million)**
- **Cyber Security revenues: €1.63 million (+29% compared to the 2019 Consolidated €1.27)**
- **Net Profit: €0.06 million (-92% compared to the 2019 Consolidated €0.7 million)**
- **NFP (Cash) -€2.12 million (compared to -€3.29 million in the 2019 Consolidated)**

Reggio Emilia, March 29, 2021 – The Board of Directors of Cyberoo S.p.A., a company listed on the AIM Italia stock market and specialized in Cyber Security, today examined and approved the draft financial statements and the consolidated financial statements for the year ended December 31, 2020.

**Fabio Leonardi**, CEO of Cyberoo, commented: *“Overall, the results for the period are very positive for two reasons: we're shortening the Go-to-Market times and seeing growth of +29% in the cyber security market, well beyond the timid positivity of the sector in general, projected to slow significantly in 2020 to +3.7% in Italy and + 4.2% globally.<sup>1</sup>*

*The results were partly impacted by the decision to bring the investments planned for the period 2020-2023 forward to 2020. This decision was linked on the one hand to the excellent response received from the market and important entities such as Gartner, and on the other to make the most of this particular year.*

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<sup>1</sup> Forecast: Information Security and Risk Management, Worldwide, 2018-2024, 4Q20, Gartner, December 22, 2020.

*It has therefore been a year of important investments in people and technology, but also of strategic partnerships and contracts with important large national and multinational companies, which started working with us for the first time. Acting on several fronts, we have laid the foundations for achieving the ambitious goals we set for the future starting from national leadership in cyber security services as early as 2021.*

*The size and prestige of the new customers also confirms the excellence of our service, underscored by the Gartner company – 'You are able to provide a product and a service, which is a big differentiator as there are only a handful of players in the world that do that' – and further supports the idea that it was necessary to broaden the market to achieve leadership in subsequent years and monetize the technological added value.*

*We are now present throughout the country thanks to a distribution agreement, resulting in important partnerships with retailers that are well distributed across the various geographical areas. We launched "Cyberoo Defense For Italy" to support Italian companies in a period of national emergency, with an ethical investment that will also bring strong economic benefits in the near future. We have invested in the updating of the subsidiary LYB, the new Cyberoo51, to exploit synergies and complementarity between Data Protection and Data Governance services and Cyberoo solutions for cyber security.*

*Thanks to our employees, increased by more than 50% over the course of 2020, the growth and consolidation of the distribution channel and the increase in the importance of cyber security in company strategies, for us 2021 will be a year of growth both in terms of revenues and marginality. We're just getting started."*

### **Main consolidated results as of December 31, 2020**

Since the beginning of 2020 Cyberoo has been strongly committed to the development of the distribution and resale network and partnerships aimed at structuring the internationalization process.

With the outbreak of the pandemic, the second and third quarters of the year saw the company adapt to the crisis with actions put in place to preserve safe working conditions for its employees. Despite the slowdown in the end-user market, the commercial breadth of cyber security services continued to be strengthened through partnerships, bringing forward the investments planned for the period 2020-2023 with the goal of consolidating financial results as early as 2021.

In the second half of the year, Cyberoo significantly expanded its customer portfolio thanks to companies' increased awareness of cyber crimes and the "Cyberoo Defense for Italy" project. This project offered companies the opportunity to take advantage of cyber security services for free for three months and was very positive in terms of acquiring new customers and creating a revenue baseline for 2021, but at the same time slowed revenues in 2020.

The number of Cyberoo employees increased considerably during the year. As of December 31, 2020 there were 76 resources in Italy (52 in 2019) and 52 in Ukraine (30 in 2019), for a total of 128 people (82 in 2019).

As of December 31, 2019, after the IPO, Cyberoo had two partnership contracts in place for Emilia-Romagna and lower Lombardy. At the end of 2020, thanks to the capital raised by the IPO, whose main objective was the organic growth of the company and the Go-to-Market, Cyberoo was able to count on a national distribution contract and 25 value-added partnership

contracts that cover all of Italy. The first steps were also taken in France, Germany, and Austria.

The consolidated financial statements were prepared based on the financial statements for the year ended 12/31/2020 of the companies Cyberoo S.p.A., Cyberoo51 S.r.l., and MFD International S.r.l., which fall within the scope of consolidation of the Cyberoo Group.

Note that the 2019 comparative data refer to the consolidated financial statements as of 12/31/2019.

Total revenues amounted to €5.58 million, -0.65% compared to €5.62 million in 2019. Particularly worthy of note is the growth of the Cyber Security & Device Security business area, resulting in an increase in recurring fees, all thanks to the acquisition of important new customers.

To date, the Cyber Security & Device Security and Managed Services business areas are worth 96% of revenues overall, in line with the strategy of focusing on the activities with the highest margins and with a pricing based on recurring revenues.

