

Agreed Upon Procedures

PROJECT MOULDING STAR

Vimercati Spa



Vimercati SpA

Via Francesco Monti 38
20016 Pero - Milan (MI)

To the kind attention of Mr. Brijesh Aggarwal

Milan, May 26th, 2021

We have performed the procedures as set forth in the engagement letter dated April 6th, 2021 over the set of information of Procind Srl (hereinafter referred also as “Target”) for the year ended December 31, 2018, 2019 and for the year ended December 31, 2020 as provided by Management of the Target.

The responsibility for the preparation of the set of information is solely of Directors of Procind Srl.

We were engaged by Vimercati Spa (hereinafter referred also as “Engaging Party” or “Client”) to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the International standard on Related Services (ISRS) 4400 “Engagement to perform Agreed-Upon Procedures regarding financial information” as published by the International Auditing and Assurance Standard Board (“IAASB”) and Document n. 179 issued by *Assirevi* (Italian association of Audit Firms). The procedures performed as listed in the engagement letter dated April 6th, 2021 and the associated findings are detailed in the following pages.

The Engaging Party has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the proposed transaction.

We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial statements for the year ended December 31, 2018, 2019 and on the draft of the financial statements for the year ended December 31, 2020 of the Target. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures or a full or limited audit in accordance with International Standards on Auditing or International Standards on Limited Audit Engagements, other matters might have come to our attention for inclusion in this report.

This report has been prepared solely for the purposes set forth above and for your information and may not be used for any other purpose or distributed to third parties. This report relates solely to the accounts and items specified above and does not extend to the financial statements of Target as a whole. This report may not be suitable for any other purpose.

The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We thank you for the opportunity and remain at your disposal.
Warm regards.

Michele Milano
Partner

Index

Index	3
1 Background and scope	4
1.1 Activity of the Company	6
2 Agree upon procedures on books and accounting	6
2.1 Examination of the financial statements of the last 3 years (FY2018-FY2020 or Historical period)	6
2.2 Obtain an understanding, based on discussion, of main administrative procedures related to the preparation of the financial statements and of the management accounts (if applicable).	7
2.3 Review of minutes' contents (of shareholders' meetings) of the Target Company of the last 3 financial years	10
2.4 Obtain information (only based on discussion) concerning any related party	11
2.5 Inquiry to legal, tax and labour consultants of the Target by sending an appropriate letter to identify existing and potential litigations and detailed information on liabilities towards employees	12
2.6 Review, based on discussion and limited audit tests, of adjusting entries as at December 31, 2020, December 31, 2019, December 31, 2018	12
2.7 Review tangible assets (machineries and equipment) about the increases and depreciation funds over the Historical period. Sample tests over the physical existence of assets recorded in the fixed asset subledger.	12
2.8 Examination on a sample basis of the correct evaluation of inventory (according to one of the allowed criteria by Italian regulation)	15
2.9 Analysis, mainly through anonymous preparation of stock rotation analysis of no moving or slow moving and margin analysis of finished products/orders)	16
2.10 Examination of the presumed realizable value of the trade receivables (thru a critical examination of the schedule and discussion with the personnel of the Target Company)	17
2.11 Examination of the appropriate allocation of bills to be received as at YE2020 thru "cut-off test" and "search" test	19
2.12 Examination based on discussion and limited tests of the content of the items "other receivables" (advances to suppliers), "advances from clients", other payables";	19
2.13 Recalculation of severance indemnity fund	20
2.14 If applicable, examination of relationship with agents (analysis of the underlying contracts and possible related liabilities)	21
2.15 Review of the major contracts	21
3 Income statement review	21
3.1 Revenue	23
3.2 Cost of goods sold (COGS)	28
3.3 Salaries & social contribution	30
3.4 Other operating expenses	32
4. Working Capital	32

1 Background and scope

1.1 Objective

We performed agreed upon procedures on Progind Srl ("Target") solely to assist Vimercati Spa in obtaining additional information about Target.

1.2 Procedures performed

The scope of our work is outlined in in our engagement letter dated April 6th, 2021. Specifically, we performed the following:

1.1.1. Review on the main processes and procedures adopted by the Target

- Examination of the financial statements of the last 3 years (2018-2020) – hereinafter referred at to "Historical period"
- Obtain an understanding, based on discussion, of main administrative procedures related to the preparation of the financial statements and of the management accounts (if applicable)
- Review of minutes' contents (of shareholders' meetings) of the Target Company of the last 3 financial years, up to the date of our work
- Obtaining information (only based on discussion) concerning any related party
- Inquiry to legal, tax and labour consultants of the Target by sending an appropriate letter to identify existing and potential litigations and detailed information on liabilities towards employees
- Review, based on discussion and limited audit tests, of adjusting entries at December 31, 2020, December 31, 2019, December 31, 2018
- Review also by obtaining supporting evidence of tangible assets (machineries and equipment) about the increases and depreciation funds over the Historical period
- Sample tests over the physical existence of assets recorded in the fixed asset subledger. The selection will be carried out on a discretionary basis or upon instruction by the Client (FA analysis against sales)
- If applicable, evaluation of lease contracts in progress according to IAS 17
- Examination on a sample basis of the correct evaluation of inventory (according to one of the allowed criteria by Italian regulation)
- Analysis, mainly through anonymous preparation of stock rotation analysis of no moving or slow moving and margin analysis of finished products/orders)
- Examination of the presumed realizable value of the trade receivables (thru a critical examination of the schedule and discussion with the personnel of the Target Company)
- Examination of the appropriate allocation of bills to be received as at YE2020 thru "cut-off test" and "search" test
- Examination based on discussion and limited tests of the content of the items "other receivables" (advances to suppliers), "advances from clients", other payables"
- Recalculation of severance indemnity fund
- If applicable, examination of relationship with agents (analysis of the underlying contracts and possible related liabilities)
- Review of the major contracts (Target will be required to prepare a complete list of all active and passive contracts containing main info such as overall value, duration etc). The selection of contracts to be examined in detail will be carried out on discretionary basis
- Income statement review:
 - Analytical review procedures on 3-year income statement's revenues and costs
 - Revenue, COGS and profitability examination (3 years turnover analysis by customer, geographic area, product/order) and review of the management accounts, if available; in particular examination of turnover, EBITDA and profitability over the Historical period
 - Analysis of employees (names, annual wage, business function, benefits, bonuses etc..) as at December 31, 2020

1.1.2. Review on the main processes and procedures adopted by the Target

- Obtain an understanding, based on discussion and interview to the Target Company personnel, of the main processes and organizational structure, with particular attention on
 - Administrative processes (client, suppliers, treasury, payroll)
 - Management accounts (tool in use for monitoring the cost of production and cost/margin per client/order, etc.)
 - Functional organizational chart
 - List of information system used to manage the business

- Personal (summary of information by employee: age, qualification, annual wage bonuses etc.)

1.1.3. Ratios and cash flow analysis

Analysis of the financial statements for the Historical period and (if available) management accounts by mean ratios and cash flow. Determine or verify (should Target info be available), EBITDA, net financial position, net working capital, DSO and further ratios requested by the Customer.

1.3 Sources of information

Our work and observations were based primarily on the following:

- Information made available to us by Target, including the following:
 - Trial balances for the Historical period
 - Financial Statements for FY2018 and FY2019
 - Fixed asset subledger, accounts receivable and accounts payable sub-ledgers
 - Bank statements
 - Inventory listings as at YE for the Historical period
 - Major customers' and vendors' contracts
 - Labour costs, structure and details on compensation and bonuses
 - Discussion with senior management (collectively referred to as "Management"), including: (a) Luisa Gallo - General Manager, (b) Michela Gallo Logistic Manager, (c) Barbara Gallo – Human Resources and External Relations Manager
 - Discussion with Target external consultants including: (a) Luisa Gallo - General Manager, (b) Michela Gallo Logistic Manager, (c) Cristina Bellardi (Studio Torre Santo Stefano) – External tax advisor and consultant

1.4 Summary of results

Our work does not constitute an audit or review of the financial statements or any part thereof, the objective of which is the expression of an opinion or limited assurance on the financial statements, or a part thereof, or verification of the accuracy of management responses to our inquiries.

Our work should not be relied upon to disclose errors, irregularities, or illegal acts, including fraud or defalcations.

Hereinafter are summarized the main results of the procedures performed. Please refer to the rest of the report for the detail of procedures performed and relevant results.

Topic	Results of procedure performed
Scope limitation	We performed procedures set forth in our engagement letter dated April 6th, 2021, except for the items noted below: - Correct evaluation of inventory [OPEN POINT]. - Gross profit analysis at product level [OPEN POINT].
Organization and financial reporting	Target year-end financial statements are prepared internally and reviewed by an external accountant. All the not ordinary adjusting journal entries including various accruals and reclassifications are posted under the supervision of the external consultant who is also in charge for the maintenance of the fixed asset register, calculation of income taxes and preparation of all filings requested by law. Payroll is outsourced to a labor consultant.
Governance	Board of Statutory auditors ("Collegio Sindacale") is compulsory by law when companies meet certain minimum thresholds. This is composed of three effective members and two deputies. At least one effective and one deputy member are required to be registered with the Register of Chartered Accountants ("Registro dei Revisori") held by the Ministry of Justice. Although independent from the Company they are a governance body appointed by shareholders' ordinary meeting for three-years term. As a consequence of change in control Vimercati may request "Collegio Sindacale" members presently in charge to resign from the respective offices and deliver to Vimercati the relevant resignation letters, such letters containing also the release from any and all claims such members may have or have had against the Company.
Future commitments	The Company have future commitments for the acquisition of some plants, including: - ALLROUNDER 720 S 3200-400/290/290 3K piggy-back (Euro 367.000) with delivery estimated at the end of June 2021; - PressBS 260T (Euro 71.000). Advance paid Euro 21.300; - Robot Cartesiano SEPRO Multi Inject MI-20 (Euro 33.000). Advance requested - 20% at order confirmation (February 2021); Also Management indicated that current R&D activities are related to a haptic button system project, in

	collaboration with another player. The project is still in the prototype phase as such no expense has been capitalized (approximately Euro 50.000).
Debt arrangements	Company have outstanding long term debt equal to Euro 3.97mln with expiring dates up to 2029. The Company has taken advance of "moratorium" included among the government measures contained in the 'Cure Italy' and 'Liquidity' decree laws for pandemic to suspend current payments as such extending the original deadline of the debt. In addition, on December 7th, 2020, the Company approved to request a subsidized financing from Simest Spa. The loan has been finalized in FY2021 (#44061/1013) and the payback period will start from the end of June up to December 31, 2027. Such loan is granted according to the so called "Decreto Rilancio" (art. 48) as part of the out of ordinary measures to support Italian companies in response to Covid-19 pandemic. Such loan is exempt from the provision of the guarantee and is assisted by a non-repayable contribution equal to 40% of the amount, with a maximum grantable balance of Euro 100,000, disbursed in "de minimis" regime.
Property and buildings	During the year, the Target requested an appraisal to support the market value of production buildings and surrounding lands. As a result of such appraisal prepared by Tecnici Studio di Ingegneria (Ing. Fabio Mosca), the market value of the above-mentioned buildings is equal to Euro 2.5mln. GT compared the results of the appraisal to the net book value of the relevant assets resulting from the financial statements. The difference NBV results higher than estimated market value by Euro 56k that is not considered material. The Company also owns another building acquired via a capital lease already expired. The historical cost capitalized (in accordance with Italian GAAP) is equal to the purchase option. Such building is not comprised
Litigation	Management represented that currently there is only a legal proceeding against a customer. GT obtained a copy of the confirmation by the legal attorney informing regarding the status of the legal proceeding against customer Gammastamp S.p.a.. The total outstanding balance for this customer is equal to Euro 94.7k as at December 31, 2020 that is covered by the allowance reserve. In order to assess the presumed realizable value of the trade receivables GT obtained the most current AR aging in FY2021 at invoice level and compared such aging to the one as at December 31, 2020. GT noted that as at May 6, 2021 (date of the most current aging available) the Company has collected approximately Euro 3.318k or the 86%. Following out of a total outstanding balance of Euro 3.858k as at December 31, 2020 as at the end of May the residual outstanding balance stemming from FY2020 amounts to Euro 450k of which Euro 167k are expected by the end of May and Euro 127k are part of payback plans agreed with the customers

1.1 Activity of the Company

Progind S.r.l. was incorporated in 1997 by Gallo family and is active in the manufacturing of molds for plastic material and sheet metal. The headquarter and operation are based in Azeglio (near Turin - Northern Italy).

Operations cover the whole manufacturing process: from designing of the mould manufacturing (tooling) up to the molding itself. The Company operates in two divisions: tooling and moulding highly integrated.

The Company sells its products mainly on the domestic and European market directly to customers through direct sales. Although the Target mainly serves the automotive market, over the last few years, the Company has undertaken a diversification process towards new industries such as electrical, appliances, cosmetics, etc.).

The Company has long term relations regulated by contracts with their workshops to whom they outsource some processes (especially requiring specialized skills and techniques chrome plating, painting and production of some components).

Gallo family is active in the business and family members are either part of the Board of the Company or employees.

2 Agree upon procedures on books and accounting

2.1 Examination of the financial statements of the last 3 years (FY2018-FY2020 or Historical period)

This section includes a narrative analytical comparison and evolution of the balance sheets throughout the Historical period and provides the reasons for major changes

€ in thousands	2018	2019	2020	Changes in Euro		Changes in %	
				2019 vs 2018	2020 vs 2019	2019 vs 2018	2020 vs 2019
Fixed Assets	5.599	5.444	4.831	(155)	(613)	-3%	-11%
Inventories	899	895	902	(3)	7	0%	1%
Trade receivables	3.819	3.955	3.719	135	(235)	4%	-6%
Trade payables	(2.322)	(2.442)	(1.855)	(119)	587	5%	-24%
Operating working capital	2.396	2.408	2.766	12	358	1%	15%
Tax receivables/payables	289	(6)	47	(295)	53	-102%	-941%
Other receivables/payables	(52)	(49)	(64)	3	(15)	-5%	30%
Accrued liabilities and deferred income	(263)	(233)	(193)	31	39	-12%	-17%
Net working capital	2.370	2.121	2.556	(249)	436	-11%	21%
Reserves for contingencies and other charges	(35)	(45)	(55)	(10)	(10)	29%	22%
Total reserve for severance indemnities (TFR)	(525)	(508)	(514)	17	(6)	-3%	1%
Reserves for contingencies and for severance indemnities	(560)	(553)	(569)	7	(16)	-1%	3%
INVESTED CAPITAL	7.409	7.012	6.818	(397)	(194)	-5%	-3%
Equity	1.721	1.975	1.975	254	-	15%	0%
(Cash and cash equivalents)	(0)	(0)	(0)	0	(0)	-80%	372%
Short term bank debt	2.760	2.458	1.224	(302)	(1.234)	-11%	-50%
Long term bank debt	2.929	2.580	3.840	(350)	1.261	-12%	49%
Net financial position	5.689	5.037	5.064	(651)	26	-11%	1%
TOTAL SOURCES	7.409	7.012	6.818	(397)	(194)	-5%	-3%

2.2 Obtain an understanding, based on discussion, of main administrative procedures related to the preparation of the financial statements and of the management accounts (if applicable).

