(Translation from the Italian original which remains the definitive version)

OMP Racing Group

Consolidated financial statements as at and for the year ended 31 December 2020

(with independent auditors' report thereon)

KPMG S.p.A.

14 May 2021

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

To the Shareholders of
OMP Racing S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the OMP Racing Group (the "group") at 31 December 2020, comprising the balance sheet, income statement, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes thereto, which include a summary of the significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of OMP Racing S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

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

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the

related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10

The parent's directors are responsible for the preparation of the group's directors' report at 31 December 2020 and for the consistency of such report with the related consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report with the group's consolidated financial statements at 31 December 2020 and its compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report is consistent with the group's consolidated financial statements at 31 December 2020 and has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Genoa, 14 May 2021

KPMG S.p.A.

(signed on the original)

Andrea Carlucci
Director of Audit

OMP Racing S.p.A.
Registered office: Via Bazzano 5, Ronco Scrivia (Genoa)
Member of CCIAA of Genoa - nr. 260454
Share capital: Euro 1,925,745.00 fully paid-up
VAT number: 02264760105
Subject to the management and coordination activity of the company SAYE S.p.A.

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Board of Directors' Report on the Operations and Situation of the OMP Racing Group in the year ending December 31, 2020

General Information

The consolidated financial statements as of December 31, 2020 of OMP Racing S.p.A (hereinafter the Group) were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the Regulation no. 1606/2002, art. 6, of the European Parliament and subsequent updates.

All estimates and valuations have been made on the basis of business continuity and are the result of the best possible assessment by management. If in the future these estimates and valuations should differ from the actual data, they would be modified in the same period in which the changes were recorded.

This report is presented together with the Consolidated Financial Statements and the Notes in order to provide management insights on the economic and financial results for the year 2020, as well as historical data and prospective evaluations.

Group structure

The companies that form the Group operate in the production of safety equipment for racing and motorsports industry or conduct business activities which are essentially complementary to or in line with these activities.

The Group structure as of December 31, 2020 is the result of the acquisitions made at the end of December 2019, when OMP Racing S.p.A. acquired the control of Bell Racing Helmets Group and Zeronoise Ltd, and the subsequent transactions completed in 2020, with the purposes of i) simplifying the Group's structure, obtaining cost savings by reducing the number of the companies; ii) achieving greater efficiency and effectiveness in the management of activities by reducing decision-making levels and strengthening strategic and operational integration of the Group companies.

In detail, the following events took place during 2020.

On September 10, 2020, within the completion of the reorganization of its subsidiaries, OMP Racing S.p.A. acquired from the shareholder Stephane Alexandre Cohen no. 3,072 shares of the company Bell Racing Helmets International Wll, equal to 24.50% of the entire share capital.

The subsidiary Tahru Sarl changed its name to Bell Racing Holdings Sarl, following the shareholders' meeting on August 3, 2020.

The investments in Bell Racing Europe SA and 2SM Inc. have been transferred from 2SM Europe Sprl to Bell Racing Holdings, then 2SM Europe Sprl was liquidated on December 15, 2020.

Bell Racing Holdings Sarl (ex Tahru Sarl) purchased 0.38% interest in Bell Racing Helmets International Wll by previous shareholder Mrs. Martine Kindt.

ZN Europe Srl transferred its business to OMP Racing S.p.A. and then was liquidated on December 22, 2020.

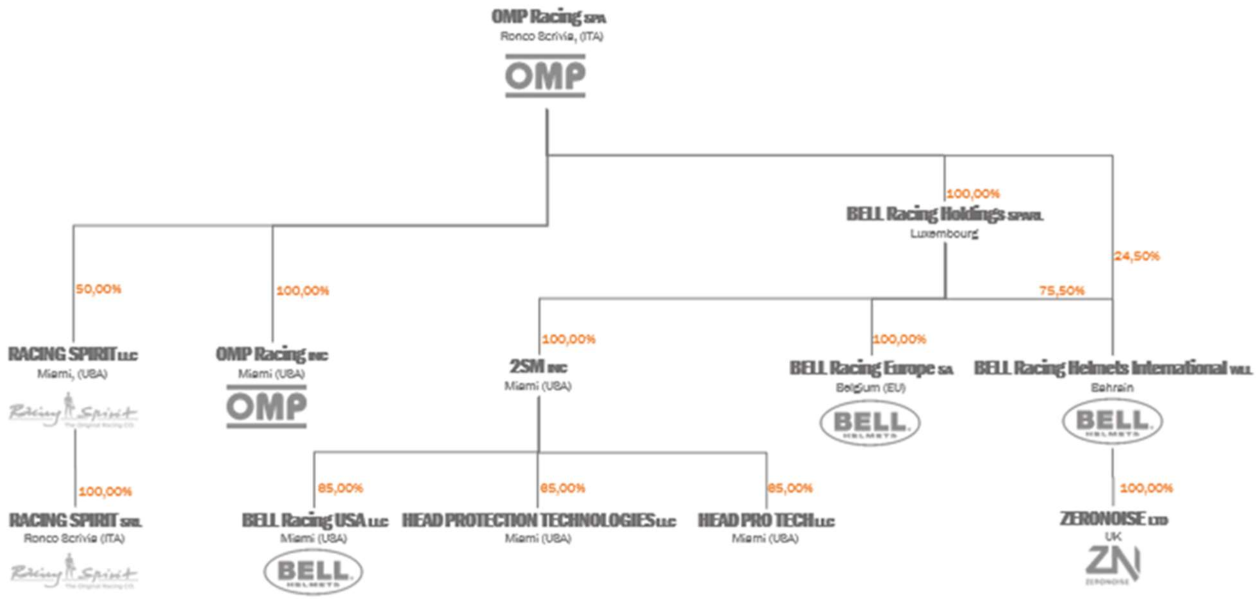
The investment in Zeronoise Ltd, previously directly 100% owned by OMP Racing S.p.A., has been sold to Bell Racing Helmets International Wll.

Bell Racing USA LLC, Head Protection Technologies LLC and Head Pro Tech LLC - still incorporated in Delaware by law- moved their offices and business, including the warehouse, from Champaign to Miami, where the subsidiary OMP Racing Inc. has its headquarters.

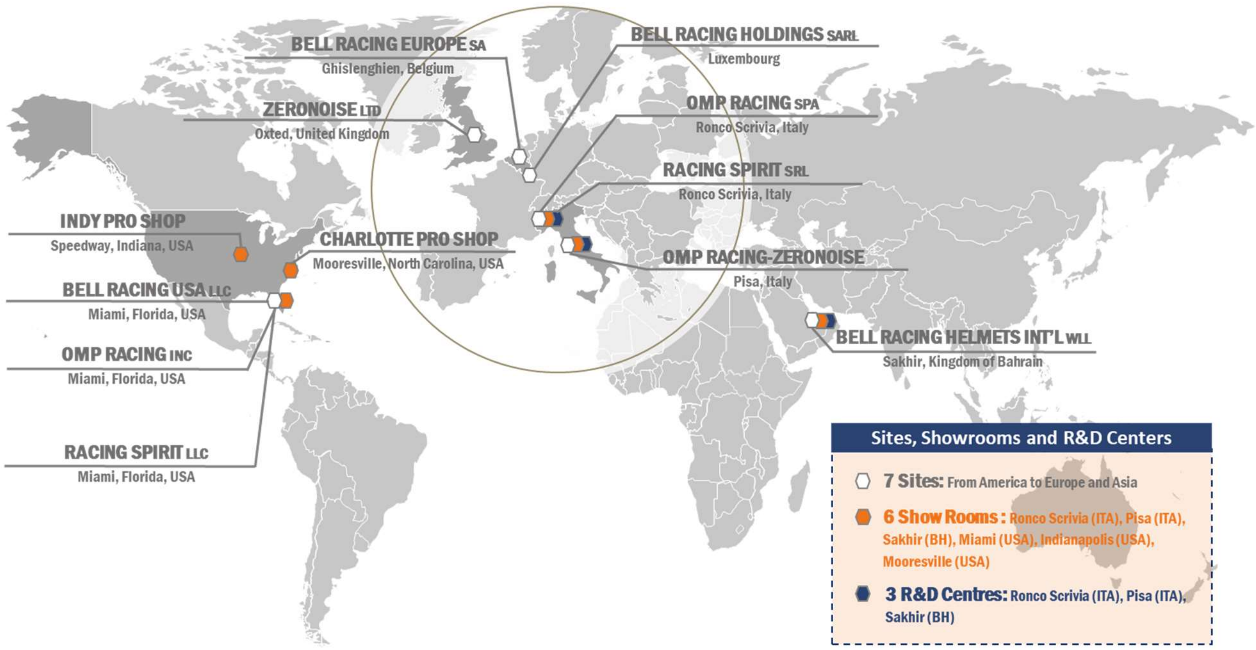
OMP Racing S.p.A. is subject to the management and coordination activity of the company SAYE S.p.A. These activities have not produced particular effects on the Group and its results in 2020 that require to indicate the reasons and interests affected.

The structure of the Group at the end of fiscal year 2020, with the indication of the location of the various entities and a brief description of the main features of each brand, is reported below.

Organizational Group structure



Group's sites and locations



OMP RACING
OMP Racing is an Italian company, established in Genoa in 1973 and now headquartered in Ronco Scrivia (Genoa). OMP is a world leader in the design and manufacture of racing safety equipment for racing drivers (suits, gloves, boots, etc.) and race cars (seats, safety belts, steering wheels, rollbars, etc.).
Today, OMP products are used by drivers and teams in world racing championships including Formula 1, World Rally Championship – WRC, World Endurance Championship - WEC, Rally Cross World Championship - RX, Formula E, IndyCar, NASCAR. OMP is one of a very few industry suppliers in the world able to offer a complete range of safety and performance products dedicated to race car and driver, with over 2.000 products in its catalog with the majority homologated to industry standards including FIA, CIK-FIA, SFI and Snell.
Since 2003 OMP has been operating a branch in Miami (USA), specifically dedicated to the distribution of products in America.

BELL RACING HELMETS
Created in 1954, Bell Racing is the world premier auto racing and karting helmet manufacturer.
Throughout its history, the company has pioneered key innovations including the first energy absorbing liner, Snell certified helmet, full-face helmet, fire retardant helmet, aerodynamic helmet and FIA "super helmet". Today the brand produces technically superior racing helmets incorporating advanced materials and the latest manufacturing techniques.
Positioned as a premium brand, Bell is the helmet of choice of World Champions such as Lewis Hamilton, multiple Formula 1 world champion.
In 2020, 11 out of 20 Formula One drivers wear Bell Helmets. Bell is a technical partner of Ferrari and other F1 teams and car manufacturers.
Bell manufactures and markets helmets for professional and amateur racers for all forms of racing from Formula 1 to Karting through Rally and Road Racing.
All products comply with or exceed the industry's most demanding helmet safety standards including FIA and Snell.

ZERONOISE
Zeronoise is a British company that develops and manufactures technology for the racing industry.
The technologies that were developed under the Zeronoise™ brand are focused on audio communication and video.
The communication devices, such as intercoms, known for their unique design and high performance, are used by professional teams in top rally and rally-raid series.
Moreover, Zeronoise developed the world first in-helmet camera for real-time TV broadcasting homologated by FIA: it is the *Driver's Eye*, which made its debut in Formula E in 2020.

B2 HELMETS
B2 Helmets specializes in the development, manufacturing and distribution of protective helmets for auto racing, motorized activities and industrial applications. The B2 brand was developed to address the helmet safety needs of sporting and service professionals that require a higher level of head protection at an affordable price.
B2 helmets incorporate the same technology and advanced manufacturing techniques developed for auto racing helmets design for professionals competing in the highest levels of motorsports, featuring advanced technology, innovative design, value & performance.

SPORTS MINI LINE
Sports Mini Line launched the concept of creating a half scale exact replica of famous racing drivers.
Mini helmets are designed and produced by recognized leaders in the racing helmet industry who use the same manufacturing techniques and engineering excellence to produce authentic and detailed half-scale representations of the full size racing helmet, hand made by a team of highly skilled craftsmen. The mini helmet including the shell, interior and visor is made with similar materials and components as the real racing helmet.
Today, Sports Mini Line is specializing in producing custom made series for race teams, sponsors and drivers.

RACING SPIRIT
Racing Spirit was established in 2012 by OMP Racing S.p.A., with the vision of making car racing specific clothing that strives to incite those who love the sport with beauty, design technology and functionality. Racing Spirit combines maximum wearer comfort with top performance by meeting every requirement in terms of function and style. Racing Spirit is the first premium racing inspired apparel brand, where craftsmanship, quality and attention to detail are setting Racing Spirit apart from all others.

Performance of operating activities

Despite all the events connected to the epidemiological emergency of the Coronavirus Covid-19 that have shaken the entire world economy, fiscal year 2020 has confirmed the important phase of consolidation of the Group as one of the main worldwide player within the motorsport business, mainly due to the following reasons: i) the continuous research for innovation and the offer of new products, ii) the constant improvement of existing products, as required by the ultimate homologation parameters and iii) the completeness of the range of products offered by the Group, following the acquisition of Bell Racing Helmets Group and Zeronoise.

Today OMP Group can offer the best and most complete range of Motorsport Safety Products used by professional athletes worldwide, from F1 to World Rally Championship, Karting and Rally-Raid, with more than 60 FIA World Championship titles won in the last 10 years. The catalogs of the brands distributed by the Group offer a complete range of more than 2.000 safety and performance products designed for race cars, drivers and amateurs.

During 2020, the Group significantly increased its sales (+ 31.2% compared to 2019, equal to +8.0 million Euro) and its margins, mainly as a result of the sales of products under the Bell brand, not included in the income statement of the Group in the previous year. EBITDA increased by 34.1% compared to 2019, thanks also to constant and careful planning and control of expenses in all Group companies, amounting to 15.9% of revenues.

Nevertheless, due to the issues related to the pandemics that have destabilized the entire world economy and product demand, the process of integration of the entities acquired during the previous year could not exploit all the synergies and its full potential.

In this scenario, the Group has been able to further increase its presence in the motorsport business, thus becoming one of the undisputed leaders in the world: the commercial agreements signed with leading market partners, teams and car manufacturers, have granted a greater visibility and consolidation of turnover and margins. The products of the Group, which are now considered the state of the art in the motorsport safety equipment market, have been used by the winners of all the six FIA world titles in 2020.