The following is a breakdown of revenues by business line that underscore the growth of the Cyber Security and Managed Services lines, areas that the Group has predominantly focused its efforts on as they are seen as those offering the greatest prospects:

<b>Breakdown of Revenues</b>	<b>12/31/2019</b>	<b>Inc. %</b>	<b>12/31/2020</b>	<b>Inc. %</b>
Cyber Security & Device Security	1,268	23%	1,631	29%
Managed Services	3,655	65%	3,748	67%
Digital Transformation	670	12%	207	4%
<b>Total</b>	<b>5,623</b>	<b>100%</b>	<b>5,586</b>	<b>100%</b>

Production value amounted to €7.6 million, +13% compared to €6.72 million in 2019. The growth is also due to the item "Increases in fixed assets for internal work" amounting to €1.48 million in 2020.

EBITDA was €1.88 million, equal to an EBITDA margin of 24.7% of the value of production, down 12.4% compared to 2019 (€2.45 million).

<b>Values in € million</b>	<b>12/31/2019</b>	<b>12/31/2020</b>
Value of Production	6,724	7,634
EBITDA	2,455	1,884
<u>Margin %</u>	<u>36.51%</u>	<u>24.68%</u>

Pre-tax income of €0.1 million decreased by 91% compared to €1.05 million in 2019.

Net Profit of €0.06 million decreased compared to 2019 and amounted to 1% of total Revenues.

<b>Income Statement</b>	<b>12/31/2019</b>	<b>12/31/2020</b>	<b>%</b>
Revenues from sales and services	5,622,811	5,586,086	-0.65%
Increases in fixed assets for internal work	851,000	1,478,413	73.73%

Other revenues and income	249,968	569,609	127.87%
<b>Value of Production</b>	<b>6,723,779</b>	<b>7,634,107</b>	<b>13.54%</b>
Raw materials, subsidiary materials, consumables and goods	2,527,429	1,770,267	-29.96%
Services	432,514	1,445,508	234.21%
Rental, lease and hire	114,675	178,292	55.48%
Personnel costs	1,461,454	2,291,146	56.77%
Changes in inventories of raw materials, subsidiary materials and goods	- 359,438	19,030	-105.29%
Other operating costs	91,658	45,442	-50.42%
<b>Cost of Production</b>	<b>4,268,292</b>	<b>5,749,684</b>	<b>34.71%</b>
<b>EBITDA</b>	<b>2,455,487</b>	<b>1,884,423</b>	<b>-23.26%</b>
Amortisation, depreciation and write-downs	1,319,287	1,696,789	28.61%
<b>EBIT</b>	<b>1,136,200</b>	<b>187,634</b>	<b>-83.49%</b>
Financial income and expenses	- 86,654	- 90,576	4.53%
<b>Earnings before Taxes</b>	<b>1,049,546</b>	<b>97,058</b>	<b>-90.75%</b>
Income taxes	344,933	41,071	-88.09%
<b>Profit/(Loss) for the Period</b>	<b>704,613</b>	<b>55,987</b>	<b>-92.05%</b>

**Net fixed assets** as of December 31, 2020 amounted to €8.06 million, up compared to the previous year by 21%, mainly due to the increase in intangible assets as a result of significant investments in software technologies and research and development during the year. Industrial patents and rights to use intellectual property amount to €2.43 million (in 2019 equal to €1.69 million) and are represented by software (registered with the SIAE) aimed at improving the supply and services provided. This includes projects like "OSINT Open Source Intelligence," "CYPEER," and "DATA MINING" – "TITAAN" PROJECT. Fixed assets under construction and advances amounted to €1.88 million (in 2019 equal to €1.13 million) and are attributable to capitalized costs for the study and development of the "OSINT," "TITAAN," and "CYPEER" software.

**Net working capital** decreased from €1.69 million as of December 31, 2019 to €1.74 million as of December 31, 2020 mainly as a result of the increase in trade receivables related to the increase in turnover from new key customers.

The **Group's Net Financial Position (Cash)** was equal to €2.12 million compared with €3.29 million in 2019.

<b>Balance Sheet</b>	<b>12/31/2019</b>	<b>12/31/2020</b>	<b>%</b>
Intangible Fixed Assets	5,662,340	6,835,645	21%
Tangible Fixed Assets	854,216	1,062,307	24%
Financial Fixed Assets	140,594	159,945	14%

<b>Net Fixed Assets</b>	<b>6,657,150</b>	<b>8,057,897</b>	<b>21%</b>
Trade Receivables	2,822,907	2,976,602	5%
Trade Payables	- 1,696,412	- 1,284,967	-24%
Other current assets	1,443,188	971,273	-33%
Other current liabilities	- 884,170	- 926,665	5%
<b>Net working capital</b>	<b>1,685,512</b>	<b>1,736,243</b>	<b>3%</b>
Provisions for risks and charges	-	- 10,968	-
Employee severance indemnities	- 214,987	- 325,978	52%
Other receivables and non-current payables	- 776,328	- 433,273	-44%
<b>Non-current assets and liabilities</b>	<b>- 991,315</b>	<b>- 770,219</b>	<b>-22%</b>
<b>Net invested capital</b>	<b>7,351,348</b>	<b>9,023,921</b>	<b>23%</b>
Share capital	950,000	964,765	2%
Reserves	8,986,041	10,139,512	13%
Reserve for hedging transactions of expected financial flows	-	- 10,603	-
Profit (Loss) carried forward		-	-
Profit (Loss) for the period	704,613	55,987	-92%
Shareholders' Equity	10,640,654	11,149,661	5%
Cash and cash equivalents	- 4,384,242	- 3,347,076	-24%
Financial assets	-	- 1,100,000	-
Financial payables	1,094,936	2,321,336	112%
Net Financial Position	- 3,289,306	- 2,125,740	-35%
<b>Borrowings</b>	<b>7,351,348</b>	<b>9,023,921</b>	<b>23%</b>