The following information were obtained thru inquiry of management - MS Team meeting held on April 30th, 2021. The following Target representatives attended the call:

Luisa Gallo – General Manager

Michela Gallo – Logistic Manager

Barbara Gallo – Human Resources and External Relations Manager

Cristina Bellardi (Studio Torre Santo Stefano) – External tax advisor and consultant

The information gathered and relevant results of the call are reported hereinafter:

Main IT infrastructure overview

The Company uses *eSolver* (vendor: Sistemi S.p.A.) as their ERP. It is our understanding that the software supports the Company's financial reporting requirements and can support further development of financial/operational reporting should a full perpetual inventory system be implemented in the future.

There is no MES there are no automatic processing progresses.

Inventory managing is performed via *Easystor* (internally WMS developed software) for the management of physical warehouses, shipment flows and goods receipt. *eSolver* and *Easystor* are integrated.

Workplan distributed by Vero project Spa is the ERP used for job processing, job order management and planning (mold design and construction) creation of the Gantt, creation of work phases, management of the commercial offer and order confirmation, processing registration, management of mold maintenance and spare parts warehouse, order / project accounting. There is no integration with *eSolver*.

Employee's attendance tracking, calendar and shift management, personal data, processing of files and tags for labor consultant are supported using *Zucchetti* (vendor software).

Technical support is provided by third party. The Company has a signed contract for software maintenance and support services with and paid a periodic fee.

Finance function

Accounting is maintained internally. The accounting department is supported by an external CPA firm Studio Torre Santo Stefano for the day-by-day consulting over accounting and tax matters (Dott.ssa Cristina Bellardi).

The same CPA firm is also involved for the preparation of Year-end financial statements along with Year-end tax calculation and periodic filings such as periodic VAT filing, taxes etc. (Dr. Sandro Rosotto).

Key accounting matters involving estimates and non-routine transactions are recorded on instructions from the local CPA in accordance with shareholders. The advisor also maintains the official fixed asset subledger and is responsible for the calculation of the yearend depreciation and amortization. Input related to fixed assets additions and disposals are provided by the Target each time an asset is delivered/completed or disposed.

Payroll services are outsourced to a third-party service provided (Centro Paghe Studio Chiado). As part of the month end closing process, HR staff (supervised by Barbara Gallo) sends the attendance file through the Zucchetti application to labor consultant (.txt file) which, once the wages have been processed, sends the pay slips to the Target (through Zucchetti).

Interim vs. year-end accounting

Bank account reconciliations are performed on monthly basis by Gabriella Fabbro (accounting dept staff).

The Company does not perform interim or monthly financial closes except as required for the VAT periodic filings and payroll, withholding taxes and social contributions.

Management represented that periodically (three/four months) they prepare an analysis using an Access database spreadsheet including balance sheet and income statement to monitor major trends and fluctuations for the period.

Payroll expense along with holiday and vacation are recognized on an accrual basis and paid at the beginning of the subsequent month. The payroll accrual is only updated at year-end.

Perpetual inventory is only managed at management accounting level. Raw material is evaluated at the cost of last purchase and the Company does not formally record an inventory reserve. Throughout the year, inventory is increased for raw material purchases and decreased for the cost of material sold. Standard labour costs and overhead (OH) are not captured within inventory but are instead tracked externally and applied by Management to determine the theoretical gross margin by product.

There are no formalized cut-off procedures for interim and cut-off is only addressed at YE. Historically, the YE books are closed by the end April/May of the subsequent year. Overall, the year-end close process takes over two months. Time is primarily spent updating accruals for invoices to be received from vendors, updating other accrued expenses and prepaid as needed, preparation of tax related filings and other Management review.

The Company's annual financial statements are prepared on an accrual basis in accordance with Italian GAAP. As part of the yearend review, adjusting journal entries are made including various accruals and reclassifications, tax calculation.

The Company exceed thresholds for mandatory audit in Italy. The "*Collegio Sindacale*" is a body within the company's governance system in charge – primarily – of the control of legality and legitimacy of the direction. Its oversight function is performed on an on-going basis, together the company's management.

Collegio sindacale has been appointed also as external auditor until the approval of the Financial statements for the FY2022. The *Collegio sindacale* have performed the audit of Financial statements included in the Historical period issuing "clean" opinions.

Internal control and reporting procedures

Revenue recognition and billing

Orders usually are communicated by clients using annual forecast and relevant periodic updates. Only three customers (send their orders via EDI). These customers are those with the largest number of inventory references.

Orders are received by logistic dept and input in the system. On weekly basis the purchasing dept. issue orders for all the materials needed based on the subsequent five weeks of planned production. Purchasing dept can purchase quantities of codified materials (from the vendors approved in the system) without any further approval. Performances and efficiency of the purchasing department is nonetheless monitored periodically thru the KPI analysis (monthly cost incurred for raw material and packaging as percentage of sales of the period).

Production confirms the expected timing of delivery and once production is completed the product is transmitted to the quality department which prepares the production report for the full traceability of raw materials used in production of the items (which is subsequently utilized to reduce the related raw inventory).

Invoicing activity occurs on weekly basis. Delivery terms depend upon agreements with the customers and may vary from domestic to foreign markets and include both *exworks* and *at delivery/free onboard* terms. Revenue is generally recognized upon billing. Cut-off procedures are performed at year-end to ensure accuracy of the full year reported revenue. Invoicing activity is performed by the AR department (Muntoni Giuseppina).

Payment terms for customers for tooling orders are Payment by bank transfer within 120 days month end with the following milestones:

30% upon delivery of the project

40-50% upon delivery of the first sample

20-30% upon customer approval

With regards to moulding orders payments are generally by bank transfer 90-120 days month end.

Accounts receivable and allowance for doubtful accounts

Credit checks are completed for all new clients. The Company requires most new customers to pay in advance. The Company records an allowance for doubtful accounts at year-end up to the deductible amount allowed by the local regulation. No additional allowance is calculated due to historical low rate of uncollected receivables. Collection activity is periodically monitored up by the accounting dept and followed up by customer service to ensure any open balances are collected as soon as possible.

Cash receipts

For customers who pay through wire transfer or others means, Fabbro Gabriella performs the cash management processes.

Purchases and accounts payable

The Company has a list of approved vendors for raw materials. Also, the Company outsources its production to subcontractors mainly used for chrome plating, painting and production of some components that amounted to 44%, 23% and 24% of total outsourcing expenses in FY2020, respectively. Management stated that this is in line with the Company's strategy to improve flexibility and to quickly adjust to changes in demand, while at the same time manage their fixed cost structure. Also due to the high specialization of these partners this improves quality.

The Company has formal agreements with most suppliers and long-term relations (especially with subcontractors). Management represented that as soon as a subcontractor is selected, they need to start a long approval and qualification process in coordination with the customer, as such is not easy and ultimately expensive to change contractors.

Orders reflect the scheduled production for the subsequent period and the forecast/deliveries agreed with the customers. In some instances, should prices be expected to increase significantly the Company may confirm quantities needed for the whole year agreeing on deliveries deadlines throughout the year.

All purchase requests are processed through the system by the purchasing department. Goods are inspected upon arrival at the facility and the bill of lading versus purchase order review is performed by warehouse staff and then routed to admin dept for the final 3-way match between purchase order, bill of lading and invoice (once received).

Standard payment terms are 60days month end from invoice date for raw material and 90-120 days from the date the service is rendered for third party processing (subcontractors) and services.

As mentioned in the preceding paragraphs, purchasing dept is authorized to acquire the inventory materials from the approved vendors according to the production schedule. For all other purchases, the purchasing department must obtain the approval by the General Manager for any order higher than Euros 2.000.

Cash disbursements

Payments generally occur on monthly basis starting from the second half of the month according to the due date agreed with the vendor. Fabbro Gabriella prints the list of AP invoices due for the period to obtain the approval for payment (and bank account to be used) by the General Manager.

The General Manager is the only individual authorized to sign checks on the operating accounts and she approves all the payments. Fabbro Gabriella is the only employee entitled to operate with the full trust of owners using their credentials as needed.

Property, plant and equipment

PP&E is stated at cost. Depreciation is recorded using the straight-line method based of the estimated useful lives of 3-39 years (depending on asset). Expenditures for major renewals and betterments that extend the useful lives are also reviewed/capitalized. Repair and maintenance expenditures are expensed as incurred.

Usual terms of payments (for plants and machineries) are 30% upon the order and the remaining balance after the plant/machinery is placed and successfully tested.

2.3 Review of minutes' contents (of shareholders' meetings) of the Target Company of the last 3 financial years

We have read the minutes of the Board of Directors and Shareholders' meetings for the Historical period. Minutes' content is summarized in the **Appendix A**.

We wish to point out that on December 7th, 2020, the Company approved to request a subsidized financing from Simest Spa. The loan has been finalized in FY2021 (#44061/1013) and the payback period will start from the end of June up to December 31, 2027.

Simest Spa, Simest is the company of the Cassa Depositi e Prestiti Group (ultimately a governmental entity) whose mission is to support the growth of Italian companies through the internationalization of their business. Shareholders are SACE, which holds 76%, and a large group of Italian banks and business associations.

Such loan is granted according to the so called "Decreto Rilancio" (art. 48) as part of the out of ordinary measures to support Italian companies in response to Covid-19 pandemic. Such loan is exempt from the provision of the guarantee and is assisted by a non-repayable contribution equal to 40% of the amount, with a maximum grantable balance of Euro 100,000, disbursed in "de minimis" regime.

We wish to point out that the non-repayable contribution equal to Euro 100.000 may meet the definition of government grants under *IAS 20 Accounting for Government Grants and Disclosure of Government Assistance*. IAS 20 requires entities to disclose the following information:

- The accounting policy adopted for government grants, including methods of presentation adopted in the financial statements.
- The nature and extent of government grants recognized in the financial statements and an indication of other forms of government assistance from which the entity has directly benefited.
- Unfulfilled conditions and other contingencies attaching to government assistance that has been recognized.

The remaining portion (equal to Euro 200.000) represents an ordinary loan from accounting point of view.

With regards to Directors' compensation and Directors' severance pay approved by the shareholders meeting on May 11, 2020, GT verified the appropriate accrual in the financial statements of the period nothing no exception.

Results of the procedures:

From the reading review of minutes' contents (of shareholders' meetings) of the Target Company no exceptions were noted.

2.4 Obtain information (only based on discussion) concerning any related party

GT inquired Management regarding related parties. They identify only the members of Gallo family as related parties. GT obtained the detail of the role and current compensation based on the shareholders meeting determination dated May 11, 2020 of such individuals and summarized the info in the table below, tracing to the relevant trial balance of the period.

Name	Role	Current classification	Current Remuneration
Luisa Gallo	General Manager, Sales Representative, Financial Manager, Director	Shareholder/manager	68.000
Barbara Gallo	HR and External Relations Manager, Director	Shareholder/manager	68.000
Michela Gallo	Logistic Manager	Manager	35.000
Aldo Gallo	Chairman of the BoD & Engineering Manager	Chairman of the Board	35.000
Total per trial balance			206.000
Massimiliano Gamberro	Operation Manager	Manager	79.614
Total			285.614

Management represented that Mr. Gamberro is the only one receiving a salary as employee, whereas the other members of Gallo Family are paid as Directors. Luisa Gallo and Barbara Gallo receive Euro 63.000 each as compensation plus Euro 5.000 each as indemnity leave accrued on a separated account in the trial balance. Michela Gallo and Aldo Gallo (the two co-founders of the Company) are expected to resign. Management represented that there are no other transactions with related parties or personal expenses recorded in the financial statements other than the benefits (mostly cars and car insurance) that will remain post-transaction.

The table hereinafter summarized the expected compensation and benefits post-transaction:

Name	Expected classification	Expected Remuneration	Expected Benefits
Luisa Gallo	Manager	100.000	company car + car insurance
Barbara Gallo	Manager	97.000	company car + car insurance
Massimiliano Gamberro	Manager	90.000	company car + car insurance
Michela Gallo	-	-	-
Aldo Gallo	-	-	-
Total		287.000	

2.5 Inquiry to legal, tax and labour consultants of the Target by sending an appropriate letter to identify existing and potential litigations and detailed information on liabilities towards employees

GT inquired the tax advisor of the Company (Cristina Bellardi - Studio Torre Santo Stefano) regarding any potential tax liability connected to tax or regulatory agencies proceedings during the call held via MS Team on April 30th, 2021. In addition, GT inquired the Collegio Sindacale (governance body and external auditor) regarding the same topic during the call held via MS Team on May 12, 2021.

Further GT obtained a copy of the direct confirmation obtained by Nash Advisory (M&A advisor) from the Target's attorney dated May 11, 2021 (Studio Legale Pecoraro). The legal advisor confirmed that the only legal proceeding outstanding is the injunction initiated by Progind against Gammastamp regarding two supply orders to produce molds as part of a unitary project called PLP3 that envisaged various stages of production that Gammastamp did not pay.

Results of the procedures:

As per inquiry of the tax advisor and Collegio Sindacale they are not aware of notices or proceedings initiated or pending by tax or regulatory agencies against the target.

The legal advisor confirmed that the only legal proceeding outstanding is the injunction initiated by Progind against Gammastamp regarding two supply orders to produce molds as part of a unitary project called PLP3 that envisaged various stages of production that Gammastamp did not pay.

2.6 Review, based on discussion and limited audit tests, of adjusting entries as at December 31, 2020, December 31, 2019, December 31, 2018

As described in the paragraph 2.2 above the Company carries out most of the accruals' analysis such as inventory valuation, allowances, prepaids and other accruals only in connection with the yearend closing process.

GT obtained the unadjusted trial balances for December FY2019 and December FY2020 (FY2018 was not provided by the Target) and compared the against the finalized trial balance for the period noting that the major adjustments were related to:

- Reclassification and/or proper allocation of fixed assets and relevant calculation of depreciation and amortization expenses
- Calculation of current and deferred taxes
- Inventory valuation
- Appropriate classification of loans outstanding balance between current and non-current
- Accrual for invoices to be received
- Employees' accruals for severance indemnity and paid time off (vacation & permission)

GT also inquired the Collegio Sindacale regarding any material adjustment, internal control deficiency, disagreements with management or other major issue they may have noted during the performance of their statutory audit over the Historical period.

Results of the procedures:

As a result of the scan of the year-end adjustments for FY20219 and FY2020, no usual/unexpected items were noted. Also, per inquiry of Collegio Sindacale they did not note any material or unexpected YE adjustment during their audit procedures over the Financial Statements related to the Historical period.