Summary of consolidated financial data

The 2020 consolidated financial statements are the first financial statements of the Group pursuant to Legislative Decree no. 127/1991 (modified by Legislative Decree no. 139/2015); therefore, it is noted that the comparative data considered in the management report are derived from a 2019 consolidated financial statements prepared for internal purposes only by the Group and that these data are provided for the sole purpose of explaining the Group's 2020 performance in detail.

The comparative data for 2019 do not include the costs and revenues of the companies of the Bell Racing Helmets group and of Zeronoise, as they were acquired near the end of the previous year.

Financial data for the fiscal year

	01.01.2020 12.31.2020	% of Revenue	**01.01.2019 12.31.2019**	% of Revenue	**Variance**
Revenue	**33,733,308**		**25,702,100**		**8,031,207**
Gross profit	**20,135,374**	59.7%	**12,313,819**	47.9%	**7,821,555**
EBITDA	**5,362,679**	**15.9%**	**4,000,413**	**15.6%**	**1,362,266**
Bad Debt and write offs	212,002	0.6%	243,140	0.9%	(31,138)
Depreciation	2,304,893	6.8%	1,269,084	4.9%	1,035,808
EBIT	**2,845,784**	**8.4%**	**2,488,189**	**9.7%**	**357,595**
Finance income/(loss)	(699,668)	2.1%	(323,162)	1.3%	(376,506)
Taxes	709,030	2.1%	675,231	2.6%	33,798
Net result	**1,437,087**	**4.3%**	**1,489,796**	**5.8%**	**(52,709)**
					-
Cash flow from operations	**2,366,490**	**7.0%**	**5,301,267**	**20.6%**	**(2,934,776)**
Dividends paid to Shareholders and NCIs	**21,250**	**0.1%**	**2,036,843**	**7.9%**	**(2,015,593)**

Financial data at year end

	12.31.2020	**12.31.2019**	**Variance**
Total Assets	**44,154,689**	**42,749,949**	**1,404,741**
Fixed Assets	18,610,800	19,506,571	(895,770)
Net Working Capital	9,776,135	8,770,251	1,005,884
	-	-	
less LT & Accrued provisions	4,359,456	5,045,047	(685,591)
Net Invested Capital	**24,027,480**	**23,231,775**	**795,705**
Net Financial Position	15,541,642	13,284,426	2,257,217
Group Equity	8,187,408	6,463,428	1,723,980
NCIs	298,430	3,483,922	(3,185,492)
Financial Sources	**24,027,480**	**23,231,775**	**795,705**

Net Financial Position

	12.31.2020	12.31.2019	Variance
Debts with banks (A)			
- Short term	5,126,914	8,682,157	(3,555,243)
- Long term	11,904,728	5,722,104	6,182,625
Finance active loans (B)			
Short term loan to NCIs (net)	-	504,835	(504,835)
Long term loan to the Parent company	1,490,000	1,490,000	-
Net Financial position: A) - B)	**15,541,642**	**12,409,426**	**3,132,217**

Main financial KPIs

	2020	2019
Coverage of Fixed Assets		
(Net Group Equity + LT debt) / Fixed Assets	1.00	0.55
Coverage of Net Working Capital		
ST debt / Net Working Capital	0.52	0.93
Debt - Equity ratio		
(Current liabilitis + Non current liabilities) / Net Group Equity	4.36	5.08
Net Financial position / Net Group Equity	1.90	1.92
Capitalization		
Net Group Equity / Total Assets	0.19	0.15
Net Group Equity / Net Invested Capital	0.34	0.28
Liquidity ratio		
Working Capital / Current operating Liabilities	1.92	1.63
Financial performance		
Net Financial position / Net invested capital	0.65	0.57
Net Financial position / Revenue	0.46	0.48
Net Financial position / EBITDA	2.90	3.32
ROIC		
NOPAT / Net Invested Capital	8.89%	7.80%
ROI		
EBIT / Total Assets	6.45%	5.82%
ROS		
EBIT / Revenue	8.44%	9.68%
ROA		
Net Profit / Total Assets	3.25%	3.48%

During 2020, the Group achieved and EBITDA of approximately 5,363 thousand Euro (4,000 thousand Euro in 2019), with a margin of 15.9% on sales (15.6% in 2019). This very positive result is due both to the performance of OMP Racing S.p.A and its American subsidiary OMP Racing Inc. and, primarily, to the contribution in terms of sales and margins of the Bell Racing Helmets Group and, although to a lesser extent, of Zeronoise.

Net profit for the year was 1,437 thousand Euro (1,490 thousand Euro in 2019), with a margin on sales of 4.3% (5.8% in 2019), after depreciation and write-offs for 2,517 thousand Euro (1,512 thousand Euro in 2019), net finance expenses for 700 thousand Euro (323 thousand Euro in 2019) and taxes for 709 thousand Euro (675 thousand Euro in 2019).

The cash flow from operations was 2,366 thousand Euro (5,301 thousand Euro in 2019). This amount was used, together with the increase in bank loans amounting to 5,801 thousand Euro and the increase of share capital by the parent company of 500 thousand Euro, to meet the cash requirements of the transactions carried out during the fiscal year, including the acquisition of the minority interest in Bell Racing Helmets Group and the investments in fixed assets.
The Group's overall net financial indebtedness has increased from 12,409 thousand Euro to 15,542 thousand Euro at the end of 2020. For a detailed analysis see the consolidated Cash Flow Statement.

Risk factors and uncertainty

The Group operates in a free market and it is therefore exposed to risk factors and uncertainty.
Main risks faced by the management are:

- credit risk: arising from commercial transactions
- liquidity risk: related to the availability of cash and financial resources;
- market risk: arising from operations involving risks connected with fluctuations in exchange and interest rates.

The Group has set up mechanisms and procedure at the level of each consolidated entity for the constant monitoring of the foregoing risks, so as to avoid potential negative effects and implement any actions required to contain those risks. In this connection, below is a more detailed qualitative and quantitative analysis of each type of risk.

Credit risk

The financial activities of the Group are to be considered as of good credit quality.
Customers are selected after being carefully evaluated under a commercial and financial standpoint. Many of the Group's top customers are historical and loyal partners, with a good financial capacity and a demonstrated track in terms of reliability and timing of payments. For these reasons, the risk of bad debt is well below the normal standards deemed physiological by the bank system for any commercial enterprise. The current size of the bad debt provision is in fact such as to cover all the positions considered to be of possible risk. Based on these elements, the Group has evaluated not to proceed with credit risk hedging actions with any insurance tools.

Liquidity risk

The liquidity risk is related to the ready availability of sufficient cash and financial resources when needed to meet commitments associated with financial instruments and carry out operations and planned investments.
The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring losses or risking damage to the reputation of any of the Group's entities.
There are no significant risk factors for the Group, considering that the credit lines granted by the banks are largely adequate for the current business needs.

Market risk

The specific market risks to which the Group is exposed are those arising from fluctuations in exchange and interest rates.

As regards the interest rate risk, the Group has covered its exposure on medium-long term debt positions recurring to fixed interest rates. Therefore, based on the current composition of debts, the Group did not deem it necessary to resort interest rate risk hedging instruments.

As for the exchange rate risk associated with commercial relations with foreign customers and suppliers, for which transactions are not regulated in the functional currency of each of the consolidated entities, the risk is mitigated by the fact that the total volumes of transactions in foreign currency are lower than the volumes made in functional currency. The Group ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly. Under these circumstances, the Group did not consider it necessary and / or appropriate to enter into financial hedging instruments.

There are no further significant risk factors or uncertainties for the Group.

Environmental information

The activities of the Group and of the consolidated entities do not have a significant impact on the environment. All waste management activities, even if reduced to the minimum and non-polluting, have been entrusted to consulting companies that manage all the obligations under environmental matters with specific reference to the regulation on waste management.

Research and development activities

The Group constantly carries out development activities on various materials, commonly used in production and aimed primarily at innovation and improvement of the technical characteristics of the products offered to the customers.

The research and development activity carried on by the Group is aimed at continuous product innovation through the implementation of studies, projects and prototypes of new products to be launched on the market.

Data protection

The Group is compliant with the regulations in terms of data protection and privacy. Specifically, where it is applicable, the consolidated entities ensure compliance with the General Data Protection Regulation 2016/679 on data protection and privacy in the European Union and the European Economic Area.

Transactions with related parties

Transactions with related parties are carried out at market values. For details, please refer to the explanatory Notes.

Significant events in the fiscal year

On 10 September 2020, the parent company OMP Racing S.p.A., as part of the completion of the reorganization of its subsidiaries, acquired from the shareholder Stephane Alexandre Cohen n. 3,072 shares of the subsidiary Bell Racing Helmets International Wll, equal to 24.50% of the entire share capital.

During the 2020 financial year, the following changes also occurred on the subsidiaries included in the consolidation area:

- The subsidiary Tahru Sarl changed its name to Bell Racing Holdings Sarl, following the shareholders' meeting on August 3, 2020.
- The investments in Bell Racing Europe SA and 2SM Inc. were transferred from 2SM Europe Sprl to Bell Racing Holdings Sarl, then 2SM Europe Sprl was liquidated on December 15, 2020.
- In January 2020, Bell Racing Holdings Sarl (formerly Tahru Sarl) acquired the 0.38% stake in Bell Racing Helmets International Wll from the previous shareholder Martine Kindt.
- ZN Europe Srl sold its business to OMP Racing S.p.A. and was subsequently liquidated on December 22, 2020.
- The investment in Zeronoise Ltd, previously directly owned by OMP Racing S.p.A., was sold to Bell Racing Helmets International Wll.
- Bell Racing USA LLC, Head Protection Technologies LLC and Head Pro Tech LLC moved their offices and operations from Champaign to Miami, where the subsidiary OMP Racing Inc. is based.

By resolution passed on December 23, 2020, the shareholders' meeting of the parent company OMP Racing S.p.A. approved the share capital increase from 1,425,745 Euro to 1,925,745 Euro; the aforementioned increase, signed and paid by all the shareholders on the same date, was aimed at the subsequent acquisition of the company PIER s.r.l., owner of the property in Ronco Scrivia (Genoa) headquarters of the parent company. The acquisition of PIER s.r.l. was completed in February 2021.

The health emergency deriving from the Coronavirus - Covid-19, which emerged in Italy towards the end of February 2020 and spread to the rest of the countries where the Group operates in the following weeks and months, unfortunately still ongoing, had a limited impact on the Group's activities in 2020, with only marginal negative effects on the supply chain, distribution chain, customer relations, liquidity.

During the emergency period, the parent company OMP Racing S.p.A., as well as the other consolidated companies, was able to continue to operate, simultaneously adopting all the necessary safety measures.

2021 Outlook

The results of the first three months of the year in terms of sales were better than those of last year, before the lockdown measures adopted from March 2020 on following the epidemiological emergency of COVID-19. The protraction of the global emergency linked to the pandemics continued until the end of 2020 and it is still affecting the whole economy worldwide in the first months of 2021.
With the launch of the vaccination campaigns all around the world, the various governments are assuming optimistic forecasts for the second part of the current year.
OMP Group, despite still suffering the effects of this global emergency, has started the current year with a considerable growth in orders, which leads to forecast a new financial year with significantly positive results.

Consolidated Financial Statements
at December 31, 2020

Consolidated Balance Sheet at December 31, 2020

	Note	12.31.2020
NON CURRENT ASSETS		
Property, plant and equipment	9	2,843,545
Right of use assets	10	4,066,278
Intangible assets	11	5,993,994
Goodwill	11	5,662,557
Investments booked at Equity method	12	44,426
Due from related parties -non current	13	1,490,000
Tax receivables - non current	37	211,952
Deferred tax assets	37	245,716
Other non current assets	14	89,238
		20,647,706
CURRENT ASSETS		
Cash and cash equivalents	15	4,254,877
Trade receivables	16	6,240,014
Inventories	17	11,277,118
Due from related parties - current	18	106,163
Tax receivables - current	37	686,808
Other current assets	19	942,003
		23,506,983
TOTAL ASSETS		**44,154,689**
EQUITY		
Share capital		1,925,745
Additional paid in capital		1,632,150
Legal reserve		398,931
Translation reserve		(363,124)
Retained earning (losses)		3,045,913
Other reserve		192,507
Net Result		1,355,286
Equity attributable to owners of the parent Company	**20**	**8,187,408**
Non-controlling interests	20	298,430
TOTAL EQUITY		**8,485,838**
NON CURRENT LIABILITIES		
Long term loans - non current	22	11,904,728
Lease liabilities - non current	10	3,405,469
Employee benefits	23	753,987
Provisions	24	200,000
		16,264,184
CURRENT LIABILITIES		
Short term Loan	25	6,251,825
Trade payables	26	7,667,696
Long term loans - current portion	22	3,129,966
Lease liabilities - current	10	782,078
Due to related parties	27	157,043
Tax payables	37	109,161
Other payables	28	1,306,899
		19,404,668
TOTAL LIABILITIES AND EQUITY		**44,154,689**

Consolidated Income Statement for the year ended December 31, 2020

	Notes	2020
Revenue		33,733,308
Cost of sales		(13,597,933)
Gross profit	**29**	**20,135,374**
Other income	**30**	1,484,745
Selling and distribution expenses	**31**	(4,967,655)
General and administrative expenses	**32**	(10,823,049)
Other expenses	**33**	(466,737)
Gross operating profit (EBITDA)		**5,362,679**
Bad Debt and write offs	**34**	(212,002)
Depreciation	**35**	(2,304,893)
Net operating profit (EBIT)		**2,845,784**
Finance income	**36**	236,425
Finance costs	**36**	(936,093)
Net income (loss) before taxes		**2,146,116**
Taxes	**37**	(709,030)
Total net income (loss) after taxes		**1,437,087**
Income (loss) attributable to:		
Owners of the parent Company	**20**	1,355,286
Non-controlling interest	**20**	81,801

Consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2020

	Note	2020
Total net income (loss) after taxes		**1,437,087**
Other Comprehensive Income (Loss)		
Items that will not be reclassified through the Statements of Income		
Remeasurements of post-employment benefit obligations	**23**	(14,947)
Related tax impact		3,587
Remeasurements of artefacts at fair value	**9, 20**	271,529
Items that may be reclassified through the Statements of Income		
Changes in foreign currency translation adjustment	**20**	(391,496)
Total Other Comprehensive Income		(131,327)
Total Comprehensive Income		**1,305,760**
Income (loss) attributable to:		
Owners of the parent Company		1,248,548
Non-controlling interest		57,212