### Main significant events during 2020

Below is a list of the main events that took place during the year:

- On January 8, Cyberoo signed a consulting partnership agreement with Gartner that aims to boost the growth and development of products, as well as to support the commercial internationalization strategy.
- On January 10, Cyberoo established a strategic partnership with Digital360, launching the offer of cyber security for data protection in medium and large companies.
- On February 27, Cyberoo established a technological partnership with Ricca IT and consolidated its position in the enterprise market.
- On March 13, Cyberoo established a partnership with ZeroUno Informatica S.p.A. and reinforced its presence in the Brescia industrial area.
- On April 2, Intermonte SIM became Cyberoo's new Specialist & Corporate Broker.
- On April 15, Cyberoo was recognized by Equita as one of the companies with the best capital market utilization strategies.
- On April 20, "Cyberoo Defense for Italy" was created, the free three-month cyber

security service for teleworking organized by Italian companies.

- On May 13, Cyberoo established a strategic partnership with NPO Sistemi and consolidated its position in the national market.
- On June 19, Cyberoo stipulated a cyber security agreement with an important multinational industry leader through the strategic partner Sedoc Digital Group.
- On July 2, Cyberoo signed an agreement with Confindustria for the provision of innovative cyber security services to associates with special pricing.
- On July 7, Cyberoo became part of CRIT's Accredited Suppliers Network.
- On July 20, the Cyberoo Board of Directors gave the go-ahead for internationalization. The expansion will initially target the European market, starting with France and Switzerland.
- On July 27, Cyberoo stipulated an important cyber security contract with a tech company listed on the AIM Italia stock exchange.
- On September 2, Cyberoo signed an important new contract with a company listed on the AIM Italia stock exchange.
- On September 9, Cyberoo signed an important new contract with an industry-leading company listed on the STAR Italia stock exchange.
- On September 22, the subsidiary LYB changed its name to Cyberoo51 and expanded its cyber security product line with new Data Protection and Data Governance services.
- On September 24, Cyberoo Black Club was created, Cyberoo's Partner Program developed to support structured growth in the EMEA area.
- On October 27, Cyberoo signed an important contract with a top fashion brand.
- On November 3, Cyberoo stipulated a contract with an automotive multinational for the management of cyber security.
- On December 1, Cyberoo entered into a strategic-technological partnership with Horsa S.p.A.
- On December 3, Cyberoo signed a contract for the sale of Cyber Security and Titaan with a major food company.
- On December 10, Cyberoo signed a cyber security contract for VIP users in defense of one of the top international fashion brands.

- On December 17, Cyberoo launched a strategic partnership with Engineering through its subsidiary Cybertech.
- On December 22, Cyberoo signed a cyber security contract with a leading company in Europe in the transport and logistics sector.
- On December 29, Cyberoo stipulated a cyber security contract with a leading multinational in hot water systems through its partner Cybertech.

### **Statutory financial statements of Cyberoo S.p.A.:**

The individual financial statements of Cyberoo S.p.A. as of December 31, 2020 showed a net profit of €206,766. Revenues from sales increased by 6% compared with the previous year. The Board of Directors proposed not to distribute any dividends, preferring to reinvest the resources generated to strengthen the Group's capitalization and to allocate 5% (equal to €10,338) to the legal reserve and 95% (equal to €196,428) to the extraordinary reserve. This way the Group will be in a better equity and financial position to face both the situation of general uncertainty created by COVID-19 and to take advantage of the new opportunities that will be generated by the market's growing need for cyber security solutions.

### **Significant events after the reporting period**

At the time this press release was drafted there were no events or situations of an extraordinary nature related to the COVID-19 emergency that would require revisions to the budgeted values.

Based on the guidance provided by accounting standard OIC 29, there were no significant events other than those referred to in art. 2427, para. 1, no. 6-bis of the Italian Civil Code after the reporting date, excluding research and development, which also continued in 2020.

With its resolution of March 22, 2021, the company confirmed the national tax consolidation referred to in articles 117 and following of the Consolidated Law on Income Tax with the tax consolidation parent SEDOC DIGITAL GROUP S.R.L. Headquarters: Reggio Emilia, Via Brigata Reggio 37, tax code and registration in the Reggio Emilia Company Register no. 02424560353, and the subsidiaries CORE SOLUTION S.R.L. Via Brigata Reggio 37, Reggio Emilia, tax code 02650710359, CYBEROO51 S.R.L. Via Brigata Reggio 37, Reggio Emilia, tax code 02642250357, and SDG INNOVATIVE TECHNOLOGIES S.R.L., Via Brigata Reggio 37, Reggio Emilia, tax code 02826390359. This results in a single taxable income for the group of companies included in the tax consolidation.

From a business performance point of view, in the first quarter of 2021 there was a further growth in personnel in support of the Go-to-Market Strategy and research and development. There are currently 87 resources in Italy and 50 in Ukraine, for a total of 137 people.