2.7 Review tangible assets (machineries and equipment) about the increases and depreciation funds over the Historical period. Sample tests over the physical existence of assets recorded in the fixed asset subledger.

Fixed assets are summarized hereinafter. Intangible assets mainly include patents and software licenses (almost fully depreciated). Management indicated that current R&D activities are related to a haptic button

system project, in collaboration with another player. The project is still in the prototype phase as such no expense has been capitalized (approximately Euro 50.000).

Investments in other entities pertain to the investment in Icona Srl occurred in FY2018. Icona Srl is a project that involves twelve partners for the conversion of Olivetti's industrial heritage into a new project comprising the requalification of an historical building and initiation of the re-development project with the aim of making the historic building an engine of development and reference for businesses.

€ in thousands				Changes in Euro		Changes in %	
	2018	2019	2020	2019	2020	2019	2020
				vs 2018	vs 2019	vs 2018	vs 2019
Intangible fixed assets	1	4	6	1	4	1	4
Tangible fixed assets	5.494	5.336	4.721	5.494	5.336	5.494	5.336
Investments	104	104	104	104	104	104	104
Fixed Assets	5.599	5.444	4.831	(155)	(613)	-3%	-11%

Breakdown of tangible asset is shown in the table hereinafter. Additions in FY2020 amounted to approximately Euro 24.000 and disposals were equal to Euro 187.000 mainly related to automated plants [Open – to trace against the finalized explanatory note not yet provided]. The decrease in total fixed assets balance is mostly attributable to the depreciation of the period.

€ in thousands	Dec-18	Dec-19	Dec-20	Changes in Euro		Changes in %	
				2019 vs 2018	2020 vs 2019	2019 vs 2018	2020 vs 2019
Land and buildings	2.827	2.808	2.730	(19)	(78)	-1%	-3%
Plant and machinery	2.514	2.366	1.882	(149)	(484)	-6%	(20)%
Tools and equipment	62	75	68	13	(7)	21%	-9%
Other tangible assets	58	42	8	(16)	(34)	-28%	-80%
Tangible assets in the course of construction	32	45	32	13	(13)	39%	-28%
TANGIBLE ASSETS	5.494	5.336	4.721	(158)	(615)	-3%	(12)%

For FY20218 and 2019 we reconciled the info as per the trial balance obtained by Management to the official financial statements noting no exception. We reconciled the fixed asset subledger to the trial balance. Fixed asset subledger did not include assets under construction. Per discussion with Management constructions in progress are maintained in the general ledger and input into the fixed asset subledger only once completed and ready to start depreciation.

In addition, GT verified that the subledger included all the additions and disposals of the period, reperformed the calculation of depreciation and amortization of FY2020 and verified that the depreciation rates are consistent with the rates used in the previous year.

GT obtained and verified the reasonableness of the criteria used as the basis for the analysis of the existence of impairment losses and the related accounting impacts.

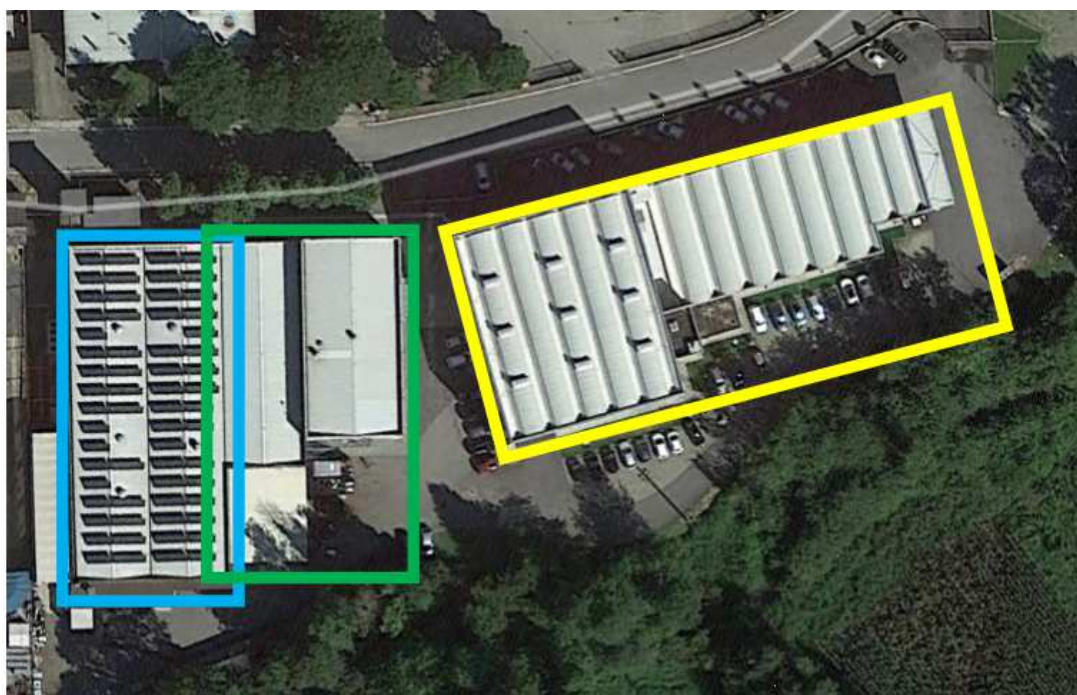
During the year, the Target requested an appraisal to support the market value of production buildings and surrounding lands. As a result of such appraisal prepared by *Tecnici Studio di Ingegneria* (Ing. Fabio Mosca), the market value of the above-mentioned buildings is equal to Euro 2.5mln.

As per the valuation carried out by the appraiser "buildings are certainly in a qualitative situation beyond the average of industrial buildings in the area and surrounding areas. In particular, the portion of new building enjoys very high-quality standards such as geothermal, energy efficiency and quality of materials".

Further Management confirmed that all mortgages either on Target or on previous companies are closed, so no Company's assets are pledged or used as collateral.

GT compared the results of the appraisal to the net book value of the relevant assets resulting from the financial statements. The difference NBV results higher than estimated market value by Euro 56k that is not considered material.

€ in thousands	Asset #	Map ref.	NBV	Market value	Difference	Notes
New Building	2016.16	sheet 9 n.260	1.703			Covered by the appraisal
Land of new building	2007.27	sheet 9 n.257	263			Covered by the appraisal
Old Building	1999.1		419			Covered by the appraisal
Land of old building	1999.33		171			Covered by the appraisal
Total			2.556	2.500	56	
Building former financial lease	2010.10	sheet 15 n.181	53			Excluded from the appraisal
Land former financial lease	2010.11	sheet 15 n.181	2			Excluded from the appraisal
Other lands			119			Excluded from the appraisal
Total			2.730			



Results of the procedures:

As a result of the procedures performed over the fixed assets balance, no material exceptions were noted.

2.7 If applicable, evaluation of lease contracts in progress according to IFRS16 on leases

GT obtained the information related to the lease contracts in accordance with IFRS16 and agreed the info obtained to the relevant lease contract. The Company has currently two outstanding financial lease contracts whose major terms are summarized hereinafter.

GT notes that according to local GAAP if a lease is a capital lease, accounting is made based on the asset legal ownership. For capital leases disclosures based on criteria similar to IFRS have to be

provided in the explanatory notes.

€ in thousand	Intesa San Paolo	BNL
Asset	CNH chassis-cab vehicle	1 press + 2 machines
Initial value	40.000	220.000
Starting date	30/05/2018	01/09/2017
End date	30/05/2022	01/09/2022
Monthly fee amount	800	3.800
# fees paid at 31/12/2020	31	39
fee amount paid at 31/12/2020	24.800	148.200
Residual balance as at December 31, 2020	15.200	71.800

Results of the procedures:

As per work performed no exceptions were noted.

2.8 Examination on a sample basis of the correct evaluation of inventory (according to one of the allowed criteria by Italian regulation)

Per discussion with Management:

- raw materials are evaluated at the last purchase cost
- semi-finished products, at production cost (human resources, machine hours, materials and external processing, if any). There is a precise mapping of the several stages of production. *Workplan* software application is used to follow the progress of the jobs. Starting from the moment the offer is issued, the work is followed. All the hours worked on that job by each cost center are recorded and it is possible to recall at any time the situation of the hours actually worked compared to those planned and at the end of the month Target have a current status on all the jobs.
- Job orders are evaluated depending upon the stage of production.

Overheads are also applied, but they are managed out of Workplan but rather applied to all the jobs as a percentage. Standard costs (for semifinished goods and finished goods) are reviewed and updated periodically, at least once a year, sometimes more in particular conditions of fluctuations in cost of raw materials.

The Company offers a standard warranty over the products. The molds are guaranteed up to 1,000,000 shots, with the exception of electrical parts subject to supplier's warranty, of parts subject to wear and tear for weaknesses resulting from the geometry of the piece and for prolonged use or whenever fiber-mineral reinforced polymers or flame-retardant additives have to be used.

GT obtained the inventory listing as at as December 31, 2020 and judgmentally selected the items showed in the table that follows for further testing. GT requested the documentation supporting the evaluation means last purchase invoice for raw materials and bill of materials for semi-finished products (SF) and finished goods (FG). Target only provided info in an excel file with pasted amounts (so original purchase invoices). In addition, bill of materials (excel files) were not complete and did not either include values for material used or labor costs.

Category	Item #	Quantity per the inventory listing	Last purchase price/Standard cost (for SF and FG)	Total value per the inventory listing
Raw materials at 31/12/2020	G726	5.050	3,36	16.968
Raw materials at 31/12/2020	G722	4.546	3,30	15.002
Raw materials at 31/12/2020	F639	4.834	2,83	13.679
Raw materials at 31/12/2020	M1059	2	53,00	106
Raw materials at 31/12/2020	G708	7	39,50	277
Raw materials at 31/12/2020	C363	10	26,00	247

Semi-finished at 31/12/2020	11004787	33.312	0,80	26.650
Semi-finished at 31/12/2020	S1301	122.120	0,18	21.982
Semi-finished at 31/12/2020	2006767040001S1	134.487	0,06	8.120
Finished products at 31/12/2020		565.346	0,05	30.532
Finished products at 31/12/2020		42.459	0,37	15.543
Finished products at 31/12/2020		11.528	0,58	6.743

Results of the procedures:

Added to scope limitation list.

2.9 Analysis, mainly through anonymous preparation of stock rotation analysis of no moving or slow moving and margin analysis of finished products/orders)

GT computed the stock rotation index and the relevant days inventory outstanding ("DIO") for the historical period noting no major fluctuations throughout the Historical period. Inventory rotation has slightly slowed in FY2020 as consequence of hard lockdown period and reduced volumes of activity due to the peak of pandemic.

€ in thousand	Dec-18	Dec-19	Dec-20
COGS	4.479	4.709	3.953
Avg. Inventory	855	897	899
Stock rotation	5	5	4
Days inventory outstanding	70	70	83

The Target does not historically accrue allowance for obsolete items. Based on discussions with Management there is no specific policy for recording the allowance as historically the Company has high inventory rotation. With reference to semi-finished products and finished goods in addition, the Target has to guarantee spare parts for 10 years even for products that are dismissed from production as such it would be not appropriate to accrue as obsolete.

Target did not provide an inventory aging detail at item. Management nonetheless performed an independent analysis summarized in an excel file. The team scanned the analysis performed by the Target related to the obsolete items but was not able to re-perform the relevant calculation as the report produced by Target did not include info related to the last purchase/consumption at item level. The breakdown of obsolete items by inventory category and as percentage of each category according to the analysis performed by Management is summarized in the table hereinafter:

Euros/thousands	Stock value	Obsolete items	% out of total inventory
Raw materials and consumables	190	36	19%
Semi-finished products	276	52	19%
Work in progress	165	-	0%
Finished products	271	57	21%
December 31, 2020	902	145	19%

We wish to point out that the Company did not adjusted the value of inventory according to this analysis. As per inquiry of Management with regards to raw material approximately Euro 9.000 refer to chopped material to reuse and represent a residual amount of unused material as at December 31, 2020. The remaining portion of the population is aged less than three years and mostly pertain to excess items rather than "obsolete".

With regards to the stock rotation analysis target provided the excel file for each of the fiscal year of the Historical period related to raw materials and semi-finished goods extracted from the system. Each of these files includes the average stock quantity for each year, quantity rotation index, quantity duration index at item level.

Main information related to the stock rotation analysis performed by Management are shown in the table hereinafter:

Euros/thousands	Dec-18	Dec-19	Dec-20
Raw material			
Min. rotation at item level	(1.556)	(60)	(39)
Max rotation at item level	41	364	27
# SKUs ref. with no consumption	152	165	165
Total # SKUs ref.	289	321	353
Semi-finished goods			
Min. rotation at item level	(148)	(9)	(254)
Max rotation at item level	346	145	14
# SKUs ref. with no consumption	4	14	22
Total SKUs ref.	57	68	64

The rotation index indicates how many times the stock is regenerated, on average, over the period of time considered (fiscal year). GT observed that raw material (polymers) rotation index for the Historical period relative to raw materials included few codes (two on average) with negative average stock. The negative index is attributable to the fact that they are test materials imported in very small quantities and therefore irrelevant.

Rotation index for semi-finished products: negative values pertain to semi-finished products on consignment (e.g. foil) that were delivered to the Target for equipment sampling tests.

GT note that the highest value with low rotation is represented by an injection filter code S1003. Management represented that it comes from a minimum reorder lot of 100,000 pieces that they are now using until the end of the product life with no further purchases.

GT could not determine the value of the SKUs references with no consumption in the year as the most part did not include the relevant cost. Also, it was not possible to reconcile the stock rotation analysis to the obsolete analysis as the first shows information at item code level using average quantity on hand and standard cost, whereas the obsolete analysis includes information at item batch level and relevant last price.

Results of the procedures:

The team was not able to reperform the analysis over stock rotation and inventory obsolescence. Further no information was disclosed regarding margins on products, as such GT could not perform any analysis on margin at product level.

2.10 Examination of the presumed realizable value of the trade receivables (thru a critical examination of the schedule and discussion with the personnel of the Target Company)

Company mostly operates in the domestic market with few customers in the European market and six overseas including one in China - Eltek (Yantai) Co., Ltd. that is however managed directly with the Italian branch.

The breakdown of trade receivable is provided in the table that follows. Trade receivables (net of allowance for bad debts) fluctuate over the Historical period as a consequence of sales trend decreasing overall by Euro -235k or -6% in FY2020 compared to prior period.

There is not a formal rebate plan in place for customers. Management represented that every time a new client is acquired, a discount of 1%-3%/year is generally expected for 3 years, but discounts are granted in a measure that allows production costs to be covered. On exceptional basis Target accepts to reduce margins for the sole purpose of acquiring subsequent orders.