Consolidated statement of changes in Equity for the year ended December 31, 2020

	Note	Share Capital	Share premium reserve	Legal reserve	Translation reserve	Retained earnings (losses)	Other Reserves	Net Group result for the period	Group Equity	Non-controlling interest	Total Equity
Balance at January 01, 2020		**1,425,745**	**1,632,150**	**398,931**	**28,372**	**3,045,913**	**(67,662)**		**6,463,450**	**3,483,900**	**9,947,349**
Share capital increase	**20**	500,000							500,000		500,000
Difference from translation of financial statements of foreign companies	**20**				(391,496)				(391,496)		(391,496)
Fair value remeasurement IAS 16	**20**						271,529		271,529		271,529
Actuarial gains and (losses)	**20**						(11,359)		(11,359)		(11,359)
Profit for the year 01.01.2020 - 12.31.2020	**20**							1,355,286	1,355,286	81,801	1,437,087
Distribution to minority shareholders	**20**									(21,250)	(21,250)
Changes in the consolidation area	**20**									(3,246,021)	(3,246,021)
Balance at December 31, 2020		**1,925,745**	**1,632,150**	**398,931**	**(363,124)**	**3,045,913**	**192,507**	**1,355,286**	**8,187,408**	**298,430**	**8,485,838**

Consolidated statement of cash flow

	Note	2020
A. Cash flow from operating activities		
Net profit for the year		1,437,087
Income taxes	**37**	709,030
Interest expenses/(interest income)	**36**	699,668
1. Profit (loss) for the year before income taxes, interests, dividends and capital gains/losses on disposal of assets		**2,845,784**
Adjustments for non-monetary items that had no impact on the net working capital		
Accruals for provisions	**34**	212,002
Depreciation and amortization	**35**	2,304,893
Other adjustments for non-monetary items	**12**	10,824
2. Cash flow before variances in net working capital		**5,373,503**
Variances in net working capital		
Decrease/(increase) in inventory	**17**	301,038
Decrease/(increase) in receivables from customers	**16**	13,560
Increase/(decrease) in payables to suppliers	**26**	(1,387,984)
Decrease/(increase) in accruals and prepayments		(715,486)
Other variances in net working capital		131,772
3. Cash flow after variations in net working capital		**3,716,404**
Received/(paid) interests		(534,970)
(Paid income taxes)		(654,991)
(Use of accrued provisions)		(159,952)
Cash flow from operating activities (A)		**2,366,490**
B. Cash flows from investing activities		
Tangible fixed assets: (cost of purchase) / sale price	**9, 10**	(608,129)
Intangible fixed assets: (cost of purchase) / sale price	**11**	(540,289)
Financial fixed assets: (cost of purchase) / sale price		-
Acquisition of non-controlling interests	**20**	(3,246,021)
Cash flow from investing activities (B)		**(4,394,439)**
C. Cash flows from financing activities		
Debt		
Increase (decrease) in short-term bank loans	**25**	103,087
Increase (decrease) in loans	**22**	5,800,927
Increase (decrease) in leases	**10**	(686,688)
Equity		
Share capital increase	**20**	500,000
(Paid dividends)	**20**	(21,250)
Differences from translation and other reserves	**20**	(391,496)
Cash flow from financing activities (C)		**5,304,580**
Increase (decrease) in cash and cash equivalent (A ± B ± C)		**3,276,632**
Cash and cash equivalent at the beginning of the year		**978,245**
Cash and cash equivalent at the end of the year		**4,254,877**

Notes to Group Financial Statements

Basis of Preparation

1. Company preparing the Financial Statements

OMP Racing S.p.A. (the "Company") is based in Italy. The address of the Company's registered office is in Via Bazzano 5, Ronco Scrivia, Genoa, Italy. The consolidated financial statements include the financial statements of the Company and its subsidiaries (together, the "Group"). OMP Racing S.p.A. is controlled by the company SAYE S.p.A., with registered office in Genoa, Via Gabriele D'Annunzio nr. 2/104, which prepares the consolidated financial statements.

The Group is mainly active in the production and distribution of safety products and components for car racing.

2. Accounting framework

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS Standards). These consolidated financial statements were authorized for publication by the Company's Board of Directors on May 7, 2021.

As this is the first consolidated financial statements of the Group prepared pursuant to Legislative Decree no. 127/1991 (amended by Legislative Decree 139/2015), the financial statements do not include the comparative data referring to the fiscal year 2019.

3. Consolidation Area

The Group financial statements include the results of the OMP Racing S.p.A., the Group parent company, and its controlled subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. All significant intra-Group balances and transactions are eliminated in consolidation.

The consolidation area as of December 31, 20120 includes the financial statements of OMP Racing S.p.A. and of the following companies, directly and indirectly owned at that date:

	Registered office	**Activity**	**Shareholding % in consolidated FS**
Direct shareholdings			
OMP Racing Inc.	Miami (US)	Commercial	100.00%
Bell Racing Holdings Sarl	Luxembourg	Sub-holding	100.00%
Bell Racing Helmets International WLL	Sakhir (Bahrain)	Production, R&D, commercial	24.50%
Indirect shareholdings			
Bell Racing Helmets International WLL	Sakhir (Bahrain)	Production, R&D, commercial	75.50%
Zeronoise Ltd	London (UK)	Commercial	100.00%
Bell Racing Europe SA	Ghislenghien (Belgium)	Commercial	100.00%
2SM Inc.	Miami (US)	Sub-holding	100.00%
Bell Racing USA LLC	Miami (US)	Commercial	65.00%
Head Protection Technologies LLC	Miami (US)	Commercial	65.00%
Head Pro Tech LLC	Miami (US)	Commercial	65.00%

The financial statements of OMP Racing S.p.A. and all the consolidated companies are those prepared locally, in accordance with the legislation in force in the countries where the companies are registered, appropriately adjusted to be compliant with IFRS.

The financial statements of the parent company and its subsidiaries used in the preparation of the consolidated financial statements have the same reporting date.

The following changes to the consolidation area occurred during the financial year:

- In January 2020 Bell Racing Holdings Sarl (formerly Tahru Sarl) purchased a further 0.38% interest in the subsidiary Bell Racing Helmets International Wll from the previous minority shareholder Mrs. Martine Kindt, coming to achieve 75.50% of the company.
- In August 2020 OMP Racing S.p.A. purchased n. 3.072 shares, equal to 24.50% of the whole share capital of the subsidiary Bell Racing Helmets International Wll from the previous shareholder Mr. Stephane Alexandre Cohen.

Following the aforementioned transactions, the Group acquired 100% of the shares in the subsidiary Bell Racing Helmets International Wll.

Other changes occurred in the Group structure are listed below:

- the transfer of the company ZN Europe Srl to OMP Racing S.p.A.; following the company transfer, ZN Europe Srl was dissolved and put into liquidation; the liquidation procedure was completed in 2020 and the company was therefore cancelled from the Pisa Company Register on December 22, 2020;
- the subsidiary Tahru Sarl changed its name to Bell Racing Holdings Sarl, following the shareholders' meeting on August 3, 2020;
- the sale of the investments in Bell Racing Europe SA and 2SM INC. from 2SM Europe Sprl to Bell Racing Holdings Sarl. Subsequently, 2SM Europe Sprl was liquidated on 15 December 2020;
- the transfer by OMP Racing S.p.A. of the investment held in Zeronoise LTD to Bell Racing Helmets International Wll;
- Bell Racing USA LLC, Head Protection Technologies LLC and Head Pro Tech moved their offices and business from Champaign to Miami, where the subsidiary OMP Racing Inc. has its headquarters.

The aforementioned transactions were implemented with a view to simplifying the Group's shareholding structure, obtaining cost savings by reducing the number of its subsidiaries, achieving greater efficiency in the management of activities by reducing decision-making levels and strengthening strategic and operational integration.

The acquisition of the minority shareholders of Bell Racing Helmets International Wll during 2020 took place at the conditions already agreed between the parties already at the end of 2019. Since the minority interests referred to Bell Racing Helmets International Wll within Equity were booked accordingly at the fair value in prior year consolidated financial statements, the net result from the subsidiary is fully reported within Group's profit and loss accounts in 2020.

The acquisition of the equity interests held by the minority shareholders of Bell Racing Helmets International Wll resulted in the reduction of minority interests in the consolidated shareholders 'equity, as reported in the Statement of changes in shareholders' equity for the year ended December 31, 2020 and in the Cash Flow Statement.

The other operations described above have not produced any effects on the balance sheet and income statement of the consolidated financial statements, as they were carried out between companies within the consolidation area.

4. Functional and presentational currency

These consolidated financial statements are presented in Euro, the functional currency of the Group.

5. Going concern basis

These consolidated financial statements have been prepared on a going concern basis, assuming that the Group will be able to extinguish its liabilities.
In 2020, the Group recorded a profit after tax of 1,437 thousand Euro and generated cash flows from operating activities for 2,366 thousand Euro, despite the health emergency deriving from Covid-19 which affected the entire world economy starting from the first months of the year. The outbreak of the pandemic and the measures adopted by the governments of the various countries to mitigate its spread did not have a significant impact on the Group.
The level of capitalization, the availability of credit lines and loans granted by the banking system are considered suitable by the Group's management to guarantee adequate resources to continue operating in the near future.

6. Use of estimates

As part of the preparation of the consolidated financial statements, the Group's management had to formulate estimates and assessments that affect the application of accounting principles and the amounts of assets, liabilities, costs and revenues recognized in the financial statements. However, it should be noted that, since these are estimates, the results obtained will not necessarily be the same as those shown in these financial statements.
These estimates and the underlying assumptions are regularly reviewed. Any changes deriving from the revision of the accounting estimates are recognized prospectively.

Impairment of goodwill

The impairment of goodwill is verified by comparing the book value of the cash generating units and their recoverable value; the latter is represented by the greater of the fair value less the costs related to the sale and the value in use of the same unit. This complex evaluation process implies, among other procedures, the use of methods such as the discounting of expected cash flows, with the related assumptions on the estimate of cash flows. The recoverable amount in the discounted cash flow model depends significantly on the discount rate used, as well as on the expected future cash flows and the growth rate used for the calculation.

Impairment of intangible and tangible assets

At each balance sheet date, the Group checks whether there are indicators that both tangible and intangible assets may have suffered a reduction in value. To this end, both internal and external sources of information are taken into consideration. The identification of impairment indicators, the estimate of future cash flows and the determination of the fair value of each asset require management to make significant estimates and assumptions regarding the determination of the discount rate to be applied, the useful life and the residual value of resources.

Allowance for bad debt

The recoverability of receivables is assessed taking into account the risk of bad debt, their age and the losses on receivables recorded in the past for similar types of receivables.

Inventory obsolescence fund

Provisions are recorded for raw materials, finished products, spare parts and other obsolete and slow-moving inventories, based on their expected future use and their realizable value. The net realizable value is the estimated sales price in the normal course of business, less the estimated completion costs and the estimated sales and distribution costs.

Provisions, potential liabilities and employee benefits

Provisions for contingent liabilities require a significant level of estimates. The provisions relating to personnel, in particular to defined benefit obligations, are determined on the basis of actuarial assumptions.

Deferred tax assets

The assessment of the recoverability of prepaid taxes takes into account the estimate of future taxable income and is based on prudent tax planning.

7. Significant accounting policies

Unless otherwise specified, the accounting principles described below have been applied consistently for all periods included in these consolidated financial statements.

A. Consolidation criteria

i. Business combinations

The Group accounts for business combinations by applying the acquisition method when the set of activities and assets acquired meets the definition of business and the Group obtains control. In determining whether a certain set of activities and assets represents a business, the Group assesses whether that set includes, at a minimum, a factor of production and a substantial process and if it has the ability to generate production.

The Group has the right to carry out a "concentration test" which makes it possible to ascertain with a simplified procedure that the acquired set of activities and assets is not a company asset. The concentration test, which is optional, is positive if almost all the fair value of the gross assets acquired is concentrated in a single identifiable asset or in a group of identifiable assets with similar characteristics.

The consideration transferred and the identifiable net assets acquired are usually recognized at fair value. The book value of any goodwill is subjected to impairment testing annually to identify any losses due to impairment. Any profits deriving from a purchase at favorable prices are immediately recognized in profit / (loss) for the year, while costs related to the combination, other than those relating to the issue of debt securities or equity instruments, are recognized as expenses in profit / (loss) for the year when incurred.

Amounts relating to the termination of a pre-existing relationship are excluded from the consideration transferred. Normally these amounts are recognized in profit / (loss) for the year.

The contingent consideration is recognized at fair value on the acquisition date. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not subject to subsequent valuation and the future settlement is recognized directly in equity. Other contingent payments are measured at fair value at each year-end date and changes in fair value are recognized in profit / (loss) for the year.

In the event that the incentives recognized in the share-based payment (substitutive incentives) are exchanged for incentives owned by employees of the acquiree (acquiree's incentives), the value of those substitutive incentives of the acquirer is fully or partially included in the evaluation of the consideration transferred for the business combination. This evaluation takes into account the difference in the market value of the substitutive incentives compared to the value of the acquiree's incentives and the proportion of substitutive incentives that refers to the provision of services prior to the aggregation.

ii. Subsidiaries

Subsidiaries are those entities in which the Group holds control, or when the Group is exposed to variable returns deriving from its relationship with the entity, or has rights to such returns, being capable at the same time to influence them by exercising its power over the entity itself. The financial statements of subsidiaries are included in the consolidated financial statements from the moment in which the parent company begins to exercise control until the date in which such control ceases.

iii. Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in the loss of control are accounted for as transactions carried out between parties as shareholders.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v. Interests in equity-accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

vi. Operations eliminated in the consolidation process

In the preparation of the consolidated financial statements, the balances of intra-group transactions, as well as the unrealized revenues and costs (excluding exchange differences) are eliminated. Unrealized profits resulting from transactions with subsidiaries accounted for using the equity method are eliminated in proportion to the Group's stake in the entity. Unsupported losses are eliminated in the same way as unrealized profits, to the extent that there are no indicators that can give evidence of a reduction in value.