On January 14, 2021 Cyberoo and the French company Integra Systems signed a partnership agreement in response to the growing needs of the European market.

### **Business Outlook**

While the COVID-19 epidemic will continue to negatively impact the performance of the global economy in 2021, the pandemic forced the large-scale adoption of digital technologies



to ensure business continuity. Consequently, the importance of a solid cyber security strategy is increasingly evident to company boards.

Gartner estimates that the information security market will grow at an annual rate of 8.3% until 2024, reaching a global value of about \$207 billion.

Indeed, according to Gartner demand for cloud-based managed detection and response solutions (MDR) will increase dramatically in the coming years.

Based on such market analyses, Cyberoo is therefore in a position to offer a service meeting market demands at a time when cyber security is becoming an increasingly important component of corporate strategies.

Having consolidated its distribution throughout Italy and now expanding into two other major European markets (France and Germany), 2021 will be a year of growth both in terms of revenues and marginality, with the objective of achieving leadership in the national market.

### **Other resolutions of the Board of Directors**

The Board of Directors of Cyberoo S.p.A. (“Company” or “Cyberoo”) on March 27, 2020 resolved to request authorization from the Shareholders' Meeting to purchase and dispose of ordinary shares of the Company pursuant to articles 2357 and 2357-ter of the Italian Civil Code. These articles provide that the purchase of treasury shares must be authorized by the Shareholders' Meeting, which also establishes the terms and conditions of the purchase.

The request for authorization to purchase and dispose of treasury shares, the subject of the proposed resolution, is intended to allow the Company to purchase and dispose of treasury shares in compliance with current European and national laws and market practices (“Market Practices”) for the following purposes:

- i) Create a provision of shares to be used to service future compensation and incentive plans based on financial instruments for two strategic employees of the Company, both through the granting of free call options and through the free allocation of shares (i.e., stock option and stock grant plans).
- ii) Allow their use as consideration in extraordinary transactions with other parties, including the exchange or sale of shareholdings to be carried out by exchange, contribution, or other act of disposal and/or use.
- iii) Their use for bonds convertible into shares of the Company or bonds with warrants.
- iv) Intervene directly or through intermediaries to regularize trading and prices and to support the liquidity of the security on the market, in any case without prejudice to compliance with the provisions in force.

Authorization is required in order to grant the Board of Directors the right to make the purchase in one or more tranches to an extent freely determined by the Board, for a maximum value of the purchased stock of €500,000. Purchases must take place within the limits of distributable profits and/or available reserves resulting from the last duly approved financial statements, it being understood that pursuant to article 2357, paragraph 1 of the Italian Civil Code only fully paid-up shares may be purchased. Purchases of treasury shares will be made at a consideration not lower than 20% and not higher than 20% of the price that the security will have recorded in the stock exchange session of the day preceding each individual transaction, or at the different consideration envisaged by the market practices in force from time to time, in any case in compliance with the terms and conditions established by the MAR, by Delegated Regulation (EU) no. 1052 of March 8, 2016 and by current practices, where applicable.



Note that profits and reserves available and freely distributable for a total amount of €7.54 million were recorded in the Company's financial statements for the year ended December 31, 2020.

The Board of Directors also called a shareholders' meeting to proceed with the appointment of a new member of the Board of Statutory Auditors. On this point, it is recalled that with effect from December 30, 2020 Mr. Giacomo Ramenghi resigned from the position of Chairman of the Board of Statutory Auditors for personal reasons related to new professional opportunities that would have resulted in his exceeding the limit on the number of positions held.

Consequently, pursuant to the law and the by-laws, as of December 30, 2020 and until the next meeting, Ms. Mariangela Rossetti, the senior Alternate Auditor registered in the Register of Statutory Auditors established at the Ministry of Justice, took over the office of Statutory Auditor.

In compliance with article 2401, paragraph 2 of the Italian Civil Code, until the next meeting the Board of Statutory Auditors will be chaired by the accountant Mara Lugli, the most senior statutory auditor.

Shareholders are invited to submit their nominations for the appointment of a statutory auditor and proposals for the appointment of the Chairperson of the Board of Statutory Auditors.

Moreover, in order to implement the new provisions of the AIM Italia Issuers' Regulation, introduced by Borsa Italiana with notice no. 17857 of July 6, 2020, the Board of Directors decided to also convene an extraordinary shareholders' meeting to make some changes to its by-laws.

Therefore, the Board of Directors has taken the opportunity of the aforementioned amendments to the by-laws in order to align them with some recent regulatory changes, such as the introduction into the by-laws of the provisions of article 2441, paragraph 4, second sub-paragraph of the Italian Civil Code.

The consolidated financial statements as of December 31, 2020 compared with the data as of December 31, 2019 are reproduced below.