Euros/thousands	Dec-18	Dec-19	Dec-20	Change in Euro 2019 vs 2018	2020 vs 2019	Change in % 2019 vs 2018	2020 vs 2019
Accounts receivable	3.944	4.083	3.857	140	(226)	4%	(6)%
Invoices and credit notes to be issued	-	-	0,5	-	0,5	0%	100%
Total	3.944	4.083	3.858	140	(226)	4%	(6)%
Less: Bad Debt Allowance (Non-Deductible)	(97)	(117)	(136)	(20)	(19)	21%	16%
Less: Bad Debt Allowance (Tax Deductible)	(27)	(12)	(2)	16	9	-58%	(82)%
Total	3.819	3.955	3.719	135	(235)	4%	(6)%

The company generally accrues allowance for doubtful accounts on a tax-deductible basis (maximum 0.5% out of the accounts receivable balance). Should any specific event occur, the Company may account an additional specific provision on the basis of the recoverability for the particular case. Per discussion with Management historically the Company has not experienced significant writes off.

Ria GT verified the correctness of the above calculation noting no exception and computed the average Days Sales Outstanding (DSO) for the Historical period as reported in the table hereinafter:

€ in thousands	Dec. 2020	Dec. 2019	Dec. 2018
DSO	159	134	144

DSO has increased from 144 to 159 days during the Historical period. Management indicated that increase is mainly related to the effect of pandemic, and do not represent a collection issue.

In addition, Management represented that currently there is only a legal proceeding against a customer. GT obtained a copy of the confirmation by the legal attorney informing regarding the status of the legal proceeding against customer Gammastamp S.p.a.. The total outstanding balance for this customer is equal to Euro 94.7k as at December 31, 2020 that is covered by the allowance reserve.

GT obtained the aging by customer for each fiscal year in scope and recomputed the relevant aging noting no material differences compared to the aging presented by the Target. The aging analysis of trade receivables is summarized as follows:

€ in thousand	within 30 gg	within 60 gg	within 90 gg	over 90 gg
FY2018	628	205	4	234
FY2019	764	101	143	190
FY2020	658	38	0	303

In order to assess the presumed realizable value of the trade receivables GT obtained the most current AR aging in FY2021 at invoice level and compared such aging to the one as at December 31,

2020. GT noted that as at May 6, 2021 (date of the most current aging available) the Company has collected approximately Euro 3.318k or the 86%.

GT summarized the outstanding balance by customer and stratified by due date for further testing. The detail of the analysis is showed in **Appendix B**

GT performed the analysis over the TOP10 debtor over the Historical period that represent the over the 80% of the total AR balance as at year-end over the Historical period. Customer base remained consistent throughout the period that reflect consistency in sales.

The analysis is presented in the table below:

#	Debtor name	Dec. 2020	%	Debtor name	Dec. 2019	%	Debtor name	Dec. 2018	%
1	Bitron S.P.A.	739	23%	Bitron S.P.A.	714	21%	Valeo Spa Div. Com.	817	25%
2	Marelli France S.A.S.	512	16%	Denso Thermal Systems Spa	615	18%	Marelli France S.A.S.	560	17%
3	Silatech S.R.L.	456	14%	Marelli France S.A.S.	532	15%	Bitron S.P.A.	516	16%
4	Valeo Spa Div. Com.	388	12%	Valeo Spa Div. Com.	455	13%	Denso Thermal Systems Spa	345	11%
5	Mta S.P.A.	315	10%	Sc Vimercati East Europe Srl	403	12%	Sc Vimercati East Europe Srl	244	7%
6	Sc Vimercati East Europe Srl	289	9%	Gammastamp S.P.A.	176	5%	Vimercati S.P.A.	241	7%
7	Vimercati S.P.A.	260	8%	Vimercati S.P.A.	172	5%	Eltek (Yantai) Co., Ltd.	146	4%
8	Bitron Poland Sp. X O	116	4%	Mta S.P.A.	169	5%	Marelli Europe S.P.A	143	4%
9	Merlo S.P.A.	102	3%	Tecnomeccanica S.P.A.	121	4%	Arca Technologies Srl	127	4%
10	Gammastamp S.P.A.	95	3%	Eltek (Yantai) Co., Ltd.	102	3%	Vamish Srl	121	4%
Total		3.271	100%	Total	3.460	100%	Total	3.260	100%
Total debotrs		3.857		Total debotrs	4.083		Total debotrs	3.944	
TOP10 debtors' % on total		85%			85%			83%	

Results of the procedures:

Following out of a total outstanding balance of Euro 3.858k as at December 31,2020 as at the end of May the residual outstanding balance stemming from FY2020 amounts to Euro 450k of which Euro 167k are expected by the end of May and Euro 127k are part of payback plans agreed with the customers. As per work performed no material exception noted.

2.11 Examination of the appropriate allocation of bills to be received as at YE2020 thru “cut-off test” and “search” test

GT obtained the list of movements in the inventory warehouse occurred between December 29, 2020 to January 8 and selected 10 for further testing. For the selected samples GT obtained the relevant supporting documentation to verify the appropriate cutoff accounting.

In addition, GT obtained the VAT register for January 2021 and selected all the invoices with individual balance higher than Euro 20K. GT obtained the supporting documentation to determine the appropriate cutoff and accounting. Should the selected invoice be accounted in FY2020 GT verified that such invoice was properly included in the accrual for invoices to be received in the financial statement as at December 31, 2020.

Results of the procedures:

As per work performed no exception noted.

2.12 Examination based on discussion and limited tests of the content of the items “other receivables” (advances to suppliers), “advances from clients”, other payables”;

Please refer to analysis provided under paragraph “2.1 Examination of the financial statements of the last 3 years (FY2018-FY2020 or Historical period)” at the beginning of this report.

Results of the procedures:

As per work performed no exception noted.

2.13 Recalculation of severance indemnity fund

Indemnity (TFR) for a balance of Euro 514.000 refers to staff leaving indemnity which is a requirement of Italian Law; an indemnity is payable off to each employee leaving the Company for whatever reason. The amount accrued as of each balance sheet date represents the actual payable liability and it is included in Long-Term Liabilities. The staff leaving indemnity is computed based on annual accruals for each year of employment.

Such accrual is calculated dividing the remuneration by 13,5. The yearly remuneration is considered to cover all payments made to the employees, which are part of the employer-employee relationship, including fringe benefits.

The staff leaving indemnity is re-valued annually; the basis of the revaluation is the balance as of February 28, with the following rates:

1,5% fixed rate.

75% cost of life index.

Generally, employees who have worked for the same employer for eight years of service at least may request an advance not exceeding the 70% of the staff leaving indemnity accrued at the time of the request. However, this request should be paid only in case of the purchase of the first house or extraordinary medical expenses.

GT obtained the severance indemnity report as produced by the labor consultant and reconciled to the trial balance. Results of the reconciliation are reported in the table hereinafter.

Component	FY 2018	FY 2019	FY 2020
Opening balance	-	525 -	524 -
Accrual for the period	-	166 -	170 -
Advances to other fund		146	163
Paid during the period		21	23
Closing balance	-	524 -	508 -

Balance sheet	-	525 -	508 -
Unreconciled difference		0 -	0

Income statement		174	179
Unreconciled difference	-	8	9

In addition, GT reperformed an overall recalculation of the severance indemnity as showed in the table below. The difference in FY2020 is due to the fact that the Company in FY2020 used the Wages guarantee fund (Cassa Integrazione). The impact of the Wages guarantee fund is indeed a labor cost relief of approximately Euro 340k in FY2020, plus additional Euro 89k as tax relief on social contributions.

In the context of the COVID-19 crisis, a new decree law (No. 18/2020 of 17 March 2020) has extended the use of the existing wage guarantee schemes (CIGO, CID and FIS) for temporary suspensions of

work or reductions of working time due to the pandemic. In addition, an agreement between the social partners and the Italian Banking Association was signed on 30 March 2020 concerning the anticipation by banks of income integration measures for workers temporarily suspended from work due to the COVID-19 emergency. This agreement, in force until 31 December 2020, aims at supporting workers waiting for the payment of income support measures by the National Social Security Institute (INPS).

As a consequence, the total cost of wages and salaries decreased in FY2020, which caused the overall recalculation reperformed be lower than what reported by the Company. This is not deemed an exception.

Amounts in Euros	2019	2020
Accrual for GT	167.357	142.840
Accrual for Company	178.940	179.308
<i>Difference in Euro</i>	11.583	36.468
<i>Difference in %</i>	6,9%	25,5%
Provision for GT	506.214	484.822
Provision for Company	507.968	513.993
<i>Difference in Euro</i>	(1.754)	(29.170)
<i>Difference in %</i>	-0,3%	-6,0%

Results of the procedures:

As per work performed no exception noted.

2.14 If applicable, examination of relationship with agents (analysis of the underlying contracts and possible related liabilities)

As per inquiry of Management the Target have not used agents during the Historical period.

2.15 Review of the major contracts

Please refer to **APPENDIX C** of this report

3 Income statement review

This section includes a narrative analytical comparison of the income statement throughout the Historical period. Comments on main accounts and relevant procedures performed are reported in the following paragraphs.

€ in thousands	2018	2019	2020	changes in Euro 19 vs 18	changes in Euro 20 vs 19	changes in % 19 vs 18	changes in % 20 vs 19
Revenues	10.020	11.111	8.864	1.091	(2.247)	11%	-20%
of which Stamping	7.418	7.717	6.615	300	(1.103)	4%	-14%
of which Moulding production	2.602	3.393	2.250	791	(1.143)	30%	-34%
of which Selling scrap	-	1	-	1	(1)	100%	-100%
of which Metal manufacturing	-	-	-	-	-	0%	#DIV/0!
of which various revenues and refunds	(0)	0	(0)	0	(1)	-469%	-319%
Variation on stocks in finished products	65	38	(74)	(27)	(112)	-42%	-298%
Variation in stocks in work in progress	71	(84)	56	(155)	140	-218%	-167%
Other revenues	45	41	82	(4)	41	-8%	99%
Value of Production	10.201	11.106	8.927	905	(2.178)	9%	-20%
COGS	(4.479)	(4.709)	(3.953)	(229)	756	5%	-16%
Cost of purchases	(1.888)	(2.237)	(1.948)	(350)	290	19%	-13%
Variation in stocks of raw materials and goods	(48)	43	25	92	(18)	-189%	-41%
Sub-contracted work	(2.543)	(2.514)	(2.031)	29	484	-1%	-19%
GROSS MARGIN	5.721	6.397	4.974	676	(1.423)	12%	-22%
Services	(1.713)	(1.608)	(1.443)	105	165	-6%	-10%
Consulting	(139)	(122)	(109)	17	13	-12%	-11%
Directors' emolument	(255)	(249)	(249)	7	0	-3%	0%
Temporary staff	(219)	(137)	(93)	82	44	-37%	-32%
Various services	(139)	(151)	(149)	(12)	2	8%	-1%
Marketing and exhibitions	(20)	(12)	(1)	9	11	-42%	-95%
Transport cost	(272)	(252)	(273)	20	(22)	-7%	9%
Utilities	(367)	(397)	(321)	(30)	76	8%	-19%
Travel and promotion costs	(18)	(9)	(1)	9	8	-49%	-89%
Maintenance	(183)	(180)	(149)	2	31	-1%	-17%
Insurance	(45)	(44)	(52)	1	(8)	-2%	18%
Cleaning and security	(55)	(55)	(47)	-	9	0%	-16%
Use of third-party assets	(216)	(164)	(173)	52	(9)	-24%	6%
Real estate rent	(11)	(8)	(8)	3	-	-26%	0%
Portable properties rent	(96)	(53)	(46)	43	7	-45%	-14%
leasing	(91)	(92)	(102)	(1)	(10)	1%	11%
Vehicles	(18)	(11)	(17)	7	(6)	-40%	59%
Payroll and related costs	(3.217)	(3.342)	(2.841)	(125)	501	4%	-15%
Other operating expenses	(41)	(50)	(38)	(9)	11	22%	-23%

EBITDA	535	1.234	479	699	(755)	131%	-61%
Intangible fixed assets amortization	(36)	(42)	(13)	(6)	28	17%	-68%
Tangible fixed assets amortization	(653)	(668)	(631)	(15)	36	2%	-5%
Write-downs of accounts	(20)	(20)	(19)	(1)	1	4%	-6%
Provisions for contingencies and other charges	(10)	(10)	(10)	-	-	0%	0%
EBIT	(183)	494	(195)	678	(689)	-370%	-139%
Interest and other financial expenses	(157)	(155)	(145)	1	11	-1%	-7%
Financial income	0	-	8	(0)	8	-100%	100%
Financial expenses	(157)	(155)	(153)	1	3	-1%	-2%
Extraordinary costs and income	(1)	1	12	1	11	-166%	1891%
Extraordinary income	4	1	12	(3)	11	-86%	1891%
Extraordinary expenses	(5)	-	-	5	-	-100%	0%
EBT	(341)	340	(328)	680	(668)	-200%	-197%
Taxes	89	(86)	108	(174)	194	-197%	-226%
Net Result	(252)	254	(220)	506	(474)	-201%	-187%

3.1 Revenue

The operating income as of February 28, 2021 decreased by -45.694 Euro or -8% in comparison with PY and amount to 493.015 Euro against PY revenues that amounted to 538.709 Euro.

The movement in EBITDA is from a profit of 28.885 Euro for the FY 2019/2020 to a profit of 26.705 Euro of the current period result: the change is mainly due to the decrease in "Commissions Branch Office". The amount of euro 493.015 is made up as follows:

Revenue by major components

€ in thousands	2018	2019	2020	Change in Euro 19 vs 18	Change in Euro 20 vs 19	Change in Euro 19 vs 18	Change in Euro 20 vs 19
Stamping	7.418	7.717	6.615	300	(1.103)	4%	-14%
Moulding production	2.602	3.393	2.250	791	(1.143)	30%	-34%
Selling scrap	-	1	-	1	(1)	0%	-100%
Metal manufacturing	-	-	-	-	-	0%	0%
Miscellaneous	(0)	0	(0)	0	(1)	-469%	-319%
Total sales income	10.020	11.111	8.864	1.091	(2.247)	11%	-20%

Management stated that the Company generates revenues through two business lines:

1. Plastic component moulding (activity which currently accounts for about 75% of total revenues);
2. Tooling activities: moulds designing, and manufacturing sold to third parties or used internally for the moulding activity. This business line has been characterized by a significant growth in FY2019.

Decrease in revenue is largely due to the effect of the pandemic and the period of lockdown suffered by the Company.