B. Foreign currency

i. Foreign currency transactions

Foreign currency transactions are translated into the functional currency of each Group entity at the exchange rate in effect on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

However, the exchange differences deriving from the translation of the following elements, if present, are recognized among the other components of the comprehensive income statement: i) equity securities designated to FVOCI (excluding losses due to impairment, in which case the exchange differences recognized among the other components of the comprehensive income statement have been reclassified to profit / (loss) for the year); ii) financial liabilities designated to hedge the net investment in a foreign operation to the extent that the hedge is effective; and iii) cash flow hedges to the extent that the hedge is effective.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments resulting from the acquisition, are translated into Euro using the exchange rate recorded at the closing date of the financial year. The revenues and costs of foreign entities operations are converted into Euro using the average exchange rate for the year, which approximates the exchange rates in force at the date of the operations.

Exchange differences are recognized among the other components of the comprehensive income statement and included in the translation reserve, with the exception of exchange differences that are attributed to NCI.

C. Revenues from contracts with customers

Revenues are valued based on the consideration specified in the contract with the customer. The Group recognizes revenues when it transfers control of goods or services.

For the sale of goods, the transfer of control, and therefore the recognition of revenues, generally corresponds to the date on which the goods are made available to the customer, or when the goods are released to the carrier responsible for their transport to the customer.

Revenues from services are recognized once the service is provided. If a service is provided on an ongoing basis over time, the related revenue is recorded pro rata on an accrual basis.

D. Employee benefits

The net obligation of the Group deriving from defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees have accrued in exchange for the activity performed in the current and previous years; this benefit is discounted and the fair value of any plan assets are deducted from the liabilities.

The calculation is performed by an independent actuary using the projected unit credit method. If the calculation generates a benefit for the Group, the amount of the recognized asset is limited to the present value of the economic benefits available in the form of repayments from the plan or reductions in future contributions from the plan. In order to establish the present value of the economic benefits, the minimum financing requirements applicable to any plan of the Group are considered.

Actuarial gains and losses, returns from plan assets (excluding interest) and the effect of the asset ceiling (excluding any interest) that emerge following the revaluation of the net liability for defined benefit plans are recognized immediately in the other components of the comprehensive income statement. Net interest for the year on the net liability / (asset) for defined benefits is calculated by applying to the net liability / (asset) the discount rate used to discount the defined benefit obligation, determined at the beginning of the year, considering any changes in the net liability / (asset) for defined benefits that occurred during the year following the contributions received and the benefits paid. Net interest and other costs relating to defined benefit plans are instead recognized in profit / (loss) for the year.

When changes are made to the benefits of a plan or when a plan is curtailed, the portion of the economic benefit relating to past service or the profit or loss deriving from the plan curtailment are recognized in the profit / (loss) of the exercise when the adjustment or reduction occurs.

E. Grants

The grants that offset the costs incurred by the Group are recognized in profit / (loss) for the year, with a systematic criterion, to set them against the costs that the grant intends to offset in the same period, unless the conditions for receiving the contribution are not satisfied after the relevant costs have been recognized. In this case, the contribution is recognized when it becomes due.

F. Costs

Costs are recognized on the basis of their function in the income statement. Costs for purchases of goods are recognized when control of products is transferred. For services, the cost is recognized once the service is provided. In the event of a service provided over time, the related cost is accounted for pro rata on an accrual basis.

G. Financial income and expenses

The Group's financial income and expenses are recognized on an accrual basis and include interest income, interest expense, dividends.

Interest income and expense are recognized in profit / (loss) for the year on an accrual basis. Dividend income is recognized when the Group's right to receive payment is established.

H. Income taxes

The tax charge for the year includes current and deferred taxes recognized in profit / (loss) for the year, except for those relating to business combinations or items recognized directly in equity or among other components of the comprehensive income statement.

The Group has determined that the interest and penalties relating to income taxes, including the accounting treatments to be applied to income taxes of an uncertain nature, are accounted for in accordance with *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* as they do not meet the definition of income taxes.

i. Current taxes

Current taxes include the estimate of the amount of income taxes due or to be received, calculated on taxable income or tax loss for the year as well as any adjustments to previous year taxes. The amount of taxes due or to be received, determined on the basis of the tax rates in force or substantially in force at the end of the financial year, also includes the best estimate of any amount to be paid or received which is subject to factors of uncertainty. Current taxes also include any taxes relating to dividends.

Current tax assets and liabilities are offset only when certain criteria are met.

ii. Deferred taxes

Deferred taxes are recognized with reference to the temporary differences between the book values of the assets and liabilities recorded in the financial statements and the corresponding values recognized for tax purposes. Deferred taxes are not recognized for:

- temporary differences relating to the initial recognition of assets or liabilities in a transaction other than the business combination that does not affect either the accounting profit (or loss) or taxable income (or tax loss);
- temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the cancellation of the temporary differences and it is probable that, in the foreseeable future, the temporary difference will not reverse; and
- the taxable temporary differences relating to the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses and tax credits, as well as for deductible temporary differences, to the extent that it is probable that future taxable income will be available against which such assets can be used. The future taxable income is defined on the basis of the offsetting of the relative deductible temporary differences. If the amount of the taxable temporary differences is not sufficient to fully recognize a deferred tax asset, the future taxable income is taken into account, adjusted for the offsetting of the existing temporary differences, provided for by the business plans of the individual subsidiaries of the Group. The value of deferred tax assets is reviewed at each year-end date and is reduced to the extent that it is no longer likely that the related tax benefit will be realized. These reductions must be reinstated when the probability of generating future taxable income increases.

Unrecognized deferred tax assets are reviewed at the closing date of each financial year and are recognized to the extent that it has become probable that the Group will achieve a future taxable profit sufficient for their use.

Deferred taxes are valued using the tax rates that are expected to be applicable to temporary differences in the year in which they will be reversed on the basis of the tax rates established by provisions in force or substantially in force at the end of the year and reflect any uncertainties relating to income taxes.

The valuation of deferred taxes reflects the tax effects that arise from the ways in which the Group expects, at the closing date of the financial year, to recover or extinguish the book value of the assets and liabilities. The presumption that the book value of real estate investments measured at fair value will be fully recovered through a sale transaction has not been refuted.

Deferred tax assets and liabilities are offset only when certain criteria are met.

I. Inventories

Inventories include raw materials, semi-finished and finished products.

Inventories are initially entered at purchase or production cost and subsequently valued at the lower of cost and the corresponding realizable value inferable from the market.

Purchase cost means the actual purchase price plus ancillary charges. The purchase cost of the materials includes, in addition to the price of the material, also the costs of transport, customs, other taxes and other costs directly attributable to that material. Returns, commercial discounts, allowances and bonuses are brought down to costs.

Production cost means all direct costs and indirect costs for the portion reasonably attributable to the product relating to the period of manufacture and up to the time from which the asset can be used, considered on the basis of normal production capacity.

The cost calculation method adopted for fungible assets is the weighted average cost.

A provision is made for raw materials, finished products, spare parts and other obsolete or slow-moving inventories based on their expected future use and their realizable value, if this is lower than the book value. The realizable value is the estimated sale price in the normal course of business, net of the estimated completion costs and the estimated sales and distribution costs.

J. Property, plant and equipment

Tangible fixed assets are initially recognized at cost and include the purchase price, any costs directly attributable to bringing the assets to the place and conditions necessary to be able to operate in the manner intended by management and any initial estimate of the costs of dismantling and removal of the asset and the estimate of the costs of restoring the site where it is located. Internally generated assets are initially recognized at production cost. Subsequent expenses and the cost of replacing parts of an asset are capitalized only if the future economic benefits incorporated in that asset increase. All other expenses are charged to the income statement when incurred. When replacement costs are capitalized, the book value of the parts that are replaced is charged to the income statement.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful life using the following depreciation rates:

Property, Plant & Equipment	Depreciation period
Plant, Machinery and Equipment	6-7 years
Furniture, fixtures and office equipment	5-7 years
Other tangible assets	4-5 years

The depreciation methods, useful lives and residual values are verified at the closing date of the financial year and adjusted where necessary.

Some particular types of assets, such as historical helmets, are accounted for according to their fair value at the date of the measurement, net of any subsequent accumulated depreciation and any subsequent loss due to accumulated impairment.

Remeasurements are made regularly and kept up to date. The redetermination increases are recognized in the other components of the comprehensive income statement and accumulated in the shareholders' equity, unless they offset a previous decrease in a revaluation of the same asset previously recognized in the income statement. If the book value of an asset has decreased following a restatement, the decrease must be recognized in the income statement. However, the decrease must be recognized in the statement of the other components of the comprehensive income statement as a revaluation surplus to the extent that there are any credit balances in the revaluation reserve with reference to this asset. The decrease recognized in the statement of the other components of the comprehensive income statement reduces the amount accumulated in equity under the item revaluation reserve.

If the intended use of a property is transformed from instrumental to real estate investment, the property is valued at fair value and reclassified among real estate investments. Any increase resulting from this assessment is attributed to the profit / (loss) for the year to the extent that it rectifies a previous loss due to the reduction in value of that property. Any excess portion of the increase is recognized directly among the other components of the comprehensive income statement and presented in the net equity restatement reserve. Any loss is recognized directly in the profit / (loss) for the year. In addition, if an amount has been recognized in the revaluation reserve for this property, the loss is recognized in the other components of the comprehensive income statement as a reduction of the equity reserve until this amount is zeroed.

K. Intangible assets and goodwill

Goodwill arising from the acquisition of subsidiaries is valued at cost net of accumulated impairment losses. For the evaluation of goodwill, the full goodwill method is used as required by IFRS 3. Full goodwill is calculated on the entire business and not only on the share acquired by evaluating at fair value also the investment held by minority shareholders at the acquisition date.

Research expenses are recognized in the profit / (loss) of the year in which they are incurred.

Development expenses are capitalized only if the cost attributable to the asset during its development can be reliably assessed, the product or process is feasible in technical and commercial terms, future economic benefits are probable, and the Group intends and has sufficient resources to complete its development and to use or sell the asset. Other development expenses are recognized in profit / (loss) for the year at the time they are incurred. Capitalized development expenses are recognized at cost net of accumulated depreciation and any accumulated impairment losses.

Other intangible assets, including commercial relationships with customers, patents and trademarks, acquired by the Group, which have a defined useful life, are recognized at cost net of amortization and any accumulated impairment losses.

Subsequent costs are capitalized only when they increase the expected future economic benefits attributable to the asset to which they refer. All other subsequent costs, including those relating to goodwill and internally generated trademarks, are charged to the profit / (loss) for the year in which they are incurred.

Intangible assets are initially recognized at cost and subsequently valued at cost net of accumulated amortization.

Depreciation is calculated on a straight-line basis as follows:

Intangible Assets	Amortization period
Development costs	5 years
Software	5 years
Patents, Licences	based on contract period
Other intangible assets	lower than useful life and contract period

An intangible asset with an indefinite useful life (for example, a perpetual license) is not amortized, but is checked annually, or whenever there is an indication that it has not suffered a reduction in value.

At the end of the fiscal year, it is assessed whether there is evidence that a particular asset may have suffered a loss in value. In this case, an estimate of the recoverable value of the asset is made on the basis of the greater between the fair value and its value in use. If the recoverable value of an asset is lower than its book value, this lower value of the asset is recognized and the difference is recognized in the income statement.

When an intangible asset is sold, the profit or loss from the disposal is included in the income statement.

L. Financial instruments

i. Recognition and measurement

Trade receivables and debt securities issued are recognized at the time they originate. All other financial assets and liabilities are initially recognized on the trade date, i.e. when the Group becomes a contractual party to the financial instrument.

With the exception of trade receivables that do not contain a significant financing component, financial assets and liabilities are initially measured at fair value plus or minus, in the case of financial assets or liabilities not measured at FVTPL, the costs of the transaction directly attributable to the acquisition or issue of the financial asset. At the time of initial recognition, trade receivables that do not have a significant financing component are valued at their transaction price.

ii. Classification and subsequent measurement

Financial assets

At the time of initial recognition, a financial asset is classified according to its valuation: amortized cost; fair value recognized in the other components of the comprehensive income statement (FVOCI) - debt security; FVOCI - equity security; or at fair value recognized in profit / (loss) for the year (FVTPL).

Financial assets are not reclassified after their initial recognition, unless the Group changes its business model for the management of financial assets. In this case, all the financial assets involved are reclassified on the first day of the first financial year following the change in the business model.

A financial asset must be valued at amortized cost if both of the following conditions are met and it is not designated to the FVTPL: i) the financial asset is owned as part of a business model whose objective is to own the financial assets for the purpose of the collection of the related contractual financial flows; and ii) the contractual terms of the financial activity provide for financial flows at certain dates represented solely by payments of capital and interest on the amount of capital to be repaid.

A financial asset must be valued at the FVOCI if both of the following conditions are met and it is not designated at the FVTPL i) the financial asset is owned as part of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets; ii) the contractual terms of the financial activity provide for financial flows at certain dates represented solely by payments of capital and interest on the amount of capital to be repaid.

Upon initial recognition of an equity security not held for trading purposes, the Group can make the irrevocable choice of presenting subsequent changes in fair value in the other components of the comprehensive income statement. This choice is made for each activity.

All financial assets not classified as valued at amortized cost or at FVOCI, as indicated above, if any, are valued at FVTPL. All derivative financial instruments are included. Upon initial recognition, the Group can irrevocably designate the financial asset as measured at fair value through profit / (loss) for the year if by so doing it eliminates or significantly reduces an accounting asymmetry that would otherwise result from the valuation of the asset financial at amortized cost or to FVOCI.

Financial assets: evaluation of the business model

The Group evaluates the objective of the business model under which the financial asset is held at the portfolio level as it best reflects the manner in which the business is managed, and the information communicated to the company management. This information includes:

- the criteria set out and the objectives of the portfolio and the practical application of these criteria, including, inter alia, if the management strategy is based on obtaining interest income from the contract, on maintaining a certain interest rate profile interest, on the alignment of the duration of the financial assets to that of the related liabilities or on the expected cash flows or on the collection of cash flows through the sale of the assets;

- the methods for evaluating the performance of the portfolio and the methods for communicating the performance to the Group's executives with strategic responsibilities;

- the risks affecting the performance of the business model (and of the financial assets held under the business model) and the way these risks are managed;

- the methods of remuneration of company executives (for example, if the remuneration is based on the fair value of the assets managed or on the contractual cash flows collected); and

- the frequency, value and timing of sales of financial assets in previous years, the reasons for the sales and expectations regarding future sales.