## INCOME STATEMENT

Income Statement	12/31/2019	12/31/2020	%
Revenues from sales and services	5,622,811	5,586,086	-0.65%
Increases in fixed assets for internal work	851,000	1,478,413	73.73%
Other revenues and income	249,968	569,609	127.87%
<b>Value of Production</b>	<b>6,723,779</b>	<b>7,634,107</b>	<b>13.54%</b>
Raw materials, subsidiary materials, consumables and goods	2,527,429	1,770,267	-29.96%
Services	432,514	1,445,508	234.21%
Rental, lease and hire	114,675	178,292	55.48%
Personnel costs	1,461,454	2,291,146	56.77%
Changes in inventories of raw materials, subsidiary materials and goods	- 359,438	19,030	-105.29%
Other operating costs	91,658	45,442	-50.42%
<b>Cost of Production</b>	<b>4,268,292</b>	<b>5,749,684</b>	<b>34.71%</b>

<b>EBITDA</b>	<b>2,455,487</b>	<b>1,884,423</b>	<b>-23.26%</b>
Amortisation, depreciation and write-downs	1,319,287	1,696,789	28.61%
<b>EBIT</b>	<b>1,136,200</b>	<b>187,634</b>	<b>-83.49%</b>
Financial income and expenses	- 86,654	- 90,576	4.53%
<b>Earnings before Taxes</b>	<b>1,049,546</b>	<b>97,058</b>	<b>-90.75%</b>
Income taxes	344,933	41,071	-88.09%
<b>Profit/(Loss) for the Period</b>	<b>704,613</b>	<b>55,987</b>	<b>-92.05%</b>

## STATEMENT OF FINANCIAL POSITION

<b>Balance Sheet</b>	<b>12/31/2019</b>	<b>12/31/2020</b>	<b>%</b>
Intangible Fixed Assets	5,662,340	6,835,645	21%
Tangible Fixed Assets	854,216	1,062,307	24%
Financial Fixed Assets	140,594	159,945	14%
<b>Net Fixed Assets</b>	<b>6,657,150</b>	<b>8,057,897</b>	<b>21%</b>
Trade Receivables	2,822,907	2,976,602	5%
Trade Payables	- 1,696,412	- 1,284,967	-24%
Other current assets	1,443,188	971,273	-33%
Other current liabilities	- 884,170	- 926,665	5%
<b>Net working capital</b>	<b>1,685,512</b>	<b>1,736,243</b>	<b>3%</b>
Provisions for risks and charges	-	- 10,968	-
Employee severance indemnities	- 214,987	- 325,978	52%
Other receivables and non-current payables	- 776,328	- 433,273	-44%
<b>Non-current assets and liabilities</b>	<b>- 991,315</b>	<b>- 770,219</b>	<b>-22%</b>
<b>Net invested capital</b>	<b>7,351,348</b>	<b>9,023,921</b>	<b>23%</b>
Share capital	950,000	964,765	2%
Reserves	8,986,041	10,139,512	13%
Reserve for hedging transactions of expected financial flows	-	- 10,603	-
Profit (Loss) carried forward		-	-
Profit (Loss) for the period	704,613	55,987	-92%
Shareholders' Equity	10,640,654	11,149,661	5%
Cash and cash equivalents	- 4,384,242	- 3,347,076	-24%
Financial assets	-	- 1,100,000	-
Financial payables	1,094,936	2,321,336	112%
Net Financial Position	- 3,289,306	- 2,125,740	-35%
<b>Borrowings</b>	<b>7,351,348</b>	<b>9,023,921</b>	<b>23%</b>

## NET FINANCIAL POSITION

	12/31/2019	12/31/2020	—
A. Cash	- 4,383,414	- 3,346,104	
B. Other cash equivalents	- 829	- 972	
C. Securities held for trading	-	- 1,100,000	
<b>D. Liquidity (A) + (B) + (C)</b>	<b>- 4,384,242</b>	<b>- 4,447,076</b>	
E. Current financial receivables	-	-	
F. Current bank payables	992,450	387,569	
G. Current portion of non-current debt	-	-	
H. Other current financial debt	-	23,905	
<b>I. Current financial debt (F) + (G) + (H)</b>	<b>992,450</b>	<b>411,474</b>	
<b>J. Net current financial indebtedness (I) - (E) - (D)</b>	<b>- 3,391,793</b>	<b>- 4,035,602</b>	
K. Non-current bank payables	102,486	1,864,191	
L. Bonds issued	-	-	
M. Other non-current payables	-	45,671	
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>102,486</b>	<b>1,909,862</b>	
<b>O. Net financial indebtedness (J) + (N)</b>	<b>- 3,289,307</b>	<b>- 2,125,740</b>	

	12/31/2019	12/31/2020
Net financial debt	- 3,289,307	- 2,125,740
Past due tax liabilities	1,255,559	966,937
Past due social security payables	19,539	103,941
<b>Adjusted net financial indebtedness</b>	<b>- 2,014,209</b>	<b>- 1,054,862</b>

Adjustments to the net financial position relate to payables that are past due, in installments and not in installments, having to do with taxes and social security. However, the definition of the net financial position established by CESR referred to above and adopted by CONSOB does not include these balance sheet items. Therefore it was decided to include them only for information purposes.