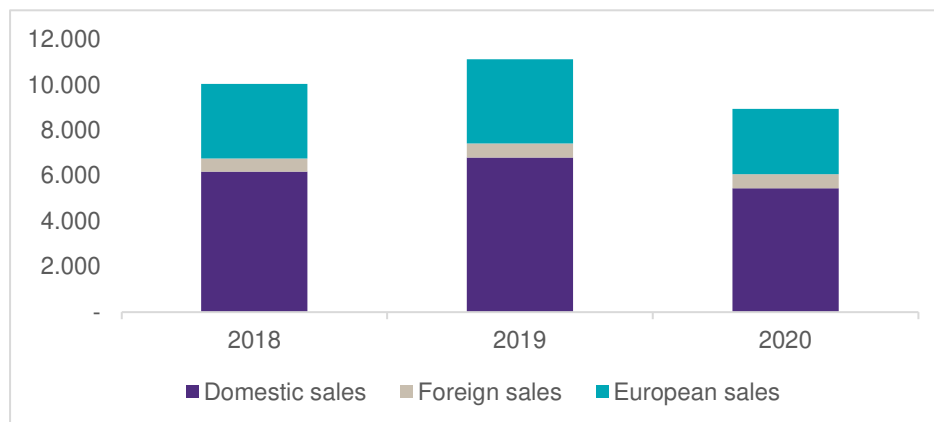
The table below presents sale income by geographical area served by the Company. Sales income increased Euro 1.1mln (11%) in FY2020, driven by increase across each of the geographic areas whereas in FY2020 the major impact of the pandemic affected the domestic and the European market with Far East (China) market recovered pretty week confirming the sale level of the prior year.

Charts at the center of the page visualizes the weight of each market as compared to the total sales income, whereas the charts at the bottom left show how sales income on each market area have evolved over the Historical period.

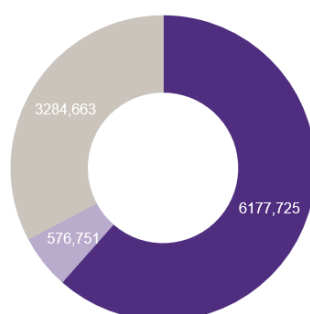
Revenue by market area

€ in thousands	2018	2019	2020
Domestic sales	6.178	6.796	5.441
Foreign sales	577	624	626
European sales	3.285	3.699	2.875
Unreconciled difference	(19)	(7)	(78)
Total sales income	10.020	11.111	8.864

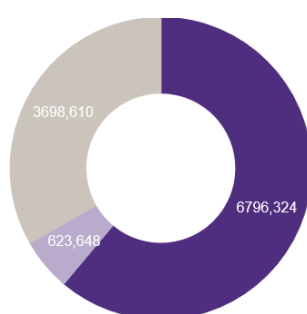
The charts below visualize the weight of each market as compared to the total sales income, whereas the charts at the bottom of the page show how sales income on each market area have evolved over the Historical period.



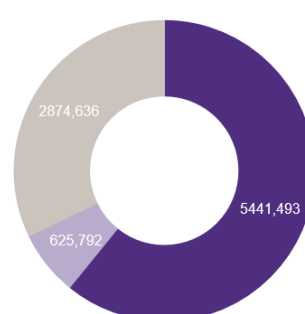
2018



2019

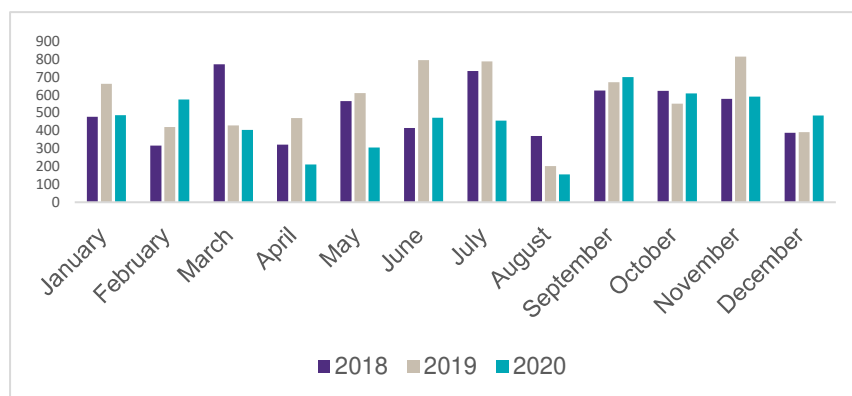


2020

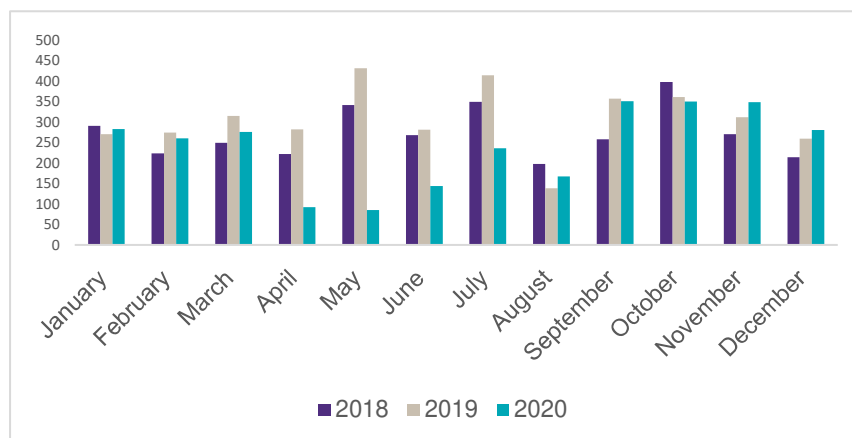


GT performed the monthly analysis of revenue to identify unusual or unexpected trends. Management represented that the business is not affected by seasonality. Low levels of sales in August largely depend on summer holidays and this also drives the increase soon before and after the summer closing period. Charts hereinafter show monthly trend comparison over the Historical period in each geographical are served by the Company.

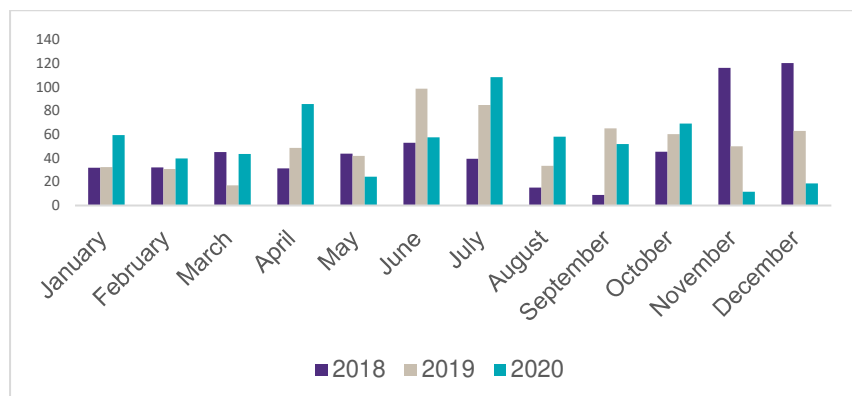
Domestic Market



European Market monthly sales



Rest of the world Monthly sales



GT performed the analysis by major customers per sale value and geographical area as reported in the next three tables below. Client base remained stable and most of the customers. European market for the Company consists of 9 customers and rest of the world of 6 customers, respectively.

Domestic market TOP customers

Rank	Amounts in Euros/thousands	2018	2019	2020	2018	2019	2020
					% total domestic sale		
2	1	1	BITRON S.p.A (207)	1.453	1.777	1.390	23,5% 28,8% 25,5%
3	4	2	VIMERCATI S.p.A (999)	662	589	865	10,7% 9,5% 15,9%
1	2	3	VALEO SPA C.F. 51457 (826)	1.531	1.211	743	24,8% 19,6% 13,7%
n.a	12	4	SILATECH S.r.L. (1535)	-	90	595	0,0% 1,5% 10,9%
7	5	5	MTA S.p.A C.F. 16354 (1398)	252	436	522	4,1% 7,1% 9,6%
9	8	6	ARCA TECHNOLOGIES SRL (1266)	201	262	242	3,2% 4,2% 4,5%
11	9	7	ELTEK S.p.A (528)	167	225	200	2,7% 3,6% 3,7%
n.a	6	8	Tecnomeccanica S.p.A (1474)	-	390	142	0,0% 6,3% 2,6%
8	11	9	NOVEM Car Interior Design SPA (1274)	252	144	131	4,1% 2,3% 2,4%
4	10	10	Marelli Europe S.p.A (907)	387	177	100	6,3% 2,9% 1,8%
			Top 10 Client	4.905	5.301	4.931	79,4% 85,8% 90,6%
			Non-top 10 client	1.273	877	511	20,6% 14,2% 9,4%
			Total Domestic Revenue	6.178	6.178	5.442	100,0% 100,0% 100,0%
			Concentration				
			Top 10	79,4%	85,8%	90,6%	

European market

Rank	Amounts in Euros/thousands	2018	2019	2020	2018	2019	2020
					% total EU sales		
1	1	1	SC VIMERCATI East Europe SRL (1350)	1.635	1.624	1.342	49,8% 43,9% 46,7%
2	2	2	MARELLI FRANCE s.a.s. (1204)	967	1.503	1.136	29,4% 40,6% 39,5%
3	3	3	BITRON POLAND Sp. x o.o. (1203)	348	285	202	10,6% 7,7% 7,0%
4	4	4	Marelli Kechnec Slovakia s.r.o (1209)	242	170	119	7,4% 4,6% 4,1%
n.a	5	5	DATAMARS Slovakia s.r.o. (1512)	-	96	48	0,0% 2,6% 1,7%
n.a	n.a	6	Sila Poland SRL (1593)	-	-	10	0,0% 0,0% 0,3%
n.a	7	7	DATAMARS SA (C.C. S42063) (1545)	-	-	8	0,0% 0,0% 0,3%
6	6	8	OLSA POLAND Sp z o.o (1295)	35	21	8	1,1% 0,6% 0,3%
7	n.a	9	SCHUSTER KUNSTSTOFF TECHNIK (1440)	1	-	1	0,0% 0,0% 0,0%
5	n.a	n.a	DENSO SISTEMAS TERMICOS (1383)	57	-	-	1,7% 0,0% 0,0%
			Top 9 Client	3.285	3.699	2.875	100,0% 100,0% 100,0%
			Others	-	-	-	0,0% 0,0% 0,0%
			Total European union revenue	3.285	3.699	2.875	100,0% 100,0% 100,0%
			Concentration				
			Top 9 Client	100,0%	100,0%	100,0%	

Rest of the world market

Rank	Amounts in Euros/thousands	2018	2019	2020	2018	2019	2020
					% total foreign sale		
2	1	1	ELTEK Electromechanical (1432)	153	494	434	26,6% 79,3% 69,4%
3	2	2	DENSO THERMAL SYSTEMS (1473)	120	55	98	20,8% 8,8% 15,7%
n.a	n.a	3	FEKA Otomotiv Mamulleri (1587)	-	-	63	0,0% 0,0% 10,1%
1	3	4	BITRON ELEKTROMEKANIK LTD STI. (1214)	294	52	29	51,0% 8,3% 4,6%
5	5	5	VALEO SISTEMAS AUTOMOTIV. Ltda (1198)	3	6	1	0,5% 0,9% 0,2%
n.a	6	6	SKH-SILA India Pvt.Ltd. (1565)	-	-	-	0,0% 0,0% 0,0%
n.a	4	n.a	DATAMARS (THAILAND) LTD (1476)	-	17	-	0,0% 2,7% 0,0%
6	n.a	n.a	ELEONETECH (FE048) (1211)	2	-	-	0,4% 0,0% 0,0%
4	n.a	n.a	MARELLI Tepotzotlan México (1210)	5	-	-	0,8% 0,0% 0,0%
			Top 6 Client	577	623	626	100,0% 100,0% 100,0%
			Non-top 6 client	-	-	-	0,0% 0,0% 0,0%
			Total Rest of the world revenue	577	623	626	100,0% 100,0% 100,0%
			Concentration				
			Top 6 Client	100,0%	100,0%	100,0%	

With regards to FY2020 GT was able to perform the top customers analysis by geographical market and division (moulding vs tooling). The results are showed in the tables that follow:

Domestic market – Moulding

Rank	Amounts in Euros/thousands	2020	2020
			% total domestic sale
1	BITRON S.p.A. (207)	995	29,9%
2	VALEO SPA C.F. 51457 (826)	722	21,7%
3	MTA S.p.A. C.F. 16354 (1398)	432	13,0%
4	VIMERCATI S.p.A. (999)	381	11,4%
5	ARCA TECHNOLOGIES SRL (1266)	238	7,1%
6	ELTEK S.p.A. (528)	139	4,2%
7	NOVEM Car Interior Design SPA (1274)	131	3,9%
8	Marelli Europe S.p.A. (907)	100	3,0%
9	DENSO THERMAL SYSTEMS SPA (1206)	50	1,5%
10	VARNISH SRL (1007)	31	0,9%
Top 10 Client		3.219	96,7%
Non-top 10 client		111	3,3%
Total Domestic Moulding Revenue		3.330	100,0%
Concentration			
Top 10		96,7%	

Domestic market – Tooling

Rank	Amounts in Euros/thousands	2020	2020
			% total domestic sale
1	SILATECH S.r.L. (1535)	588	27,9%
2	VIMERCATI S.p.A. (999)	484	22,9%
3	BITRON S.p.A. (207)	394	18,7%
4	Tecnomeccanica S.p.A. (1474)	142	6,7%
5	MTA S.p.A. C.F. 16354 (1398)	90	4,3%
6	MERLO S.p.A. (1415)	84	4,0%
7	ELTEK S.p.A. (528)	60	2,8%
8	GAMMASTAMP S.p.A. (493)	47	2,2%
9	ILMET S.R.L. IND. LAV. METALLI (1192)	42	2,0%
10	SELCOM GROUP S.P.A. C.F.009458 (1)	37	1,8%
Top 10 Client		1.968	93,3%
Non-top 10 client		141	6,7%
Total Domestic Tooling Revenue		2.109	100,0%
Concentration			
Top 10		93,3%	

European market – Moulding

Rank	Amounts in Euros/thousands	2020	2020
			% total domestic sale
1	SC VIMERCATI East Europe SRL (1350)	1.340	47,9%
2	MARELLI FRANCE s.a.s. (1204)	1.126	40,2%
3	BITRON POLAND Sp. x.o.o. (1203)	202	7,2%
4	Marelli Kechnec Slovakia s.r.o. (1209)	119	4,3%
5	OLSA POLAND Sp. z o.o. (1295)	8	0,3%
6	Sila Poland SRL (1593)	2	0,1%
7	DATAMARS SA (C.C. S42063) (1545)	1	0,0%
8	DATAMARS Slovakia s.r.o. (1512)	1	0,0%
Top 8 Client		2.798	100,0%
Non-top 8 client		-	0,0%
Total European union revenue		2.798	100,0%
Concentration			
Top 8 Client		100,0%	

European market – Tooling

Rank	Amounts in Euros/thousands	2020	2020
			% total domestic sale
1	DATAMARS Slovakia s.r.o. (1512)	47	63,0%
2	MARELLI FRANCE s.a.s. (1204)	10	13,4%
3	Sila Poland SRL (1593)	8	10,7%
4	DATAMARS SA (C.C. S42063) (1545)	7	9,4%
5	SC VIMERCATI East Europe SRL (1350)	2	2,7%
6	SCHUSTER KUNSTSTOFFTECHNIK	1	0,8%
Top 6 Client		75	100,0%
Non-top 6 client		-	0,0%
Total European union revenue		75	100,0%
Concentration			
Top 6		100,0%	