The transfers of financial assets to third parties in the context of transactions that do not involve derecognition are not considered sales for the purpose of evaluating the business model, in line with the Group's maintenance of these activities in the financial statements.

Financial assets - evaluation to establish whether the contractual financial flows are represented solely by payments of principal and interest

For valuation purposes, "principal" is the fair value of the financial asset at the time of initial recognition, while "interest" constitutes the consideration for the time value of money, for the credit risk associated with the amount of capital to be repaid during a given period of time and for other basic risks and costs related to the loan (for example, liquidity risk and administrative costs), as well as for the profit margin.

In assessing whether the contractual cash flows are represented solely by payments of principal and interest, the Group considers the contractual terms of the instrument. Therefore, it evaluates, among others, whether the financial asset contains a contractual clause that changes the timing or amount of the contractual cash flows such as not to satisfy the following condition. For the purposes of the assessment, the Group considers:
- contingent events that would change the timing or the amount of financial flows;
- clauses that could adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specific assets (for example, non-recourse elements).

A prepayment feature is in line with the criterion of "cash flows represented solely by payments of principal and interest" when the amount of the advance payment substantially represents the unpaid amounts of principal and interest accrued on the amount of the capital to be repaid, which may include reasonable compensation for early termination of the contract. Furthermore, in the case of a financial asset acquired with a significant premium or discount on the contractual nominal amount, an element that allows or requires an advance payment equal to an amount that substantially represents the contractual nominal amount plus the contractual interest accrued (but not paid) (which may include a reasonable compensation for early termination of the contract) is accounted for in accordance with this criterion if the fair value of the prepayment element is not significant at the time of initial recognition.

Financial assets: subsequent measurement and profits and losses

Financial assets valued at FVTPL: These assets are subsequently measured at fair value. Net profits and losses, including dividends or interest received, are recognized in profit / (loss) for the year.

Financial assets valued at amortized cost: These assets are subsequently measured at amortized cost in accordance with the effective interest criterion. The amortized cost is decreased by the losses due to value reduction. Interest income, exchange gains and losses and impairment losses are recognized in the profit / (loss) for the year as well as any profits or losses from elimination.

Debt securities valued at FVOCI: These assets are subsequently measured at fair value. Interest income calculated in accordance with the effective interest method, exchange gains and losses and losses due to impairment are recognized in profit / (loss) for the year. Other net gains and losses are recognized in the other components of the comprehensive income statement. At the time of derecognition, the profits or losses accumulated in the other components of the comprehensive income statement are reclassified in the profit / (loss) for the year.

Equity securities valued at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized in profit / (loss) for the year unless they clearly represent a recovery of part of the investment cost. Other net profits and losses are recognized in the other components of the comprehensive income statement and are never reclassified in profit / (loss) for the year.

Financial Liabilities - Classification, Subsequent measurement and Profits and Losses

Financial liabilities are classified as measured at amortized cost or at FVTPL. A financial liability is classified at the FVTPL when it is held for trading, represents a derivative instrument or is designated as such at the time of initial recognition. Financial liabilities at FVTPL are measured at fair value and any changes, including interest expense, are recognized in profit / (loss) for the year. The other financial liabilities are subsequently measured at amortized cost using the effective interest criterion, except for trade payables that do not contain a significant financing component. Interest expense and exchange gains / (losses) are recognized in profit / (loss) for the year, as well as any profits or losses resulting from the derecognition.

M. Impairment losses

i. Financial instruments and assets deriving from contracts

The Group recognizes bad debt provisions for expected credit losses relating to financial assets measured at amortized cost, any debt securities valued at FVOCI and assets deriving from the contract.

In addition, the Group recognizes the bad debt provision under trade receivables and other receivables for expected losses over the entire duration of the receivables implicit in leasing contracts.

The Group evaluates the bad debt provision at an amount equal to the expected life-long losses of the credit, except as indicated below, for the following twelve months:

- debt securities with low credit risk at the balance sheet date; and
- other debt securities and bank current accounts whose credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not significantly increased after initial recognition.

Provisions for bad debts for trade receivables (including those relating to leasing) and for assets deriving from contracts are always measured at an amount equal to the expected losses over the entire life of the credit.

In order to determine whether the credit risk relating to a financial asset has increased significantly after initial recognition and to estimate expected credit losses, the Group considers reasonable and demonstrable information that is relevant and available without excessive cost or effort. This includes quantitative and qualitative information and analyzes, based on the historical experience of the Group, on the credit assessment as well as on information indicative of expected developments ("forward-looking information").

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are the present value of all non-collections (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). Expected credit losses are discounted using the criterion of the effective interest of the financial asset, unless the effects of such discounting are negligible compared to the nominal value.

The gross book value of a financial asset is written down (in part or entirely) to the extent that there is no real prospect of recovery.

ii. Non-financial assets

At each year-end closing date, the Group checks whether there is objective evidence of impairment with reference to the book values of its non-financial assets, with the exception of biological assets, property investments, inventories, assets deriving from the contract and deferred tax assets. If on the basis of the verification it emerges that the assets have actually suffered a reduction in value, the Group estimates their recoverable value. On the other hand, the recoverable value of goodwill is estimated annually.

For the purpose of identifying any losses due to impairment, the assets are grouped into the smallest identifiable group of assets that generate financial flows that are largely independent from the financial flows generated by other assets or groups of assets (the "CGU" or "cash- generating unit "). The goodwill acquired through a business combination is allocated to the group of CGUs which envisages the benefit of the synergies of the combination.

The recoverable value of an asset or a CGU is the greater of its value in use and its fair value less the costs of disposal. To determine the value in use, the estimated expected cash flows are discounted using a pre-tax discount rate that reflects the current market valuations of the time value of money and the specific risks of the CGU's business.

When the book value of an asset or a CGU exceeds the recoverable value, an impairment loss is recognized.

Losses due to impairment are recognized in profit / (loss) for the year. Those relating to the CGU are first attributed to a reduction in the carrying amount of any goodwill allocated to the CGU, then proportionately to a reduction in the other assets that make up the CGU.

Losses due to impairment of goodwill cannot be reversed. For other assets, impairment losses recognized in previous years are reinstated up to the book value that would have been determined (net of depreciation) if the impairment loss on the asset had never been recognized.

N. Accrued provisions

Provisions for risks and charges include provisions for current obligations (legal or implicit) deriving from a past event, for the fulfillment of which it is probable that an use of resources may be required, the amount of which can be reliably estimated. The changes in the estimate are reflected in the income statement for the year in which the change occurred. If the effect of the discounting is significant, the funds are shown at their current value.

O. Leasing

At the beginning of the contract, the Group assesses whether the contract is, or contains, a lease. The contract is, or contains, a lease if, in exchange for a consideration, it transfers the right to control the use of an identified asset for a period of time.

At the beginning of the contract or the modification of a contract that contains a leasing component, the Group assigns the consideration of the contract to each leasing component on the basis of its separate price. However, in the case of leasing of buildings, the Group has decided not to separate the non-leasing components from the leasing components and to account for the leasing and non-leasing components as a single component.

On the effective date of the lease, the Group recognizes the asset for the right of use and the liability of the lease. The right-of-use asset is initially measured at cost, including the amount of the initial valuation of the lease liability, adjusted for the payments due for the lease made on or before the effective date, increased by the initial direct costs incurred and an estimate of the costs that the lessee will have to incur for the dismantling and removal of the underlying asset or for the restoration of the underlying asset or the site where it is located, net of leasing incentives received.

The asset for the right of use is subsequently amortized on a straight-line basis from the effective date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or, considering the cost of the asset for the right of use, it is expected that the Group will exercise the purchase option. In this case, the asset for the right of use will be amortized over the useful life of the underlying asset, determined on the same basis as that of property, plant and machinery. In addition, the asset for the right of use is regularly decreased by any losses due to impairment and adjusted to reflect any changes resulting from subsequent valuations of the lease liability.

The Group evaluates the lease liability at the present value of the payments due for the lease not paid at the effective date, discounting them using the implicit interest rate of the lease. Where it is not possible to determine this rate easily, the Group uses the marginal loan rate. Generally, the Group uses the marginal borrowing rate as the discount rate.

The Group's marginal financing rate is calculated on the basis of the interest rates obtained from various external financing sources, making some adjustments that reflect the conditions of the lease and the type of asset being leased.

The payments due for the lease included in the measurement of the lease liability include:

- fixed payments (including substantially fixed payments);
- the variable payments due for the lease that depend on an index or a rate, initially valued using an index or a rate at the effective date;
- the amounts expected to be paid as a guarantee on the residual value; and
- the exercise price of a purchase option that the Group has the reasonable certainty of exercising, the payments due for the lease in an optional renewal period if the Group has the reasonable certainty of exercising the renewal option, and the penalty for early termination of the lease, unless the Group is reasonably certain that it will not terminate the lease early.

The lease liability is measured at amortized cost using the effective interest criterion and is remeasured in the event of a change in the future payments due for the lease resulting from a change in the index or rate, in the event of a change in the amount that the Group expects to have to pay as a guarantee on the residual value or when the Group changes its valuation with reference to the exercise or otherwise of a purchase option, extension or termination or in the event of a revision of the payments due for the leasing fixed in substance .

When the lease liability is remeasured, the lessee proceeds to a corresponding modification of the asset for the right of use. If the book value of the asset for the right of use is reduced to zero, the lessee recognizes the change in the profit / (loss) for the year.

In the statement of financial position, the Group shows the assets for the right of use that do not meet the definition of real estate investments in the item “right of uses assets” and the leasing liabilities among the “financial liabilities”.

Short-term leasing and leasing of small value assets

The Group has decided not to recognize the assets for the right of use and the leasing liabilities relating to assets of modest value and short-term leases, including IT equipment. The Group recognizes the related payments due for the lease as a cost on a straight-line basis over the lease term.

P. Fair value measurement

The "fair value" is the price that would be received at the measurement date for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market operators in the main (or most advantageous) market at which the Group has access at that time. The fair value of a liability reflects the effect of a risk of default.

Various accounting principles and some disclosure obligations require the Group to evaluate the fair value of financial and non-financial assets and liabilities.

Where available, the Group evaluates the fair value of an instrument using the listed price of that instrument in an active market. A market is active when transactions relating to the asset or liability occur with a frequency and volumes sufficient to provide useful information for determining the price on an ongoing basis.

In the absence of a listed price in an active market, the Group uses valuation techniques by maximizing the use of observable input data and minimizing the use of unobservable input data. The valuation technique chosen includes all the factors that market participants would consider when estimating the transaction price.

The best proof of the fair value of a financial instrument at the time of initial recognition is usually the transaction price (i.e. the fair value of the consideration given or received). If the Group notes a difference between the fair value at the time of initial recognition and the transaction price and the fair value is not determined either by using a price listed in an active market for identical assets or liabilities, or by means of a valuation technique whose unobservable input data are considered insignificant, the financial instrument is initially measured at fair value, adjusted in order to defer the difference between the fair value at the time of initial recognition and the transaction price. Subsequently, this difference is recognized in the profit / (loss) for the year over the life of the instrument with an appropriate method, but no later than the time when the valuation is fully supported by observable market data or the transaction is concluded.

8. Adoption of new or revised accounting standards

Accounting Standards and interpretations issued by IASB and adopted by the EU for the financial years beginning on or after 1 January 2020

- EU Regulation 2019/2075 of November 29, 2019 adopted the amendments of references to the *IFRS Conceptual Framework*. The amendments aim to update existing references to the previous Conceptual Framework in various accounting standards and interpretations, replacing them with references to the revised Conceptual Framework. The Conceptual Framework sets out the fundamental concepts for financial reporting that guide the Board in developing IFRS Standards and it helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way. The Conceptual Framework also assists companies in developing accounting policies when no IFRS Standard directly applies to a particular transaction, and more broadly, helps stakeholders to understand and interpret the Standards.
- EU Regulation 2019/2014 of November 29, 2019 adopted the amendments to *IAS 1 - Presentation of Financial Statements* and *IAS 8 - Accounting Policies, Changes in Accounting Estimates*, clarifying the definition of materiality to aid its application.
- EU Regulation 2020/34 of January 15, 2020 adopted the amendments to *IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurement*, and *IFRS 7 - Financial Instruments: Disclosures*, aimed at resolving issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate, dealing with the implications for specific hedge accounting requirements.
- EU Regulation 2020/551 of April 21, 2020 adopted the amendments *to IFRS 3 Business Combinations: Definition of a Business*, aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets.
- EU Regulation 2020/1434 of October 12, 2020, concerning the *Concessions on fees connected to Covid-19 (Amendment to IFRS 16)*, in order to provide for optional and temporary operational support connected to the pandemic, for tenants who benefit from suspension of payments due for leasing.
- EU Regulation 2020/2097 of December 15, 2020, which resulted in an amendment to IFRS 4. In particular, the amendments to IFRS 4 extend the expiry of the temporary exemption from the application of IFRS 9 until 2023 in order to align the date of entry into force of IFRS 9 with the new IFRS 17 and thus remedy the temporary accounting consequences that could occur in the event of the entry into force of the two standards on different dates.

These amendments did not have a significant impact on the Group's financial statements.

Accounting Standards and interpretations issued by IASB but not adopted by the EU yet

- In May 2017, the IASB issued *IFRS 17, Insurance Contracts* ("IFRS 17"), which replaces *IFRS 4 - Insurance Contracts*. IFRS 17 requires all insurance contracts to be accounted for in a consistent manner and insurance obligations to be accounted for by using current values, instead of the historical cost. The new standard requires current measurement of the future cash flows and the recognition of profit over the period in which services are provided under the contract. Pursuant to IFRS 17 entities are also required to submit insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses and an entity is required to make an accounting policy choice of whether to recognize all insurance finance income or expenses in profit or loss or to recognize some of those income or expenses in other comprehensive income. The standard is effective for financial years beginning on or after January 1, 2023 with earlier adoption permitted.
- In January 2020, the IASB issued *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*, which affects the requirements in IAS 1 for the presentation of liabilities, including clarifications of one of the criteria for classifying a liability as non-current. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier adoption permitted.
- In August 2020, the IASB published *Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16,* with the aim to address the accounting issues that arise for financial instruments referring to Interbank Offered Rate (IBORs) upon transition to nearly risk-free rates (RFRs). The effective date is for annual periods beginning on or after 1 January 2021, but earlier application is permitted.