## INDIRECT CASH FLOW STATEMENT

Statement of cash flows, indirect method	12/31/2019	12/31/2020
A) Cash flows from operations (indirect method)		
Profit/(loss) for the year	704,613	55,987
Income taxes	344,933	41,071
Interest income/(expense)	86,654	90,576
(Dividends)		
(Gains)/Losses from disposals		
1) Profit (loss) for the year before income taxes, interest, dividends and gains/losses on disposal	1,136,200	187,634
Adjustments for non-monetary elements with no contra-entry in net working capital	1,328,717	1,478,501

Allocations to provisions	92,657	138,013
Depreciation of property, plant and equipment	1,304,312	1,683,543
Write-downs for impairment losses		
Value adjustments to financial assets and liabilities of derivative financial instruments that do not involve monetary transactions		
Other positive/(negative) adjustments to non-monetary elements	- 68,252	- 343,055
Total adjustments for non-monetary elements with no contra-entry in net working capital		
2) Cash flows before changes in net current assets	2,464,917	1,666,135
Changes in net current assets	- 1,418,272	- 174,138
Decrease/(Increase) in inventories	- 359,438	19,030
Decrease/(Increase) in trade receivables	- 1,242,487	- 153,696
Increase/(Decrease) in trade payables	876,466	- 411,444
Decrease/(Increase) in accrued income and prepayments		
Increase/(Decrease) in accrued liabilities and deferred income		
Other decreases/(Other increases) in net current assets	- 692,812	371,973
Total changes in net current assets		
3) Cash flows after changes in net current assets	1,046,645	1,491,997
Other adjustments		
Interest collected/(paid)	- 86,654	- 90,576
(Income taxes paid)	- 450,624	- 60,876
Dividends cashed		
(Use of provisions)		
Other collections/(payments)		
Total other adjustments	- 537,278	- 151,452
<b>Cash flows from operations (A)</b>	<b>509,367</b>	<b>1,340,545</b>
B) Net cash generated/absorbed by investment activities		
Tangible assets		
(Investments)	- 382,517	- 741,548
Divestments	58,632	314,136
Intangible assets		
(Investments)	- 3,563,717	- 2,521,016
Divestments		
Long-term investments		
(Investments)	- 486,430	- 19,305
Divestments		
Total non-current financial assets		
(Investments)		- 1,100,000
Divestments		
(Acquisition of subsidiaries, net of cash and cash equivalents)		
Sale of subsidiaries, net of cash and cash equivalents		
<b>Cash flows from investment activities (B)</b>	<b>-4,374,032</b>	<b>-4,067,733</b>
C) Cash flows from financing activities		
Loan capital		
Increase/(Decrease) in short-term bank payables	210,050	
Obtainment of loans	551,377	1,960,593
(Reimbursement of loans)	- 156,542	- 734,193
Own funds		
Paid capital increase	7,635,500	463,621
(Repayment of capital)		
Sale/(Purchase) of treasury shares		
(Dividends and advances on paid dividends)		
<b>Cash flows from financing activities (C)</b>	<b>8,240,384</b>	<b>1,690,021</b>

Increase (decrease) in cash and cash equivalents (A ± B ± C)	4,375,720	- 1,037,167
Exchange rate effect on cash and cash equivalents		
Cash and cash equivalents at start of year		
Bank and post office accounts	8,523	4,384,242
Checks		
Cash and cash equivalents on hand		
Total cash and cash equivalents at the start of the year		
Of which not freely usable		
Cash and cash equivalents at year-end		
Bank and post office accounts	4,384,242	3,347,076
Checks		
Cash and cash equivalents on hand		
<b>Total cash and cash equivalents at year-end</b>	<b>4,384,242</b>	<b>3,347,076</b>

The financial statements of Cyberoo S.p.A. as of December 31, 2020 compared with December 31, 2019 are reproduced below.

## INCOME STATEMENT

	12/31/2019		12/31/2020	
	€	% revenues	€	% revenues
(+) Revenues from sales and services	4,202,704	100.0%	4,459,546	100.0%
(+/-) Changes in product inventories	0	0.0%	0	0.0%
(+) Increases in fixed assets for internal work	485,000	11.5%	1,005,147	22.5%
(+) Other revenues	159,629	3.8%	534,450	12.0%
<b>Value of production</b>	<b>4,847,333</b>	<b>115.3%</b>	<b>5,999,143</b>	<b>134.5%</b>
(-) Purchases of goods	(1,834,905)	43.7%	(1,804,366)	40.5%
(-) Purchases of services	(544,780)	13.0%	(1,053,259)	23.6%
(-) Rental, lease and hire	(73,649)	1.8%	(122,805)	2.8%
(-) Other operating costs	(67,952)	1.6%	(37,643)	0.8%
(+/-) Changes in material inventories	359,438	-8.6%	(19,030)	0.4%
<b>Cost of production</b>	<b>(2,161,848)</b>	<b>51.4%</b>	<b>(3,037,103)</b>	<b>68.1%</b>
<b>ADDED VALUE</b>	<b>2,685,485</b>	<b>63.9%</b>	<b>2,962,040</b>	<b>66.4%</b>
(-) Personnel costs	(671,299)	16.0%	(1,407,887)	31.6%
<b>EBITDA</b>	<b>2,014,186</b>	<b>47.9%</b>	<b>1,554,153</b>	<b>34.9%</b>
(-) Amortization and depreciation	(925,703)	22.0%	(1,270,469)	28.5%
(-) Provisions and write-downs	(12,153)	0.3%	(10,894)	0.2%
<b>EBIT</b>	<b>1,076,330</b>	<b>25.6%</b>	<b>272,790</b>	<b>6.1%</b>
(-) Financial expenses	(56,207)	1.3%	(65,896)	1.5%
(+) Financial income	1,313	0.0%	1,987	0.0%
<b>Financial income balance</b>	<b>(54,894)</b>	<b>-1.3%</b>	<b>(63,909)</b>	<b>-1.4%</b>
<b>CURRENT PROFIT/LOSS</b>	<b>1,021,436</b>	<b>24.3%</b>	<b>208,881</b>	<b>4.7%</b>
(-) Other non-operating costs	0	0.0%	0	0.0%
(+) Other non-operating revenues	0	0.0%	0	0.0%
<b>Balance of other non-operating revenues and costs</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>EARNINGS BEFORE TAXES</b>	<b>1,021,436</b>	<b>24.3%</b>	<b>208,881</b>	<b>4.7%</b>
(-) Income taxes	(273,225)	6.5%	(2,115)	0.0%
<b>NET PROFIT/LOSS</b>	<b>748,211</b>	<b>17.8%</b>	<b>206,766</b>	<b>4.6%</b>