Rest of the world market – Moulding

Rank	Amounts in Euros/thousands	2020	2020
			% total domestic sale
1	ELTEK Electromechanical (1432)	385	56,9%
2	BITRON ELEKTROMECHANIK LTD STL (1214)	290	42,9%
3	VALEO SISTEMAS AUTOMOTIV. Ltda (1198)	1	0,1%
4	SKH-SILA India Pvt.Ltd. (1565)	1	0,1%
Top 4 Client		677	100,0%
Non-top 4 client		-	0,0%
Total Rest of the world revenue		677	100,0%
Concentration			
Top 4 Client		100,0%	

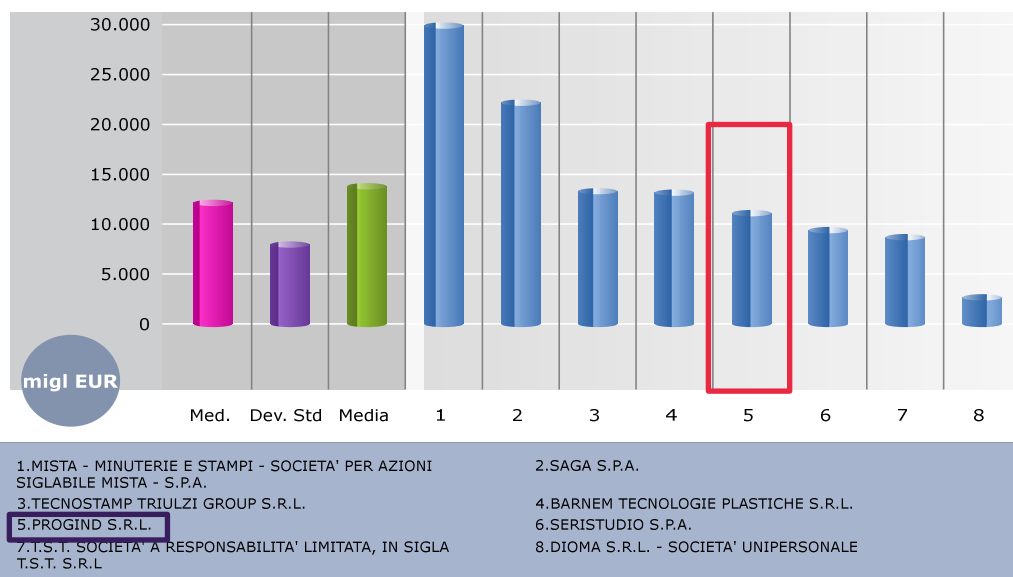
Rest of the world market – Tooling

Rank	Amounts in Euros/thousands	2020	2020
			% total domestic sale
1	DENSO THERMAL SYSTEMS (1473)	98	46,8%
2	FEKA Otomotiv Mamulleri (1587)	63	30,1%
3	ELTEK Electromechanical (1432)	49	23,4%
4	SKH-SILA India Pvt.Ltd. (1565)	(1)	-0,3%
Top 4 Client		209	100,0%
Non-top 4 client		-	0,0%
Total Rest of the world revenue		209	100,0%
Concentration			
Top 4 Client		100,0%	

Moreover, GT performed some market research and carried out a comparison analysis between Target and the major competitors identified by Management in their presentation. The analysis has been conducted with regards to FY2019 that was the last available financial statements filed at the Company House.

Amounts in Euro thousand	Year	Employee #	Revenue	Net Equity	EBITDA	EBITDA/Sale %
Median		83	12.141	4.248	999	8,38
Standard Deviation		37	7.961	2.099	337	3,70
Average		79	13.806	4.425	911	7,92
MISTA - S.P.A.	2019	143	29.909	6.116	850	2,79
SAGA S.P.A.	2019	102	22.181	4.706	1.148	5,10
TECNOSTAMP TRIULZI GROUP S.R.L.	2019	48	13.307	6.969	1.163	8,72
BARNEM TECNOLOGIE PLASTICHE S.R.L.	2019	81	13.170	3.395	529	3,86
PROGIND S.R.L.	2019	85	11.111	1.975	1.171	10,50
SERISTUDIO S.P.A.	2019	107	9.401	3.790	844	8,03
T.S.T. S.R.L.	2019	37	8.702	7.248	1.309	14,93
DIOMA S.R.L. - SOCIETA' UNIPERSONALE	2019	28	2.664	1.202	272	9,39

Peer analysis by revenue



3.2 Cost of goods sold (COGS)

The table below presents cost of goods sold by major components.

Direct material – Purchases is the most significant account and represents the cost of material purchases during the Historical period. As items are purchased, the expense is recorded within this balance. The account has decreased as total balance between FY2019 and FY2020 but increased as a percentage of sales from 18% to 20% due largely to change in material pricing that the Company could not totally transfer to final price to customers.

Sub-contracted work (Outsourced) is the second major component of COGS. The Company wants to expand the use of subcontractors to improve flexibility and to quickly adjust to changes in demand, while at the same time manage their fixed cost structure. Also due to the high specialization of these partners this improves quality.

€ in thousands	2018	2019	2020	Change in Euro 19 vs 18	Change in Euro 20 vs 19	Change in % 19 vs 18	Change in % 20 vs 19
Cost of purchases	(1.888)	(2.237)	(1.948)	(350)	290	19%	(13)%
Materials c / purchases	1.682	2.050	1.810	369	(241)	22%	-12%
Packaging c / purchases	37	51	43	13	(8)	36%	-15%
Consumable's c / purchases	104	89	46	(16)	(43)	-15%	-48%
Fuel's c / purchases	11	3	-	(8)	(3)	-72%	-100%
Stationery and printed.	17	15	14	(1)	(2)	-8%	-11%
Lubricating fuels	4	13	15	10	2	264%	12%
Different materials c / purchases	33	16	21	(17)	5	-52%	32%
Variation in stocks of raw materials and goods	(48)	43	25	92	(18)	-189%	-41%
Materials c / initial inventories	146	92	118	(55)	26	-37%	29%
Accessory materials c / initial inventories	24	30	47	6	17	26%	56%
Materials c / final inventories	(92)	(118)	(162)	(26)	(44)	29%	37%
Accessory materials c / final inventories	(30)	(47)	(28)	(17)	19	56%	-40%
Sub-contracted work	(2.543)	(2.514)	(2.031)	29	484	-1%	(19)%
COGS	(4.479)	(4.709)	(3.953)	(229)	756	5%	(16)%

GT obtained the detail of subcontractors broken down by total purchases for each year and performed the TOP10 analysis that is showed in the table that follows. In FY2018 the Company used two contractors (Varnish Srl and BS di Borgia both totaling over Euro 300k in FY2018)

Rank				Subcontractor	2018	2019	2020	Type of supply	Country	2018	2019	2020
1	1	1		RMP SAVOINI SRL	937	1.019	881	chrome plating	Italy	21%	22%	22%
6	2	2		Five Star_ Souzou	167	308	429	mold components	China	4%	7%	11%
2	4	3		T.R.C. S.r.l. Gruppo Minimold	338	227	206	painting	Italy	8%	5%	5%
n.a	12	4		SILATECH S.r.L. (1535)	195	124	175	painting	Italy	4%	3%	4%
8	7	5		DESMA Srls	95	69	79	assembly	Italy	2%	1%	2%
4	6	6		METALGALVANO	176	103	70	painting	Italy	4%	2%	2%
17	20	7		3B S.n.c. di Bessolo & C.	2	3	32	mold components	Italy	0%	0%	1%
9	9	8		CO.BE. s.a.s. di colombo N	50	43	30	chrome plating	Italy	1%	1%	1%
21	21	9		T.C.M. SNC di Cantoia G.	-	-	26	moulding	Italy	0%	0%	1%
22	22	10		NTsaldature-DIEGO FAORO	-	-	24	welding	Italy	0%	0%	1%
				Top 10 subcontractors	1.960	1.896	1.951					
				Others	583	49	80					
				Total	2.543	1.945	2.031					
				Concentration								
				Top 10	77,1%	97,5%	96,1%					

3.3 Salaries & social contribution

Headcount

GT obtained the headcount detail as at December 31, 2020 including role, annual gross salary, seniority and current severance indemnity accrued. Please ref. **APPENDIX D**

The table hereinafter summarizes cost of labor by major components. GT obtained the payroll detail for the Historical period and traced to trial balance.

Euros/thousands	2018	2019	2020	Euro 19 vs 18	Euro 20 vs 19	Change in % 19 vs 18	Change in % 20 vs 19
Wages and salaries	2.505	2.507	2.162	2	(345)	0%	-14%
Social contribution	739	775	578	36	(197)	5%	-25%
Severance Indemnity	174	179	179	5	-	3%	0%
Other Costs	4	2	0	(2)	(2)	-45%	-92%
Tot Staff costs	3.422,00	3.463	2.919	41	(544)	1%	(16)%
Payroll and related costs	- 3.217,05	(3.342)	(2.841)	(125)	501	4%	(15)%
Unreconciled difference	204,95	121	78	(83)	(43)	-41%	(35)%

It is our understanding that the Company does not have a formal bonus or incentive plan in place other than those regulated by the National labor contract.

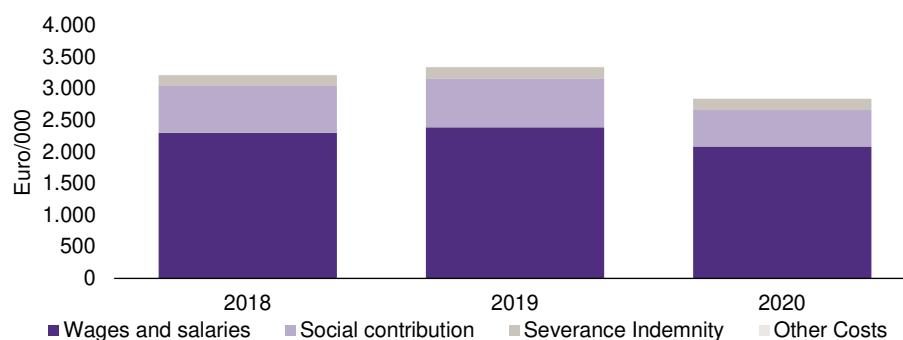
Cost of labor include:

- **Wages:** which include the salary and wages for production and administrative employees and sale representatives. Wages and salaries are paid once a month on accrual basis.
- **Social contributions:** which are regulated by law and the national labor contract for this industry. Employee contributions are deducted at source from their gross salary by the Company. The Company funds approximately two-thirds of pension contributions, while the remaining third is paid by the employee. For other types of social insurance, the employee's contributions are negligible. The standard total social security contribution made by employees is around 10.0% of their gross salary, while the employer's contribution is around 31.0% – 34.0% of the employee's salary. Social contributions have to be paid on a monthly basis by the 16th of the following month. GT performed a reasonableness test over the percentage of social contribution out of wages and salaries of the period noting no exception.
- **Severance indemnity:** please ref to paragraph "2.10 Recalculation of severance indemnity fund"
- **Vacation:** the amount of vacation and PTO accrued annually is regulated by the national labor contract for this industry. Vacation is accrued in days and PTO is accrued in hours and regulation treat them separately.

The cost of labor is updated monthly based on the calculation performed by the external labor consultant. The monthly calculation includes vacation and PTO monthly accruals.

Cost of labor by major components

The table at the bottom left shows the cost of labor by major components and include both the expense that should be classified within operating expenses and those included within direct and indirect labor within cost of goods sold.



Cost of labor has steadily increased over the Historical period as the Company expanded its business. As mentioned in the paragraph “2.10 Recalculation of severance indemnity fund” of this report decrease in FY2020 is attributable to the “Cassa integrazione” used by the Company as a relief of cost of labor due to the effect of the pandemic

The table below show the employees costs by department and the breakdown of average gross salary applied by employee's level as per the National contract of labor along with average seniority and headcount.

Dept/Level	Headcounts	Avg seniority	Avg gross annual salary
Moulding And Laser			
Level 2	3	7,33	1.468,71
Level 3	20	11,50	1.632,21
Level 4	3	5,00	1.699,07
Level 5	2	17,50	1.819,64
Level 6	1	22,00	2.092,45
intern	1	n.a.	700,00
temporary staff	7	n.a.	2.669,14
Total	37	12,67	1.742,42
Tooling And Maintenance			
Level 2	1	1,00	6,59
Level 3	3	1,33	1.628,69
Level 4	3	4,33	1.699,07
Level 5	1	6,00	1.819,64
Level 6	3	15,33	2.092,45
Level 7	4	18,50	2.336,02
Level 5S	10	18,50	1.950,39
Total	25	9,29	1.647,55
Structural Personnel Cost			
Level 3	4	2,75	1.942,37
Level 4	6	8,17	1.628,69
Level 5	6	3,33	1.687,34
Level 6	2	12,00	1.819,64
Level 7	7	11,14	2.092,45
Level 5S	2	11,00	2.336,02

Level 8Q	1	22,00	1.950,39
Total	28	7,48	1.834,10

Results of the procedures:

As per procedures performed no exception were noted.

3.4 Other operating expenses

The table below illustrates the major components of the Other operating expenses throughout the Historical period.

€ in thousands	2018	2019	2020	Change in Euro 19 vs 18	Change in Euro 20 vs 19	Change in % 19 vs 18	Change in % 20 vs 19
Consulting	(139)	(122)	(109)	17	13	-12%	-11%
Directors' emolument	(255)	(249)	(249)	7	0	-3%	0%
Temporary staff	(219)	(137)	(93)	82	44	-37%	-32%
Various services	(139)	(151)	(149)	(12)	2	8%	-1%
Marketing and exhibitions	(20)	(12)	(1)	9	11	-42%	-95%
Transport cost	(272)	(252)	(273)	20	(22)	-7%	9%
Utilities	(367)	(397)	(321)	(30)	76	8%	-19%
Travel and promotion costs	(18)	(9)	(1)	9	8	-49%	-89%
Maintenance	(183)	(180)	(149)	2	31	-1%	-17%
Insurance	(45)	(44)	(52)	1	(8)	-2%	18%
Cleaning and security	(55)	(55)	(47)	-	9	0%	-16%
Tot Services	(1.713)	(1.608)	(1.443)	105	165	-6%	(10)%

Consulting expenses comprise fees for all the Company advisors including Payroll advisor, tax advisor legal advice, RSPP advice, temp agencies (for the cost of the service and any research but not temp fees). GT obtained the supporting detail of all the invoices issued in the Historical period and scanned the listing for unusual items. GT notes that in FY2020 the account includes the fees to Nash advisors for an amount of approximately Euro 12.000 that should be considered as transaction cost. Regarding Torres Santo Stefano (tax consultant) and Studio Chiadò (labor consultant) Management stated that since these relationships date back to 1997 they have never been formalized with a contract.