In May 2020, the IASB also published the following amendments to the IFRS, which will all enter into force on 1 January 2022.

- Amendments to *IFRS 3 - Business combinations*: they update the reference mentioned in IFRS 3 to the *Conceptual Framework* in the revised version, without changes to the provisions of the standard.

- Amendments to *IAS 16 - Property, plant and equipment*: it does not allow the amount received from the sale of goods produced before the asset was ready for use to be deducted from the cost of fixed assets. These sales revenues and the related costs will be recognized in the income statement.

- Amendments to *IAS 37 - Provisions, contingent liabilities and contingent assets*: it clarifies which cost items must be considered to assess whether an agreement will be an onerous contract.

- Annual improvements: amendments are made to *IFRS 1 - First adoption of International Financial Reporting Standards*, to *IFRS 9 - Financial instruments*, to *IAS 41 - Agriculture* and to the *Illustrative Examples* accompanying *IFRS 16 - Leasing*.

We are still evaluating the impacts that these changes will have on our consolidated financial statements, however we do not expect them to have a significant impact.

9. Property, Plant and Equipment

12.31.2020	01.01.2020	Variations + (-)
2,843,545	2,712,345	131,200

Variations for the period, on the basis of consistent categories, are detailed as follows:

	Plant, machinery and equipment	Furniture, fixtures and office equipment	Assets held at fair value	Other tangible assets	Total
Book value at the beginning of the year					
Cost	5,273,154	1,499,190	850,670	1,314,430	**8,937,443**
Accumulated Depreciation	(3,904,674)	(1,198,565)	-	(1,121,860)	**(6,225,099)**
Net Book Value	**1,368,480**	**300,625**	**850,670**	**192,570**	**2,712,345**
Movements of the year					
Cost					
Additions	473,285	69,391	-	121,343	**664,019**
(Disposals)	(878)	(9,990)	-	(12,203)	**(23,071)**
Remeasurement at fair value IAS 16	-	-	271,529	-	**271,529**
Exchange rate impact	(169,778)	(57,446)	(54,413)	(30,650)	**(312,288)**
Accumulated Depreciation					
Depreciation	527,592	117,174	-	66,460	**711,226**
Exchange rate impact	124,737	66,651	-	24,006	**215,394**
Other movements	-	26,843	-	-	**26,843**
Book value at the end of the year					
Cost	5,575,782	1,501,145	1,067,786	1,392,920	**9,537,632**
Accumulated Depreciation	(4,307,528)	(1,222,244)	-	(1,164,314)	**(6,694,087)**
Net Book Value	**1,268,254**	**278,900**	**1,067,786**	**228,606**	**2,843,545**

During the year, in accordance with the planning, the Group proceeded to make the necessary investments to renew plants, machinery, equipment and other depreciable assets, in order to guarantee the highest standards of production.
Some assets, of immaterial unit value, were expensed in the year in which they were purchased; the decision not to capitalize the value of these assets finds an economic reason in the fact that these are goods of small value, whose duration is very limited and difficult to determine.
Maintenance costs of an incremental nature are accounted for as an increase in the assets to which they refer; the incremental expenses do not assume independent relevance with respect to the asset they refer to and, therefore, the calculation of the depreciation takes place in a unitary and indistinct way both as regards the cost on which the depreciation is calculated, and as regards the relative percentage of depreciation.

The assets held at fair value refer to original helmets and replicas of historic Bell branded racing helmets, whose value at the end of the year is determined on the basis of an appraisal provided by an independent expert. Fair value was determined based on a market approach that reflects recent transaction prices for similar assets.

10. Right of use assets and lease liabilities

The Group owns factories, warehouses and shops through leasing agreements. The duration of these leases varies from 2 to 15 years, with the possibility of renewal. Lease payments are renegotiated periodically to reflect market rents. Some leases provide for additional payments that depend on local variations in the price index.

The Group also leases IT equipment (printers), whose duration is between 3 and 5 years, and cars, with a duration between 3 and 4 years.

Other leasing contracts, if short-term and / or if referring to assets of modest value, are not recognized among assets and liabilities for the right of use.

Right of use assets

12.31.2020	01.01.2020	Variations + (-)
4,066,278	4,814,886	(748,608)

Variations for the period, on the basis of consistent categories, are detailed as follows:

	Buildings	Other assets	Total
Book value at the beginning of the year			
Cost	5,315,233	255,488	**5,570,721**
Accumulated Depreciation	(687,405)	(68,430)	**(755,835)**
Net Book Value	**4,627,827**	**187,059**	**4,814,886**
Movements of the year			
Cost			
Additions	208,746	39,286	**248,032**
(Disposals)	(60,084)	-	**(60,084)**
Other movements	(149,629)	(1,088)	**(150,716)**
Accumulated Depreciation			
Depreciation	699,444	86,396	**785,840**
Book value at the end of the year			
Cost	5,314,266	293,687	**5,607,953**
Accumulated Depreciation	(1,386,850)	(154,826)	**(1,541,676)**
Net Book Value	**3,927,417**	**138,861**	**4,066,278**

In compliance with IFRS 16, buildings include the value of the rights of use relating to premises subject to leasing contracts in which the entities of the Group carry out their activities; other tangible assets mainly relate to printers and leased vehicles.

The additions for the year mainly refer to the new rental contracts for the branch in Pisa (which replaced the existing one) and the Indianapolis pro-shop, in addition to the new lease contracts for company cars.

The other movements mainly reflect the changes in the exchange rates of the lease contracts of the consolidated foreign companies.

The impact of leasing transactions on the balance sheet, income statement and cash flow statement are shown below:

Income Statement	**2020**
General and administrative expenses	(829,316)
EBITDA	829,316
Depreciation	785,840
EBIT	43,475
Finance loss and taxes	109,052
Net Result	(65,576)
Balance Sheet	
Right of use assets	4,066,278
Net invested capital	(121,269)
Net Equity	(76,167)
Cash Flow	
Cash flow from operations	829,316
Cash flow from investments	187,948
Cash flow from financial operations	(686,688)
Increase (decrease) in cash and cash equivalent	-

Lease liabilities

12.31.2020	01.01.2020	Variations + (-)
4,187,547	4,874,234	(686,688)

The details of the right-of-use assets and leasing liabilities, including current and long-term portions, are shown in the following table:

A) Value of assets	
Finance leases, net of total depreciation, at the beginning of the fiscal year	4,814,886
+ Assets acquired on finance leases during the year	248,032
- Assets on finance leases redeemed during the year	
- Lease agreements terminated during the year	(60,084)
- Share of depreciation for the year	(785,840)
+/- Adjustments/increases in finance leases	(150,716)
Finance leases, net of total depreciation, at the end of the fiscal year	**4,066,278**
B) Current value of unexpired lease payments	
Current value of unexpired lease payments calculated using the interest rate of the lease contract	4,187,547
of which:	
- Payable within one year	782,078
- Long term	3,405,472
C) Financial changes for the year	
Financial charges for the year calculated using the applicable interest rate	109,052

Payables for long-term leases include 2,468 thousand Euro with a maturity between one and five years and 937 thousand Euro with a maturity over five years.

The expiry dates of the contracts on the basis of which the current value of the unexpired lease payments was determined are those indicated on the contracts, unless the Group has the reasonable certainty of exercising the renewal option.

11. Intangible Assets and Goodwill

Intangible assets

12.31.2020	01.01.2020	Variations + (-)
5,993,994	6,261,532	(267,538)

Variations for the period, on the basis of consistent categories, are detailed as follows:

	Development costs	Licences, patents and trademarks	Work in progress and advances	Other tangible assets	Total
Book value at the end of the year					
Cost	3,826,263	5,296,448	817,573	2,369	**9,942,653**
Accumulated Depreciation	(2,679,545)	(1,001,103)	-	(474)	**(3,681,122)**
Net Book Value	**1,146,718**	**4,295,345**	**817,573**	**1,895**	**6,261,531**
Movements of the year					
Cost					
Additions	311,050	61,945	416,479	-	**789,474**
Reclassifications	739,602	-	(739,602)	-	**-**
Exchange rate impact	(20,794)	(199,682)	(61,007)	-	**(281,483)**
Accumulated Depreciation					
depreciation	495,143	310,788	-	1,895	**807,827**
Exchange rate impact	20,162	12,136	-	-	**32,298**
Book value at the end of the year					
Cost	4,116,519	5,158,711	1,173,045	2,369	**10,450,645**
Accumulated Depreciation	(3,154,527)	(1,299,755)	-	(2,369)	**(4,456,651)**
Net Book Value	**961,992**	**3,858,957**	**1,173,045**	**-**	**5,993,994**

Development costs mainly refer to expenses for technical, laboratory and homologation tests for the Group's products, incurred by OMP Racing S.p.A. for OMP brand products and, starting from November 2020, also for Zeronoise branded products, and in the subsidiary Bell Racing Helmets International for Bell branded helmets.

Development costs are recognized under intangible assets since they are considered recoverable, as they relate to specific development projects that can be carried out and for which the Group has the necessary resources. These costs, in fact, relate to a product or process that is clearly defined as well as identifiable and measurable.

The increase in development costs during the year is due to the recognition among intangible assets of the expenses incurred during the year for the homologation of new OMP and Bell brand products. The reclassifications from work in progress to development costs, equal to 740 thousand Euro, refer entirely to projects of Bell branded helmets for pilots, which were in progress at January 1, 2020 and which were completed during the year.

The item licenses, patents and trademarks includes the trademarks owned by the group, the value of the licenses for the sale of Bell branded products and the international patent for the technology called In-Helmet Camera IHC (video camera inside the helmet) which integrates the so-called *Driver's Eye*.

The values of the Zeronoise brand and the *Driver's Eye* patent were recognized during the acquisition and first consolidation of Zeronoise Ltd at the end of the previous year, based on the projections of the Business Plan made by the Group’s management. Operating cash flows were discounted using the Unlevered Discounted Cash Flow method.

Work in progress include the costs relating to the implementation of the new ERP system in OMP Racing S.p.A. and the costs recognized in the consolidated company Bell Racing Helmets International for projects under development referred to Bell branded helmets for pilots.

Goodwill

12.31.2020	01.01.2020	Variations + (-)
5,662,557	5,662,557	0

Below is a table summarizing the composition of the goodwill recorded in the Consolidated Financial Statements:

Goodwill	12.31.2020
Bell Racing Helmets International Llc	3,717,556
OMP Racing Inc.	1,345,001
OMP Racing S.p.A.	600,000
	5,662,557

Goodwill represents the excess of the fair value of the consideration paid in a business combination over the fair value of net tangible and intangible assets separately identifiable at the time of the acquisition.

The amount related to Bell Racing Helmets International Wll arises from the consolidation of the balances at year end of the previous year, following the acquisitions completed in December 2019.

The values of goodwill at December 31, 2020 have been all subject to the assessment and evaluation by the Group's management, based on the projection of the discounted operating cash flows for each cash generating unit (impairment test).

The impairment tests were performed on the basis of the projections of the 2021-2025 Business Plan prepared by the management of each consolidated company, considered as separate cash generating units for the purposes of the valuations. For the calculations in the impairment test, the Unlevered Discounted Cash Flow method was used.

The operating cash flows expected for future years have been discounted using the weighted average cost of capital or WACC (Weighted Average Cost of Capital), which adjusts the expected cash flows depending on the monetary value of time, the risk of the company, the sector and country. The discount rate is used to homogenize cash flows referring to different periods and to take into account their volatility based on the riskiness of the various cash generating units.

Below is a summary of the main assumptions used:

- WACC: 11.43% for Bell Racing Helmets International Wll; 9.30% for OMP Racing Inc.; 12.27% for OMP Racing S.p.A., determined on the basis of the rate of return of risk-free assets and the market premium in the various countries and increased, prudentially, by an additional risk component.
- Beta equal to 1.40 (Source Damodaran - Beta Auto Parts Sector) for all CGUs.
- Growth rate beyond the explicit projection period equal to 3% for all CGUs.

A sensitivity analysis was carried out for each assessment, keeping the other inputs constant, based on: i) an increase in the WACC equal to 1%; ii) a reduction of operating flows expected for the period 2021-2025 equal to 5%; iii) an expected growth rate beyond the explicit projection period equal to zero. These changes would not have had any effect on the result for the year.

Based on the above analysis, the management has confirmed there are no impairment losses to record at the date of December 31, 2020.

12. Investments booked at Equity method

12.31.2020	01.01.2020	Variations + (-)
44,426	55,250	(10,824)

The list of investments in not consolidated companies is reported below:

	Balance at 01.01.2020	Variations for the period: Equity method evaluation	Variations for the period: Increases / (Decreases)	Balance at 12.31.2020	%
Associates and Joint Ventures					
Racing Spirit Llc	54,217	(10,824)		43,393	50.0%
Other companies					
MSC Motorsport Safety Council	1,033	-	-	1,033	-
	55,250	(10,824)	0	**44,426**	

Racing Spirit Llc is a 50% owned entity based in Miami (USA) that was established on March 23, 2018, with a paid-in share capital of 200 thousand USD. The company designs, manufactures and distributes clothing and accessories inspired by racing.

Below is the main information on the company as at December 31, 2020:

Entity	Headquarters	Share capital in Euro	2020 Net result in Euro	Total Equity in Euro	% share owned by the Group	Net book value in consolidated FS
Racing Spirit Llc	Miami (USA)	162,986	(21,809)	86,786	50%	43,393

MSC Motorsport Safety Council is a consortium, with registered office in Genoa (Italy), operating with the purpose of coordinating the various bodies of motorsports in relation to safety regulations and product homologation standards.

13. Due from related parties - non current

12.31.2020	01.01.2020	Variations + (-)
1,490,000	1,490,000	-

The balance is related to the financial loan granted to the parent company SAYE S.p.A., with expiry date on December 31, 2027 and a 2.5% annual interest rate. The portion over 5 years amounts to 373 thousand Euro. There were no changes during the year.
Complete information on transactions with related parties is provided in the section Other information - Transactions with related parties, to which reference should be made.

14. Other non current assets

12.31.2020	01.01.2020	Variations + (-)
89,238	124,532	(35,294)

The item mainly refers to guarantee deposits.