**STATEMENT OF FINANCIAL POSITION**

	12/31/2019		12/31/2020	
	€	%	€	%
<b>Net tangible fixed assets</b>	847,607	6.0%	1,056,600	7.0%
<b>Net intangible fixed assets</b>	3,046,925	21.4%	4,089,944	27.1%
<b>Financial fixed assets</b>	2,296,964	16.1%	2,297,010	15.2%
<b>Receivables due after 12 months</b>	0	0.0%	52,041	0.3%
<b>TOTAL LONG-TERM ASSETS</b>	<b>6,191,496</b>	<b>43.5%</b>	<b>7,495,595</b>	<b>49.6%</b>
<b>Inventories</b>	<b>362,070</b>	<b>2.5%</b>	<b>343,040</b>	<b>2.3%</b>
Short-term trade receivables	1,039,046	7.3%	698,842	4.6%
Short-term trade receivables due from the group	1,415,709	9.9%	1,987,136	13.2%
Short-term financial receivables due from the group	0	0.0%	0	0.0%
Other short-term receivables	487,193	3.4%	229,800	1.5%
Accruals and deferrals	416,770	2.9%	298,112	2.0%
<b>Trade and other receivables</b>	<b>3,358,718</b>	<b>23.6%</b>	<b>3,213,890</b>	<b>21.3%</b>
Short-term financial assets	0	0.0%	1,100,365	7.3%
Cash, bank and postal current accounts	4,328,862	30.4%	2,950,015	19.5%
<b>Cash and cash equivalents</b>	<b>4,328,862</b>	<b>30.4%</b>	<b>4,050,380</b>	<b>26.8%</b>
<b>TOTAL SHORT-TERM ASSETS</b>	<b>8,049,650</b>	<b>56.5%</b>	<b>7,607,310</b>	<b>50.4%</b>
<b>TOTAL ASSETS</b>	<b>14,241,146</b>	<b>100.0%</b>	<b>15,102,905</b>	<b>100.0%</b>
<b>Shareholders' Equity</b>	<b>10,684,250</b>	<b>75.0%</b>	<b>11,348,420</b>	<b>75.1%</b>
<b>Provisions for risks and charges</b>	<b>0</b>	<b>0.0%</b>	<b>6,581</b>	<b>0.0%</b>
<b>Employee severance indemnities</b>	<b>137,423</b>	<b>1.0%</b>	<b>225,846</b>	<b>1.5%</b>
Bonds	0	0.0%	0	0.0%
Convertible bonds	0	0.0%	0	0.0%
Payables due to banks beyond 12 months	102,486	0.7%	1,244,540	8.2%
Long-term liabilities due to other lenders	0	0.0%	45,671	0.3%
Long-term trade payables	0	0.0%	66,319	0.4%
Long-term trade payables due to the group	0	0.0%	0	0.0%
Long-term financial payables due to the group	0	0.0%	0	0.0%
Other long-term financial payables	0	0.0%	0	0.0%
Other long-term payables	451,798	3.2%	260,328	1.7%
<b>TOTAL LONG-TERM PAYABLES</b>	<b>691,707</b>	<b>4.9%</b>	<b>1,849,285</b>	<b>12.2%</b>
<b>TOTAL LONG-TERM PAYABLES + SE</b>	<b>11,375,957</b>	<b>79.9%</b>	<b>13,197,705</b>	<b>87.4%</b>
Bonds	0	0.0%	0	0.0%
Convertible bonds	0	0.0%	0	0.0%
Payables due to banks within 12 months	650,926	4.6%	323,660	2.1%
Short-term liabilities due to other lenders	0	0.0%	23,905	0.2%
Short-term trade payables	1,399,955	9.8%	981,465	6.5%
Short-term trade payables due to the group	349,625	2.5%	110,533	0.7%
Short-term financial payables due to the group	0	0.0%	0	0.0%
Other short-term financial payables	0	0.0%	0	0.0%
Other short-term payables	464,683	3.3%	465,637	3.1%
<b>TOTAL SHORT-TERM PAYABLES</b>	<b>2,865,189</b>	<b>20.1%</b>	<b>1,905,200</b>	<b>12.6%</b>
<b>TOTAL LIABILITIES</b>	<b>14,241,146</b>	<b>100.0%</b>	<b>15,102,905</b>	<b>100.0%</b>