With regards to Compensation to Directors please ref. to paragraph "2.4 Obtain information (only based on discussion) concerning any related party"

Results of the procedures:

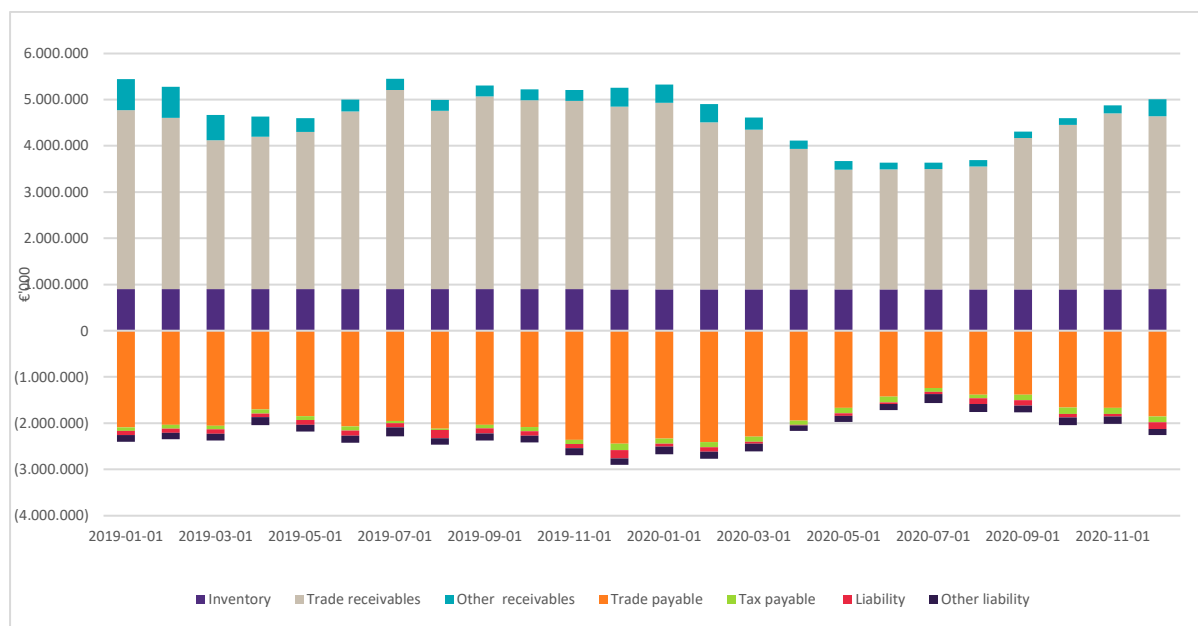
As per procedures performed no exception were noted

4. Working Capital

The chart presented below shows the working capital highlighting trend by major components for the FY2019 and FY2020. Target did not provide monthly trial balance for FY2018.

GT excluded cash and cash equivalents as well as bank liabilities from the working capital computation. GT noted that working capital from business activities has remained positive throughout the whole examined period.

Per the analysis performed minimum working capital for the period is Euro 1.7mln reached during the hard lockdown in May 2020 and the maximum amounting to Euro 3.1mln in July 2019. The average working capital requested by the business is approximately Euro 2.5mln (with a minimum standard deviation of less than Euro 400K).



Please note the Company has several outstanding debts with instalments due up to 2029. The Company has taken advance of "moratorium" included among the government measures contained in the 'Cure Italy' and 'Liquidity' decree laws for pandemic to suspend current payments as such extending the original deadline of the debt.

GT obtained the relevant contracts and traced to the info provided by Management. Also reconciled the outstanding debt as at December 31, 2020 to the amount as reported in the trial balance.

All outstanding debts along with major terms are summarized in the table hereinafter ordered by expiring date (ending date).

Results of the procedures:

As per procedures performed no exception were noted

Appendix A – Summary of minutes

	Date	Topic discussed	Resolution
Board of Directors meetings			
1	14.03.2018	1. Acquisition of a shareholding in the newly incorporated Icona Srl. 1. Preparation of the draft financial statements for the year ended 12/31/2017;	1. Resolved to acquire the equity investment in the newly incorporated Icona Srl.
2	31.03.2018	2. Preparation of the Report on Operations for the financial statements for the year ended 12/31/2017; 3. Convening of Ordinary General Meeting; 4. Miscellaneous.	1. Approval of the Financial Statements for the year ended December 31, 2017; 2. Approval of the Report on Operations for the year ended December 31, 2017; 3. Call of the Ordinary Shareholders' Meeting as of April 30, 2018; 4. No other matter to be discussed.
3	16.05.2018	1. Proxy to a member of the Board of Directors; 2. Miscellaneous.	1. Ms. Gallo Luisa Piera is appointed Chief Executive Officer; 2. No other matter to be discussed.
4	17.05.2018	1. Assignment for technical activities within the research and development projects called: - Touch Project, - New Layout Project for the Molding Department; 2. Miscellaneous.	1. Appointment of Director Barbara Gallo to carry out technical activities relating to research and development projects; the remuneration for this activity has to be considered part of the total annual remuneration for the term of office of director; 2. No other matter to be discussed.
5	18.12.2018	1. Appointment of a proxy to represent the company at the Shareholders' Meetings of the company "ICO NUOVO AMPLIAMENTO SRL", initialled "ICONA SRL"; 2. Miscellaneous.	1. Unanimously resolved to appoint as delegate to represent the company in the Meetings of the company "ICONA SRL", the Managing Director Barbara Gallo; 2. No other matter to be discussed.
6	04.02.2019	1. Appointment of an external manager to receive reports from company personnel and external collaborators regarding the presumed commission of unlawful acts or non-compliant conduct (so-called Whistleblowing); 2. Miscellaneous.	1. Appointed Dr. Cristina Bellardi as external relation manager; 2. No other matter to be discussed.
7	31.03.2019	1. Approval of the draft financial statements for the year ended 12/31/2018; 2. Report of the Management Report on the financial statements for the year ended 12/31/2018; 3. Convocation of Ordinary Shareholders' Meeting; 2. Miscellaneous.	1. Approval of the Financial Statements for the year ended December 31, 2018; 2. Approval of the Report on Operations for the year ended December 31, 2018; 3. Call of the Ordinary Shareholders' Meeting as of April 30, 2019; 4. No other matter to be discussed.
8	07.05.2019	1. Assignment for technical activities within the research and development projects called "PROGIND HAPTIC TOUCH". 2. Miscellaneous.	1. Assignment to the Administrator Barbara Gallo for technical activities within the framework of research and development projects; 2. No other matter to be discussed.
9	30.03.2020	1. Approval of the draft financial statements for the year ended 12/31/2019; 2. Report of the Management Report on the financial statements for the year ended 12/31/2019; 3. Convocation of Ordinary Shareholders' Meeting; 2. Miscellaneous.	1. Approval of the Financial Statements for the year ended December 31, 2019; 2. Approval of the Report on Operations for the year ended December 31, 2019; 3. Call of the Ordinary Shareholders' Meeting as of April 29, 2020; 4. No other matter to be discussed.
10	18.05.2020	1. Assignment for technical activities within the research and development projects called "PROGIND HAPTIC TOUCH". 2. Miscellaneous.	1. Assignment to the Administrator Barbara Gallo for technical activities within the framework of research and development projects; 2. No other matter to be discussed.
11	14.07.2020	1. Delegation of powers to the Director to attend the hearing before the Court of Ivrea; 2. Miscellaneous.	1. Delegated Administrator Barbara Gallo to attend the hearing on behalf of the company for a foreclosure of salary of an employee proposed by a third party. 2. No other matter to be discussed.
12	07.12.2020	1. Proposal for assumption of subsidized loan: inherent and consequent deliberations; 2. Miscellaneous.	1. Assumption of subsidized financing from Simest SpA for a total capital amount not exceeding 300,000 euros, of which 100,000 euros is non-repayable; 2. No other matter to be discussed.

Shareholders' meetings			
1	30.04.2018	<ol style="list-style-type: none"> 1. Approval of the Financial Statements for the year ended 12/31/2017; 2. Communication of the Report of the Controlling Body; 3. Allocation of the result for the year ended 31.12.2017; 4. Miscellaneous. 	<ol style="list-style-type: none"> 1., 2., 3. Unanimous approval of the Financial Statements for the Year ended 31.12.2017 with allocation of the Profit, amounting to 187,707 euros, to the Retained earnings as the Legal Reserve has already reached one fifth of the Share Capital; 4. Nothing else to report.
2	16.05.2018	<ol style="list-style-type: none"> 1. Ratification and allocation of director compensation for year 2018; 2. Ratification and allocation of fringe benefits to directors; 3. Determination of Directors' severance pay for the year 2018; 4. Miscellaneous. 	<ol style="list-style-type: none"> 1. Resolved unanimously to award compensation to directors for the year 2018; 2. Unanimously resolved the allocation of fringe benefits to directors; 3. Determined Directors' severance pay and set aside the amounts in the appropriate Liability Fund; 4. No other matter to be discussed.
3	30.04.2019	<ol style="list-style-type: none"> 1. Approval of the Financial Statements for the year ended 12/31/2018; 2. Communication of the Report of the Controlling Body; 3. Allocation of the result for the year ended 31.12.2018; 4. Miscellaneous. 	<ol style="list-style-type: none"> 1., 2., 3. Unanimous approval of the Financial Statements for the Year ended 31.12.2018, 251,939- and cover of the losses with existing reserves. 4. Nothing else to report.
4	06.05.2019	<ol style="list-style-type: none"> 1. Ratification and allocation of director compensation for year 2019; 2. Ratification and allocation of fringe benefits to directors; 3. Determination of Directors' severance pay for the year 2019; 4. Miscellaneous. 	<ol style="list-style-type: none"> 1. Resolved unanimously to award compensation to directors for the year 2019; 2. Unanimously resolved the allocation of fringe benefits to directors; 3. Determined Directors' severance pay and set aside the amounts in the appropriate Liability Fund; 4. No other matter to be discussed.
5	29.04.2020	<ol style="list-style-type: none"> 1. Approval of the Financial Statements for the year ended 12/31/2019; 2. Communication of the Report of the Controlling Body; 3. Allocation of the result for the year ended 31.12.2019; 4. Appointment of the Controlling Body; 5. Determination of Controlling Body fees; 6. Miscellaneous. 	<ol style="list-style-type: none"> 1., 2., 3. Unanimous approval of the Financial Statements for the Year ended 31.12.2019 with allocation of the Profit, amounting to 253.831 euros, as follows: - 251,939 euros to cover the entire loss for fiscal year 2018; - the remainder, amounting to 1,892 euros, to the Earnings Reserve as the Legal Reserve has already reached one-fifth of the Share Capital; 4. Unanimous appointment of the Board of Control for the next three years; 5. Appointment of Collegio sindacale and determination of their fees; 6. Nothing else to report.
6	11.05.2020	<ol style="list-style-type: none"> 1. Ratification and allocation of director compensation for year 2020; 2. Ratification and allocation of fringe benefits to directors; 3. Determination of Directors' severance pay for the year 2020; 4. Miscellaneous. 	<ol style="list-style-type: none"> 1. Resolved unanimously to award compensation to directors for the year 2020; 2. Unanimously resolved the allocation of fringe benefits to directors; 3. Determined Directors' severance pay (Barbara e Luisa Gallo) and set aside the amounts in the appropriate Liability Fund; 4. No other matter to be discussed.

Appendix B – Breakdown of AR outstanding balance as at May 6, 2021 (residual amount from FY2021)

Client/due date	Residual amount from 2020 in Euro	Management notes
A.D. STAMPI SRL	700,00	
30/09/2020	800,00	Debit note, Management has not yet finalized a payback plan with the client
31/10/2020	- 100,00	
B.S.di Borgia Cesare e C. sas	8.497,50	
30/09/2020	8.497,50	Management have agreed a payback plan with the customer (Euros 1416,25 on monthly basis from June 30 to October 31)
BITRON S.p.A. CF 631967	212.615,	
31/10/2019	16.500,00	Paid on May 10
31/03/2021	28.770,88	Need to clarify some items
30/04/2021	167.344,5	Management expects to collect by month end
GAMMASTAMP S.p.A.	94.659,60	Legal proceeding
29/02/2020	73.040,00	
06/03/2020	8.319,60	
30/04/2020	11.500,00	
31/05/2020	1.800,00	
MANIFATTURA RUSSO FILIPPO AZ. DI RICICL. MAT. PLASTICI	928,49	Fully paid on May 13
28/02/2021	928,49	
MARELLI FRANCE s.a.s. C.F. 0023045	16.288,73	On May 10 several invoices have been paid for the remaining invoices Customer service is following up. GT notes that the customer has additional overdue balance in FY2021.
10/01/2021	1.200,00	
10/02/2021	5.492,83	Management represented that the invoice of the amount of Euro 61.650 (2021) pertain to an extraordinary maintenance for which they have issued an order but has not yet been completed. Will follow testing and approval for payment invoice.
10/03/2021	23,30	
10/04/2021	9.572,60	
METALGALVANO PLASTICS FINISHING SRL C.F. 717	1.250,00	
31/03/2020	1.250,00	Workshop - will be settled against payable
MISTA SPA C.F. 641441	713,71	Service provider - will be settled against payable
31/03/2021	178,43	
30/04/2021	535,28	
MTA S.p.A. C.F. 16354	26.045,94	
31/07/2019	17.400,00	Very long approval process due to changes in the client's facility which has caused delays in approval processes. Management expect resolution within May
28/02/2021	8.645,94	
SILATECH S.r.L. C.F. 280000157	119.865,00	Repayment agreements under negotiation. By the end of May they will pay Euro 65k plus Euro 39k (due in April) and in June they will pay Euro 55k. These payments are the result of a repayment plan agreed at the end of 2020 according to which the agreed deadlines have been regularly respected
31/01/2021	72.468,00	
28/02/2021	47.397,00	
VALEO SPA C.F. 51457 Div. Commutaz. - Santena (CDA)	58.130,36	
30/04/2021	58.130,36	Fully collected on May 10
VARNISH SRL	800,00	Workshop - will be settled against payable
31/03/2020	800,00	
Total	540.495	

APPENDIX C

Contracts summarized below represent only few examples of contracts signed by the company with their customers. We did not perform any legal review of these contract (out of scope) as such there have been other elements that may be not reported. Also, selection of contracts was made by the Company on the basis of what they considered the major customers and standardization of agreements in place with their customers.