15. Cash and cash equivalents

12.31.2020	01.01.2020	Variations + (-)
4,254,877	978,245	3,276,632

Variations for the period are detailed as follows:

	Balance at 01.01.2020	Variations for the period	Balance at 12.31.2020
Bank deposits	967,361	3,254,950	4,222,311
Cash and cash on hand	10,884	21,682	32,566
	978,245	**3,276,632**	**4,254,877**

Bank deposits, cash and other cash on hand are not restricted and are fully available.
For the analysis of cash variations, please refer to the consolidated cash flow statement.

16. Trade receivables

12.31.2020	01.01.2020	Variations + (-)
6,240,014	6,250,410	(10,396)

Trade receivables are shown net of the allowance for bad debt.

	Balance at 01.01.2020	Variations for the period	Balance at 12.31.2020
Trade receivables	6,313,023	(13,560)	6,299,463
Bad debt allowance	(62,613)	3,164	(59,449)
	6,250,410	(10,396)	**6,240,014**

Trade receivables are classified as current, since they are collectable by the end of the following fiscal year and do not include any significant past due balance for which the collection is at risk, except for those positions considered within the bad debt allowance.
The bad debt provision is calculated on the basis of the principles set out in these explanatory notes, to which reference should be made.

The ageing of trade receivables at December 31, 2020 is reported below.

	Not Due	Due 1 - 30 days	Due 31 - 90 days	Due 91 - 180 days	Due 181 - 365 days	Due > 1 year	Total
Trade receivables	4,675,756	859,950	297,100	104,442	227,662	134,552	**6,299,463**

The breakdown of trade receivables by area, before the bad debt provision, is as follows:

Area	**12.31.2020**
Italy	1,539,378
Europe (exl. Italy)	3,520,109
Rest of the World	1,239,976
	6,299,463

The Group sells its products in around 80 countries. Only 3 countries (Italy, United Kingdom and United States) individually exceed 10% of the total receivables booked as at December 31, 2020.

The table below shows the breakdown of the balance of trade receivables, before the bad debt provision, by type of customer.

Type	**12.31.2020**
Dealers	2,962,157
Team and car manufacturers	1,521,448
Other	1,815,858
	6,299,463

Group management assumes that there are no risks associated with a particular geographical area, or to the concentration of receivables. For more information, see paragraph 38 on risk management.

17. Inventories

12.31.2020	**01.01.2020**	**Variations + (-)**
11,277,118	11,578,156	(301,038)

Variations for the period, on the basis of consistent categories, are detailed as follows:

	Balance at 01.01.2020	**Variations for the period**	**Balance at 12.31.2020**
Raw materials	2,794,658	381,179	3,175,837
Semi-finished goods	1,467,323	(14,531)	1,452,792
Finished products	7,376,176	(667,722)	6,708,454
Obsolescence Fund	(60,000)	36	(59,964)
	11,578,156	**(301,038)**	**11,277,118**

Balances as at December 31, 2020 are reported net of the elimination of the intragroup margin on the sale of goods between the companies that fall within the consolidation area, as regards the products still in stock at the end of the year.
The obsolescence fund reflects the obsolescence rate and the timing of inventory turnover.

18. Due from related parties - current

12.31.2020	**01.01.2020**	**Variations + (-)**
106,163	918,012	(811,849)

Receivables from related parties are composed as follows:

Due from related parties	12.31.2020
STUDIOMILANO	94,760
Racing Spirit Llc	6,827
KJK Protective Techologies LLC	4,575
	106,163

A complete disclosure of transactions with related parties is provided under the section Other Information – Relationships with related parties, to which we refer.

19. Other current assets

12.31.2020	01.01.2020	Variations + (-)
942,003	893,898	48,105

The detail of the other current assets is shown in the following table:

Other current assets	12.31.2020
Prepaid expenses	928,427
Other receivables	13,576
	942,003

Prepayments mainly refer to costs connected to long-term contracts incurred for technical partnerships with teams and car manufacturers and sponsorships, related to the following fiscal year.

20. Net Equity

Share capital

12.31.2020	01.01.2020	Variations + (-)
1,925,745	1,425,745	500,000

On 23 December 2020, the shareholders' meeting of the parent company OMP Racing S.p.A. approved the resolution for the increase of the share capital for an amount of Euro 500,000 and therefore from Euro 1,425,745 to Euro 1,925,745. The share capital increase was subscribed and fully paid up by all shareholders.

Additional paid-in capital

12.31.2020	01.01.2020	Variations + (-)
1,632,150	1,632,150	-

Additional paid-in capital is the share premium reserve which includes the excess of the issuing price of the shares compared to their nominal value. This share premium was generated in 2019 with the in-kind contribution of the company Zeronoise Ltd.
There were no changes in the year.

Legal reserve

12.31.2020	01.01.2020	Variations + (-)
398,931	398,931	-

The legal reserve is required by Italian law and must be set aside until reaching 20% of the share capital of the company to which it refers, the minimum annual provision is equal to 5% of the net profit for the year.
There were no changes in the year.

Translation reserve

12.31.2020	01.01.2020	Variations + (-)
(363,124)	28,372	(391,496)

The translation reserve is generated by the conversion into Euro of the financial statements of subsidiaries that have a functional currency other than the Euro. The change in the year is mainly due to the exchange rate trend with the Bahraini Dinar, functional currency of the subsidiary Bell Racing Helmets International Wll.

Retained earnings (losses)

12.31.2020	01.01.2020	Variations + (-)
3,045,913	3,045,913	-

Retained earnings / (losses) are related to the results for the year that the Group has decided not to distribute or allocate to a specific reserve.
There were no changes in the year.

Other reserves

12.31.2020	01.01.2020	Variations + (-)
192,507	(67,662)	260,169

Other reserves include 271,529 Euro for the fair value remeasurement of the assets recorded in the subsidiary Bell Racing Helmets International Wll, as described in the note on Property, plant and equipment and the negative reserve deriving from the actuarial valuation of defined benefit obligations in accordance with the accounting standard IAS 19, net of the related tax impact, for 79,022 Euro.
The movements are detailed in the Statement of changes in equity for the year ended December 31, 2020.

Non-controlling interest

12.31.2020	01.01.2020	Variations + (-)
298,430	3,483,900	(3,185,470)

Non-controlling interests as at December 31, 2020 constitute the portion of the minority shareholders' equity. The change in the year is mainly due to the acquisition during the year of the remaining 24.89% in the company Bell Racing Helmets International Wll, 100% owned as of December 31, 2020.
During the year, moreover, dividends were distributed to the minority shareholders of Bell Racing USA LLC for 21,250 Euro.

Statement of agreement between OMP Racing S.p.A. shareholders' equity and result and Group consolidated shareholders' equity and result

	Shareholders' equity	Net income for the period
Amounts as per OMP Racing S.p.A. financial statements ITA GAAP	**9,057,821**	**1,558,688**
Impact IAS 19	(79,022)	-
Impact IFRS 3, IFRS 10	108,150	108,150
Impact IFRS 16	(15,416)	(13,801)
Amounts as per OMP Racing S.p.A. Financial Statements IAS-IFRS	**9,071,533**	**1,653,037**
Net Equity and income from consolidated subsidiaries	5,066,228	1,491,184
Elimination of consolidated investments	(10,896,590)	(659,531)
Goodwill (IFRS 3, IFRS 10)	6,625,057	(231,975)
Intangible assets depreciation (IFRS 3, IAS 38)	(109,316)	(109,316)
Elimination of intra-group dividend	-	(65,451)
Elimination of intra-group margin	(1,139,571)	(726,528)
Acturial gains and losses (IAS 19)	(60,751)	(27,350)
Lease Accounting (IFRS 16)	(363,124)	-
Cumulative translation reserve	(6,059)	31,216
Net Equity and result of the Group	**8,187,408**	**1,355,286**
Non-controlling interest	298,430	81,801
Amounts as per consolidated financial statements	**8,485,838**	**1,437,086**

21. Capital management

The Group's capital management policies provide for the maintenance of an adequate level of capital in order to maintain a relationship of trust with shareholders, creditors and the market, also allowing for future development of the business. In addition, the Group's management monitors the return on capital and the level of dividends to be distributed to the shareholders.
The Board of Directors tries to maintain a balance between obtaining higher returns through the use of a higher level of debt and the advantages and safety offered by a solid financial situation. In particular, the Group monitors its exposure in terms of net financial position (short and long-term bank debt, net of cash and cash equivalents and financial receivables from the parent company) and gross operating margin (EBITDA).

22. Long term loans

12.31.2020	01.01.2020	Variations + (-)
15,034,695	9,233,768	5,800,927

The breakdown of long-term loans between current and non-current portion is as follows:

	12.31.2020
Current	3,129,966
Non current	11,904,728
	15,034,695

The portion of long-term loans maturing within one year is classified under current liabilities.
The details of long-term loans to banks as at December 31, 2020 including the current portion, are shown in the following table:

Bank	Currency	Original amount in currency	Starting date	Maturity date	Interest base rate	Outstanding debt at December 31, 2020 in Euro	Current portion in Euro	Long term portion in Euro
Banca Carige	EUR	5,000,000	9/4/2020	8/31/2026	1.10%	5,000,000	-	5,000,000
Credit Agricole	EUR	700,000	5/31/2019	8/31/2022	0.90%	438,974	174,998	263,976
Intesa SanPaolo	EUR	500,000	10/30/2018	1/30/2022	1.38%	251,292	167,239	84,052
Banco Popolare	EUR	600,000	6/23/2017	10/31/2023	1.90%	287,094	60,454	226,640
Banco Popolare	EUR	350,000	4/19/2018	7/19/2022	1.33%	128,096	58,884	69,212
Banco Popolare	EUR	4,000,000	12/11/2019	6/30/2028	2.15%	4,000,000	266,233	3,733,767
Banco Popolare	EUR	500,000	11/21/2018	8/31/2022	0.88%	313,563	133,971	179,592
Monte dei Paschi di Siena	EUR	350,000	5/30/2018	12/31/2022	1.20%	175,000	58,333	116,667
Monte dei Paschi di Siena	EUR	400,000	12/16/2019	3/31/2023	1.20%	400,000	114,286	285,714
Banca Nazionale del Lavoro	EUR	1,000,000	5/31/2019	3/31/2022	1.00%	500,000	500,000	-
Credito Valtellinese	EUR	400,000	6/10/2019	5/4/2025	1.35%	383,761	48,937	334,823
Credito Valtellinese	EUR	500,000	10/25/2018	5/4/2023	0.96%	335,624	83,041	252,583
Credito Valtellinese	EUR	250,000	12/21/2019	2/21/2022	0.90%	166,916	125,093	41,823
Credito Emiliano	EUR	400,000	11/29/2017	6/30/2024	1.48%	243,522	39,839	203,682
UBI	EUR	500,000	1/13/2020	4/13/2023	1.15%	500,000	123,938	376,062
Intesa SanPaolo	EUR	800,000	3/31/2020	9/30/2021	1.00%	600,749	600,749	-
PNC	USD	252,000	6/28/2018	6/28/2025	6.19%	151,485	26,893	124,592
Bahrain Development Bank	BD	300,000	11/26/2015	7/26/2021	2.19%	72,295	72,295	-
Bahrain Development Bank	BD	150,000	3/30/2016	2/28/2021	2.17%	12,026	12,026	-
Bahrain Development Bank	BD	200,000	8/20/2016	7/20/2021	5.50%	14,052	14,052	-
Bahrain Development Bank	BD	50,000	8/20/2016	7/20/2021	2.17%	56,208	56,208	-
ASB	EUR	1,000,000	6/10/2020	6/10/2023	3.00%	1,004,039	392,497	611,542
Total						**15,034,695**	**3,129,966**	**11,904,728**

The maturity dates of the loans shown in the table, where applicable, are those restated following the extended terms granted by the banks in Italy and Bahrain.

The loans granted by Bahrain Development Bank, falling due within the following year, are guaranteed by the assets of the company Bell Racing Helmets International Wll up to the residual value of the debt (mainly machinery and industrial equipment).

23. Employee benefits

12.31.2020	01.01.2020	Variations + (-)
753,987	692,697	61,290

The increase compared to the previous year is mainly due to the changes in the liability set aside by the subsidiary Bell Racing Helmets International Wll for the staff employed in Bahrain, which constitutes a defined contribution plan.

The balance as at December 31, 2020 includes 469,540 Euro of defined benefit obligations related to the personnel employed in Italy by OMP Racing S.p.A., accounted for according to IAS 19 (470,499 Euro as of January 1, 2020).
The amount of the benefit to which each employee is entitled to is paid upon leaving the Group and is calculated on the basis of the period of employment and the taxable income of each employee. Under certain conditions, the amount can be partially advanced to an employee during his working life.
The Italian legislation ruling this subject was amended by Law 296 of December 27, 2006 and subsequent decrees and regulations issued in 2007. With these changes, companies with at least 50 employees were obliged to transfer the accrued defined obligation to the "Treasury Fund" managed by social security institution of the Italian State ("INPS") or complementary pension funds. Before the aforementioned legislation, the employee severance indemnity (TFR) of all Italian companies could be managed by the company itself. Subsequently, the obligation of the Italian companies towards INPS and the contributions to complementary pension funds take the form of defined contribution plans pursuant to IAS 19 - Employee benefits, while the amounts recorded as TFR up to December 31, 2006 maintain the nature of a defined benefit plan, determined in existence and amount but uncertain in its manifestation.
The amount of the defined benefit obligation is calculated and certified annually by an independent external actuary based on the "Projected unit credit" method, based on specific financial, actuarial and demographic assumptions. Actuarial gains and losses are recognized on an accrual basis directly within Equity.

The changes in defined benefit obligations for fiscal 2020 were as follows:

Present value of obligations at January 01, 2020	470,499
Service cost	-
Interest	3,623
Benefits paid	(31,877)
Other changes	12,349
Actuarial loss/(gain)	14,947
Present value of obligations at December 31, 2020	**469,540**

The main assumptions of the model are the following:

- the discount rates used to measure the obligation related to the Italian TFR are based on the yields of high-quality fixed income securities (rating AA), on the "10+" maturity, which is the maximum available maturity currently listed and which is the one closest to the duration of the OMP Racing S.p.A. severance pay liability.