**INDIRECT CASH FLOW STATEMENT**

	12/31/2019	12/31/2020
<b>A) Cash flows from operations (indirect method)</b>		
Profit/(loss) for the year	748,211	206,766
Income taxes	273,225	2,115
Interest income/(expense)	54,895	37,300
(Dividends)	0	0
(Gains)/Losses from disposals	18,819	23,446
<b>1) Profit/(loss) for the year before income taxes, interest, dividends and gains/losses from disposal</b>	<b>1,095,150</b>	<b>269,627</b>
<b>Adjustments for non-monetary elements with no contra-entry in net working capital</b>		
Allocations to provisions	0	6,581
Depreciation of property, plant and equipment	925,478	1,270,400
Write-downs for impairment losses	0	0
Value adjustments to financial assets and liabilities of derivative financial instruments that do not involve monetary transactions	0	0
Other positive/(negative) adjustments to non-monetary elements	36,092	88,423
<b>Total adjustments for non-monetary elements with no contra-entry in net working capital</b>	<b>961,570</b>	<b>1,365,404</b>
<b>2) Cash flows before changes in net current assets</b>	<b>2,056,720</b>	<b>1,635,031</b>
<b>Changes in net current assets</b>		
Decrease/(Increase) in inventories	-359,438	19,030
Decrease/(Increase) in trade receivables	-1,416,224	-231,223
Increase/(Decrease) in trade payables	1,217,733	-657,582
Decrease/(Increase) in accrued income and prepayments	-384,387	118,658
Increase/(Decrease) in accrued liabilities and deferred income	-1,414	83,776
Other decreases/(Other increases) in net current assets	-133,250	174,571
<b>Total changes in net current assets</b>	<b>-1,076,980</b>	<b>-492,770</b>
<b>3) Cash flows after changes in net current assets</b>	<b>979,740</b>	<b>1,142,261</b>
<b>Other adjustments</b>		
Interest collected/(paid)	-54,895	-37,300
(Income taxes paid)	-405,737	-2,115
Dividends cashed	0	0
(Use of provisions)	0	0
Other collections/(payments)	-177,881	-177,192
<b>Total other adjustments</b>	<b>-638,513</b>	<b>-216,607</b>
<b>Cash flows from operations (A)</b>	<b>341,227</b>	<b>925,654</b>
<b>B) Net cash generated/absorbed by investment activities</b>		
<b>Tangible assets</b>		
(Investments)	-442,256	-606,085
Divestments	163,757	34,578
<b>Intangible assets</b>		



(Investments)	-3,197,717	-2,781,133
Divestments	0	800,566
<b>Long-term investments</b>		
(Investments)	-490,164	-46
Divestments	0	0
<b>Total non-current financial assets</b>		
(Investments)	0	-1,100,365
Divestments	0	0
(Acquisition of business units, net of cash and cash equivalents)	0	0
Sale of business units, net of cash and cash equivalents	0	0
<b>Cash flows from investment activities (B)</b>	<b>-3,966,380</b>	<b>-3,652,485</b>
<b>C) Cash flows from financing activities</b>		
<b>Loan capital</b>		
Increase/(Decrease) in short-term bank payables	271,863	-327,266
Obtainment of loans	102,486	1,211,630
(Reimbursement of loans)	0	0
<b>Own funds</b>		
Paid capital increase	837,000	14,765
(Repayment of capital)	0	0
Sale/(Purchase) of treasury shares	0	0
(Dividends and advances on paid dividends)	6,452,166	448,855
<b>Cash flows from financing activities (C)</b>	<b>7,663,515</b>	<b>1,347,984</b>
<b>Increase (decrease) in cash and cash equivalents (A ± B ± C)</b>	<b>4,038,362</b>	<b>-1,378,847</b>
Exchange rate effect on cash and cash equivalents	0	0
<b>Cash and cash equivalents at start of year</b>		
Bank and post office accounts	0	4,328,646
Checks	0	0
Cash and cash equivalents on hand	223	216
<b>Total cash and cash equivalents at the start of the year</b>	<b>223</b>	<b>4,328,862</b>
Of which not freely usable	0	0
<b>Cash and cash equivalents at year-end</b>		
Bank and post office accounts	4,328,646	2,949,689
Checks	0	0
Cash and cash equivalents on hand	216	326
<b>Total cash and cash equivalents at year-end</b>	<b>4,328,862</b>	<b>2,950,015</b>
Of which not freely usable	0	0

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### **Cyberoo**

Cyberoo, a company listed on the AIM Italia stock exchange of Borsa Italiana, is an innovative Emilian SME specialized in cyber security for businesses, intended not only to protect IT systems from external attacks but also to implement a real strategy capable of protecting, monitoring, and managing IT ecosystem information. Cyberoo offers medium-sized businesses a wide-ranging portfolio of enterprise solutions developed using the most advanced technologies and with a value chain that allows offering the companies in this market prices that are in line with their spending power.

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