Rank	Name	Main terms
1	BITRON Group	<p><u>Duration</u>: started from 07/2017, with the possibility of termination with a prior 6 months notification.</p> <p><u>Distribution areas</u>: Italy, Europe CEE and worldwide.</p> <p><u>Exclusivity</u>: The supplier undertakes to keep strictly confidential and not to disclose to third parties any document or information, whether of a commercial or technical nature, of Bitron and / or the Customer in relation to the products, the GCP, supply contracts, purchase orders and all contracts envisaged by the GCP.</p> <p><u>Payment due</u>: The supplier must prepare, issue and manage invoices in full compliance with the law as well as with the rules and any procedures indicated by Bitron. The supplier is prohibited from transferring or assigning to third parties any credit it may claim against Bitron.</p> <p><u>Payment schedule</u>: At the deadline indicated in the purchase order and only after receipt of the supplier's invoices, Bitron will pay the supplier in the manner and amounts agreed.</p> <p><u>Other clauses</u>: Bitron reserves the right to audit the supplier's production process and verify the conformity of the supplies both at the delivery of the lots and subsequently. The Bitron Group reserves the right to carry out a systematic and objective assessment of the performance of its suppliers by monitoring the quality of the service and product by means of suitable indicators.</p>
2	VALEO SPA (VALEO Group)	<p><u>Duration</u>: started from 06/2015, with the possibility of termination with a prior 3 months notification.</p> <p><u>Distribution areas</u>: Italy and worldwide.</p> <p><u>Exclusivity</u>: The supplier cannot assign and/or transfer the order unless expressly agreed in advance by Valeo. In the event of a change in the control of the supplier, or the sale of the company, the valeo will have the right to cancel the orders in progress. the order cannot be subcontracted by the supplier without the prior express agreement signed by Valeo. All information communicated to the supplier by Valeo is confidential. This confidentiality obligation will exist after the conclusion of the order, for any reason, for a period of 5 years.</p> <p><u>Payment due</u>: The applicable prices are those mentioned on the order; they cannot be subject to any modification without the express agreement of both parties.</p> <p><u>Payment schedule</u>: Supplies are payable by bank transfer on the 10th day of the month following the expiry of 90 days end of the month from the date of the invoice. Valeo has the right to offset the sums of which the supplier owes him with the amount of the order.</p> <p><u>Other clauses</u>: In case of non-fulfillment by the supplier of any of its contractual obligations, the order will be canceled or terminated with full right and without formalities at Valeo's discretion, 8 days after formal notice by registered letter with acknowledgment of receipt left without effect during this period, and subject to compensation for all damages and interests that Valeo could claim. Legal court for any controversy is the tribunal of Turin.</p>
3	SILA Group	<p><u>Duration</u>: started from 10/2019.</p> <p><u>Distribution areas</u>: Italy, Europe CEE and worldwide.</p> <p><u>Exclusivity</u>: The supplier cannot cede either the purchase order itself or part of it to anybody else.</p> <p><u>Payment due</u>: The applicable prices are those mentioned on the order; they cannot be subject to any modification without the express agreement of both parties.</p> <p><u>Payment schedule</u>: The prices indicated in the purchase order are fixed and not subject to revision.</p> <p><u>Other clauses</u>: N/A.</p>
4	MTA S.p.A. C.F. 16354 (1398)	<p><u>Duration</u>: MTA shall have the right to terminate each of the Supply Agreement, with immediate effect, by means of written notice to the Seller, without prejudice to the rights to claim compensation for any and all damages suffered in connection with such infringement.</p> <p><u>Distribution areas</u>: Italy.</p> <p><u>Exclusivity</u>: Seller and MTA each commit themselves to treat as business secrets and to keep confidential all commercial and technical information of the other party which comes to their knowledge during the course of their business relationship unless such information is or becomes public knowledge without fault of the party receiving such information. The terms shall survive 5 (five) years to the expiration or termination of any Supply Agreement.</p> <p><u>Payment due / Payment schedule</u>: The total amount will be paid in three tranches. The first payment tranche will be after the samples delivery (30 days end of the month) and accordingly as follows: 50% of the total amount, if the samples will be delivered on the same day as required in the MTA Purchasing Order; 40% of the total amount, if the samples will be delivered within the 5th working day; 0% of the total amount, if the samples will be delivered after the 5th working day. The second payment tranche will cover till 90% of the total due amount and will be paid (30 days end of the month) after the 'Trial Test Report' within 30 days starting from the date MTA will received it; differently, MTA will pay the second tranche, 60 days end of the month after the DTR receipt date. The third payment tranche (last payment tranche) will be paid 30 days end of the month from Trial Test Report acceptance date if the mold/tool is delivered directly to MTA; PPAP approval date (or MTA Supply Approval) of the item if the mold/tool</p>

5	ARCA TECHNOLOGIES SRL (1266)	<p>remains to the suppliers production plants. For Molds/Tools modifications and extraordinary Molds/Tools maintenance for amounts higher than 20.000 € the amount will be paid in two tranches. <u>Other clauses:</u> Any disputes arising shall be finally settled by the competent Court of Milan.</p> <p><u>Duration:</u> started from 06/2012, with the possibility of termination with a prior 15 days notification. <u>Distribution areas:</u> Italy. <u>Exclusivity:</u> It is forbidden for the seller to sell, in any form, the sales contract, without the prior written authorization of a legal representative of Arca. The seller undertakes to keep all news and data communicated or of which he became aware. <u>Payment due:</u> The compensation indicated in the order must be understood as all-inclusive, fixed and immutable. Arca reserves the right to reject irregular invoices, as well as to refuse and / or suspend any payment for goods and / or offset the payments in the event of any credit towards the seller. <u>Payment schedule:</u> The amount indicated in the order will be paid to the seller, upon indication by the latter of the complete bank details of their current account, in the manner indicated in the Order. <u>Other clauses:</u> Any disputes arising shall be finally settled by the competent Court of Milan.</p>
---	------------------------------------	---

APPENDIX D – Headcount detail

Dept/Employee name	Level	Type of contract	Basic pay	supermin	Average seniority	Task
Tooling And Maintenance						
Bistrattin	6	permanent	2.092,45	154,92	22,00	wire EDM programmer
Bono	5S	permanent	1.950,39	315,1	22,00	rectifier
Borra	5S	permanent	1.950,39	265	22,00	plant maintenance technician
Brancalion	4	permanent	1.699,07	NO	4,00	mould maintenance technician
Bravo	4	permanent	1.699,07	NO	4,00	CN milling machine
Bumbaca	5S	permanent	1.950,39	20,27	22,00	rectifier
Camoletto	6	permanent	2.092,45	661,16	22,00	mold maintenance coordinator
Carlotta	5S	permanent	1.950,39	703	7,00	mould maintenance technician
Chianese	5S	permanent	1.950,39	112,97	17,00	rectifier
Colliard	7	permanent	2.336,02	609	22,00	designer
Demini	3	permanent	1.628,69	NO	2,00	banker
Di Martino	5	permanent	1.819,64	100	6,00	CAM programmer and miller
Di Noia	4	permanent	1.699,07	100	5,00	banker
Di Noto	5S	permanent	1.950,39	346,73	22,00	electro-erosion plunge
Ferraro	5S	permanent	1.950,39	71,93	21,00	banker
Fragale	5S	permanent	1.950,39	458,45	13,00	CN milling machine
Golzio	7	permanent	2.336,02	504,94	22,00	designer
Pasquariello	6	permanent	2.092,45	795,17	2,00	CAM programmer
Prevignano	7	permanent	2.336,02	700,81	22,00	designer
Vezzaro	5S	permanent	1.950,39	318,86	22,00	banker
Ambrosio	7	permanent	2.336,02	500	8,00	designer
Bernardi	5S	permanent	1.950,39	255,28	17,00	wire electroerosionist
Pavignano	3	APP	1.628,69	NO	0,00	banker/UT
Balatchi	3	permanent	1.628,69	NO	2,00	electro-erosion plunge
Baratto	2	APP 1°lev	6,59	NO	1,00	apprentice
Moulding And Laser						
Bertacco	3	permanent	1.628,69	NO	14,00	production worker
Bonacaro	2	permanent	1.468,71	NO	19,00	worker
Bonvento	3	permanent	1.628,69	NO	22,00	production worker
Cavallini	3	permanent	1.628,69	40	6,00	production toolmaker
Corradino	3	permanent	1.628,69	NO	22,00	production worker
Cozmanciuc	3	permanent	1.628,69	NO	5,00	production worker

Ferrigato	5	permanent	1.819,64	148,1	17,00	production toolmaker
Hogas	3	permanent	1.628,69	NO	13,00	production worker
Imbre	3	permanent	1.628,69	NO	22,00	production worker
Lallai	3	permanent	1.628,69	NO	5,00	production worker
Leon	2	permanent	1.468,71	NO	2,00	production worker
Lucaci	3	permanent	1.628,69	NO	4,00	production worker
Lumia	3	permanent	1.628,69	NO	4,00	production worker
Manca	3	permanent	1.628,69	NO	4,00	production worker
Martello	4	permanent	1.699,07	40	3,00	production toolmaker
Olari	2	permanent	1.468,71	NO	1,00	production worker
Ondei	3	permanent	1.699,07	50	15,00	production worker
Pellanda	3	permanent	1.628,69	NO	5,00	production worker
Perino	4	permanent	1.699,07	20	4,00	production toolmaker
Piras	6	permanent	2.092,45	366,13	22,00	process technologist
Popa	3	permanent	1.628,69	NO	13,00	production worker
Popescu	4	permanent	1.699,07	NO	8,00	production toolmaker
Putanu	3	permanent	1.628,69	60	16,00	production worker
Romeo	3	permanent	1.628,69	NO	14,00	production worker
Rosas	3	permanent	1.628,69	NO	15,00	production worker
Talmacel	3	permanent	1.628,69	NO	14,00	production worker
Tarello	3	permanent	1.628,69	NO	12,00	production worker
Mancina	3	permanent	1.628,69	NO	5,00	production worker
Bolocan	5	permanent	1.819,64	141	18,00	production toolmaker
Pellegrino	intern	fixed-term	700,00	NO	n.a.	production toolmaker
Riviera		temporary staff	2.733,00		Expired 31/07/2021	
Schirò		temporary staff	2.823,00		Expired 31/05/2021	
Trevisan		temporary staff	2.698,00		Expired 02/04/2021	
Tamas		temporary staff	2.831,00		Expired 31/05/2021	
Piva		temporary staff	2.497,00		Expired 30/04/2021	
Benedetto		temporary staff	2.678,00		n.a.	
Biglia		temporary staff	2.424,00		n.a.	
Structural Personnel Cost						
Canil	7	permanent	2.336,02	398,24	22,00	accountant
Da Savoia	6	permanent	2.092,45	500,77	22,00	Project manager
D'Errico	7	permanent	2.336,02	558	5,00	Commercial Manager

Fabbro	4	permanent	1.699,07	NO	5,00	metrologist
Gamerro	5	permanent	1.819,64	511,09	2,00	Head of metrology
Malpede	4	permanent	1.699,07	85,42	22,00	quality
Marocchino	8Q	permanent	2.392,00	1900	22,00	Head of stamping and maintenance
Massara	5S	permanent	1.950,39	86,45	22,00	driver
Menozi	4	permanent	1.699,07	100	4,00	quality
Mora	7	permanent	2.336,02	944,53	2,00	foreign trade
Muntoni	5	permanent	1.819,64	80	7,00	logistic
Nicolotti	7	permanent	2.336,02	632	4,00	IT Manager
Pascariu	7	permanent	2.336,02	398,24	22,00	administration
Pintus	4	permanent	1.699,07	40	13,00	warehouse worker
Prisciano	3	permanent	1.628,69	65	9,00	warehouse worker
Vallero	4	permanent	1.699,07	40	4,00	backoffice production
Berto	6	permanent	2.092,45	549,16	2,00	planner
Zaccariello	7	permanent	2.336,02	645,8	22,00	Head of Tooling
Pedrotta	7	permanent	2.336,02	644+300	1,00	Head of quality
Riina	5S	permanent	1.950,39	143,48+300	0,00	buyer
Melone	4	APP	1.628,69	NO	1,00	commercial
Cuccarolo	3	fixed-term	1.628,69	NO	0,00	warehouse worker
Brunello	5	permanent	1.819,64	49,55	1,00	process technologist
Lombardi	5	fixed-term	1.819,64	189,05	1,00	customer quality
Mattea	3	permanent	1.628,69	NO	1,00	logistic
Cena	3	permanent	1.628,69	NO	1,00	supplier quality
MATTEA	5	permanent	1.819,64	100	9,00	planner
CENA	5	fixed-term	1.819,64	561	0,00	planner

APPENDIX E – Long term debts

Financing code	Bank	Moratorium	Starting date	Ending date	Periodicity	Amount financed	Outstanding debt	Principal portion	Interest portion
44.063	BNL	No	31/07/2016	31/05/2020	Monthly	400.000	0	42.553	57
44061/1008	BPM	Yes	09/02/2020	09/10/2021	Monthly	170.000	170.000	0	0
44061/1003	Credem	Yes	10/07/2018	10/10/2021	Monthly	250.000	50.295	37.627	170
44061/1010	BNL	Yes	07/05/2020	07/12/2021	Monthly	250.000	230.769	19.231	157
44061/1006	Credem	Yes	19/03/2019	19/12/2021	Monthly	250.000	115.634	57.658	289
44061/1001 - 44047	Intesa	Yes	30/06/2018	xx/12/2021	Monthly	300.000	0	62.900	124
44061/1005	Intesa	Yes	20/01/2020	20/02/2022	Monthly	250.000	0	250.000	705
44.060	BPM	Yes	18/01/2016	31/05/2022	Monthly	400.000	75.438	13.616	162
44.067	Intesa	Yes	30/09/2016	31/08/2022	Quarterly	360.000	113.684	0	0
44.066	BPM (Unicredit)	No	30/06/2016	30/06/2023	Quarterly	400.000	170.752	66.648	2.975
44061/1000	Intesa	Yes	31/03/2018	26/06/2024	Monthly	330.000	211.685	11.448	636
44061/1004	Intesa	Yes	08/06/2018	30/09/2024	Monthly	60.000	39.685	1.970	135
44061/1002	Intesa	Yes	11/07/2018	31/10/2024	Monthly	120.000	81.511	3.925	312
44061/1012	Credem	Yes	20/07/2020	20/07/2025	Monthly	500.000	500.000	0	0
44061/1007	Intesa	Yes	30/09/2019	31/12/2025	Monthly	300.000	275.785	9.736	998
44061/1009	Banca Sella	Yes	07/09/2020	07/09/2026	Monthly	400.000	400.000	0	0
44061/1011	Intesa	Yes	03/06/2020	04/11/2026	Monthly	650.000	650.000	0	0
44061/1013	Siimest	Yes	30/06/2021	31/12/2027	Monthly	300.000	0	0	0
44.065	Intesa	Yes	30/09/2016	31/12/2029	Quarterly	1.200.000	886.956	0	0
Total							3.972.195		
TB account #		TB account # description					Balance		
44.04		Short term debt					-165.928		
44.06		Long term debt					-3.806.267		
		Total per trial balance					-3.972.195		
		Difference					0		