For this plan, the weighted average discount rate reflecting the timing and estimated amount of future benefit payments for 2020 was 0.34%;

- a prospective inflation rate of 1% was used;
- the annual revaluation rate is equal to 75% of inflation plus one and a half percentage points;
- annual rates of increase in salaries were used according to the qualifications of the employees: managers 2.00%, middle managers / clerks / blue-collar workers 0.50%;
- the 2016 ISTAT survival table of the Italian population was used to estimate the mortality phenomenon within the collective of employees subject to the assessment. An INPS table differentiated according to age and sex was used to estimate the phenomenon of disability within the group of employees subject to the assessment;
- achievement of the minimum requirements of the Compulsory General Insurance (AGO) in line with the criteria defined by the Monti-Fornero law;
- the annual frequency of access to the right of anticipation (3% per annum) and the frequency of turnover (3% per annum) have been inferred from historical experiences. For the purposes of this estimate, the last five years of data were considered to be significant. Instead, a zero probability of early retirement was considered.

The discount rate is one of the valuation parameters that certainly has the greatest impact on the dimensioning of defined benefit obligations ("DBO"). According to the revised version of the standard (the so-called IAS19R) and with a view to providing an analysis of the sensitivity of the DBO to changes in the discounting interest rate, the recent evolution of the yield of securities that may fall within the definition of High-Quality Corporate Bonds included in the IAS standard has been analyzed.

Due to the volatility of the period under analysis (January 2019-December 2020), in order to provide a monetary quantification of the sensitivity of the DBO to the discount rate, a further assessment was made by introducing a shock of -50bp compared to the iBoxx AA Corporate return 10+. As expected, the lowering of the rate leads to an increase in the BOD equal to 6.43%.

24. Provisions

12.31.2020	01.01.2020	Variations + (-)
200,000	200,000	-

The provisions as at December 31, 2020 include the liabilities set aside to cover the losses deriving from any commercial disputes and tax claims.

There were no movements during the year.

Provisions	12.31.2020
Tax Claims	60,000
Other accrued liabilities	140,000
	200,000

The provision for tax claims concerns the prudential provision made by the Group in relation to the appeals pending before the C.T.R. of Liguria relating to the tax audit carried out for VAT purposes on the 2010-2012 tax years and the tax dispute relating to the 2008 financial year whose judgment is currently pending in the Court of Cassation.

The other accrued liabilities refer to a single dispute that originated in 2012 with a commercial counterparty, which is still ongoing.

25. Short Term Loans

12.31.2020	01.01.2020	Variations + (-)
6,251,825	6,148,737	103,087

The item refers to short-term loans, current account overdrafts and advances on invoices in relation to credit lines granted, with original maturity within twelve months.
The Group has credit lines with a plurality of financial institutions, such as to allow the adequacy of the financial resources that it requires. The summary of the short-term credit lines and balances at December 31, 2020 is shown below:

Bank	Currency	Interest rate	ST credit lines limits in currency as of 12.31.2020	ST credit lines limits in Euro as of 12.31.2020	ST debt as of 12.31.2020
BNL	EUR	Euribor + spread	1,050,000	1,050,000	202,959
Unicredit	EUR	Euribor + spread	1,750,000	1,750,000	498,182
Carige	EUR	Euribor + spread	1,100,000	1,100,000	382,809
Banco BPM	EUR	Euribor + spread	2,000,000	2,000,000	804,109
Credit Agricole	EUR	Euribor + spread	650,000	650,000	205,562
Intesa SanPaolo	EUR	Euribor + spread	1,600,000	1,600,000	471,699
Credem	EUR	Euribor + spread	950,000	950,000	599,174
Deutsche Bank	EUR	Euribor + spread	1,200,000	1,200,000	710,069
Monte dei Paschi di Siena	EUR	Euribor + spread	1,000,000	1,000,000	364,338
Credito Valtellinese	EUR	Euribor + spread	1,000,000	1,000,000	473,490
UBI	EUR	Euribor + spread	900,000	900,000	483,741
PNC	USD	3.25%	248,200	202,266	198,191
ASB	BHD	5.75%	450,000	976,139	835,408
TOTAL			**13,898,200**	**14,378,404**	**6,229,731**

In addition to the amounts reported in the table above, the balance of short-term bank loans at December 31, 2020 also includes 22,094 Euro of interest to Bahrain Development Bank.

26. Trade payables

12.31.2020	01.01.2020	Variations + (-)
7,667,696	9,055,680	(1,387,984)

The variation compared to the previous year is mainly due to lower purchases made in 2020 following the delays suffered by suppliers in the delivery of goods due to the restrictions related to the Covid-19 emergency.

The breakdown of trade payables by geographical area is as follows:

Area	12.31.2020
Italy	5,402,660
Other EU	1,224,095
Extra EU	1,040,941
	7,667,696

Only two countries (Italy and Bahrain) individually account for more than 10% of the total trade payables recorded as of December 31, 2020.

The breakdown of the balance at the end of the year by age group is shown below:

	Not Due	Due 1 - 30 days	Due 31 - 90 days	Due 91 - 180 days	Due 181 - 365 days	Due > 1 year	Total
Trade payables	5,222,558	1,073,218	517,647	80,483	335,002	438,788	**7,667,696**

27. Due to related parties

12.31.2020	01.01.2020	Variations + (-)
157,043	963,676	(806,633)

Payables to related parties at December 31, 2020 are composed as follows:

Due to related parties	**12.31.2020**
Racing Spirit Llc	10,858
Dinamo Srl	120,000
Stephane Cohen	1,200
Gabriele Pedone	3,673
GMP Consulting	9,200
Tyrrell Properties Llc	12,111
	157,043

A complete disclosure of transactions with related parties is provided under the section Other Information – Relationships with related parties.

28. Other payables

12.31.2020	01.01.2020	Variations + (-)
1,306,899	1,375,572	(68,673)

Other payables at December 31, 2020 are detailed in the table below:

Other payables	**12.31.2020**
Payable to personnel	701,513
Social Security payables	258,808
Deferred income	106,499
Other accrued payables	240,079
	1,306,899

29. Gross profit

	2020
Revenue	**33,733,308**
Cost of sales	**(13,597,933)**
Gross profit	**20,135,374**

Group's revenues are mainly due to the sales of finished products to dealers, distributors, teams, car manufacturers and individual customers. The products made by the Group consist of safety components for pilots (fireproof and anti-abrasive suits, helmets, intercoms, gloves, shoes and more) and for racing cars (seats, seat belts, steering wheels, roll bars, fire extinguishers and other car components), which are marketed under the OMP, Bell, Zeronoise and B2 brands. In addition, Sports Mini Line is the line dedicated to the sale of mini-helmets.

The breakdown of revenue by geographical area is as follows:

Area	**2020**
Italy	4,852,787
Europe (excl. Italy)	17,033,783
Rest of the World	11,846,738
	33,733,308

Group's revenues are generated in approximately 80 countries. Of these, only three countries (Italy, the United Kingdom and the United States) individually exceed the 10% threshold of the Group's total revenues.

The breakdown of the cost of goods sold by nature of expenditure is shown below:

	2020
Raw materials and semi-finished goods	12,226,675
Change in inventory	(208,187)
Trasport and duties on purchases	1,032,911
Other costs related to purchases	546,534
	13,595,946

Other costs include production waste, packaging and other minor purchases.

30. Other income

	2020
Other income	1,484,745

Other income includes sales of materials to suppliers (316 thousand Euro) and other income generated during the fiscal year, including 191 thousand Euro of government grants received by the subsidiary Bell Racing Helmets International Wll, linked to the Covid-19 pandemic, and 520 thousand Euro from the waiver of credits by the minority shareholder Mr. Stephane Cohen in favor of the companies of the Group, as agreed between the parties within the acquisition by the Group of the minority shares in Bell Racing Helmets International Wll.

31. Selling and distribution expenses

	2020
Selling and distribution expenses	(4,967,655)

Expenses in 2020 are detailed as reported below:

Selling and distribution expenses	2020
Technical partnerships and sponsorhips	3,239,582
Freight out	1,122,356
Commissions and other cost on sales	605,716
	4,967,655

Technical partnerships mainly refer to contracts signed with leading car manufacturers and teams. Sponsorships include advertising and promotional expenses.

32. General and administrative expense

	2020
General and administrative expenses	(10,823,049)

Expenses in 2020 are detailed as reported below:

General and administrative expenses	2020
Personnel	7,148,057
Professional fees	1,340,051
Compensation to BoD	787,795
Utilities	384,471
Repair & maintenance	295,794
Other G&A	866,880
	10,823,049

Personnel costs include wages and salaries for employees of Group companies for 5,469 thousand Euro in addition to social security and other personnel expenses for 1,679 thousand Euro.
Professional fees mainly include the amounts paid to the company Studiomilano (US company, related party) which provides personnel and payroll and administrative services to the consolidated company OMP Racing Inc.
The other general costs mainly refer to bank charges and commissions for the use of credit cards, travel expenses incurred by Group employees during the year, consumables and other general and administrative costs. In addition, the item includes 31,500 Euro of fees for the board of statutory auditors of the parent company OMP Racing S.p.A.

33. Other expenses

	2020
Other expenses	(466,737)

Other expenses mainly refer to costs for research incurred during the year and development costs not meeting the requirements for capitalization for 255 thousand Euro, to costs recognized in 2020 referring to previous years for 160 thousand Euro, in addition to taxes other than income taxes for 22 thousand Euro and other charges for 30 thousand Euro.

34. Bad Debt and write-off

	2020
Bad Debt and write off	(212,002)

The balance is due to 119 thousand Euro bad debt provision and 93 thousand Euro accrual for stock obsolescence.

35. Depreciation

	2020
Depreciation	(2,304,893)

The breakdown of depreciation by consistent categories of assets is provided in the comment to the items relating to intangible and tangible assets. The detail of depreciation by category of asset is provided below:

Type	2020
Intangible Assets	807,827
Right of use assets	785,840
Property, Plant & Equipment	711,226
	2,304,893

36. Finance income and costs

	2020
Finance income	236,425
Finance costs	(936,093)
Net Finance result	**(699,668)**

Financial income and costs are recorded on an accrual basis during the fiscal year.

The composition of finance income and costs is detailed in the tables below:

Finance income	2020
Interest with SAYE S.p.A.	37,048
Other interest income	199,378
	236,425

Other financial income includes 126 thousand Euro arising from the transaction with the ING bank concluded during the year, since the consolidated company 2SM Europe Sprl paid off the existing loan for an amount lower than the residual debt value.

Finance costs	2020
Banks	492,692
Interest IFRS 16	109,052
Foreign exchange loss	281,073
Interest IAS 19	3,623
Racing Spirit Llc equity method evaluation	21,215
Other finance costs	28,438
	936,093

The net foreign exchange rate loss is due to 77,785 Euro realized loss and 203,288 Euro unrealized loss booked during the fiscal year.

37. Taxes

Income taxes recognized in profit / (loss) for the year

	2020
Taxes	(709,030)

The composition of the balance as at December 31, 2020 is as follows:

Taxes	2020
Current income taxes	634,136
Deferred taxes	74,894
	709,030

Current taxes refer to income taxes for the year, calculated analytically by each company in the Group.

Deferred taxes concern positive or negative income components respectively subject to taxation or deduction in years other than the current fiscal year.

Reconciliation of the effective tax rate

		2020
Net profit before taxes		2,146,116
Income tax using the Italian tax rate	24.0%	515,068
Impact from different tax rate in other countries	3.0%	63,406
Impact from non deductible expenses	2.4%	51,403
Impact from non taxable income	(0.8%)	(17,506)
Other	0.9%	19,986
Effective tax rate	29.5%	632,357
IRAP		76,672
Total taxes for the fiscal year		709,030

IRAP is excluded from the calculation of the effective tax rate, as it is calculated on a taxable basis other than the net profit before taxes.

Changes in current taxes during the year

	12.31.2020	01.01.2020	Variations + (-)
Tax receivables			
current	686,808	479,317	207,491
non current	211,952	213,785	(1,833)
Total tax receivables	**898,761**	**693,103**	**205,658**
Tax payables			
current	109,161	258,234	(149,073)
Total tax payables	109,161	**258,234**	**(149,073)**

Tax credits are mainly due to VAT credit and payments of advances for income taxes paid in Italy.

Tax payables refer to income taxes that are payable at the end of the financial year by the consolidated companies in the various countries.

Changes in deferred taxes during the year

	31.12.2020	01.01.2020	Variations + (-)
Deferred tax assets	245,716	317,022	(71,306)

Deferred tax assets are calculated using the current tax rates applicable in each country.

Below is the breakdown of the movements in deferred tax assets in 2020:

Deferred Tax Assets	12.31.2020	01.01.2020	Variations + (-)
Intra-group margin in stock	146,057	159,832	(13,775)
Goodwill	61,225	88,350	(27,125)
Defined benefit plan under IAS 19	24,955	21,368	3,587
Other differences	13,479	47,472	(33,993)
	245,716	**317,022**	**(71,306)**

The breakdown of taxes by type is shown below:

Type	Amount 12.31.2020	Deferred Tax Assets 12.31.2020
Intra-group margin in stock	523,501	146,057
Goodwill	219,444	61,225
Defined benefit plan under IAS 19	103,978	24,955
Other differences	56,163	13,479
	903,087	**245,716**

The main amount at the end of the year relates to deferred tax assets resulting from the elimination of the intra-group unrealized margin on the sales of OMP Racing S.p.A. to the American subsidiary OMP Racing Inc., with reference to the products recorded in the subsidiary's inventories at the end of the year.

38. Risk Management

Main risks faced by the Group are:

- credit risk: arising from commercial transactions
- liquidity risk: related to the availability of cash and financial resources;
- market risk: arising from operations involving risks connected with fluctuations in exchange and interest rates.

The Group has set up mechanisms and procedures at the level of each consolidated entity for the constant monitoring of the foregoing risks, so as to avoid potential negative effects and implement any actions required to contain those risks. In this perspective, below is a more detailed qualitative and quantitative analysis of each type of risk.

Credit risk
The financial assets of the Group must be considered to have good credit quality.
Customers are selected after being carefully evaluated under a commercial and financial standpoint. Many of the Group's top customers are historical and loyal partners, with a good financial capacity and a demonstrated track in terms of reliability and timing of payments. For these reasons, the risk of bad debt is well below the normal standards deemed physiological by the bank system for any commercial enterprise. The current size of the bad debt provision is in fact such as to cover all the positions considered to be of possible risk. Based on these elements, the Group has evaluated not to proceed with credit risk hedging actions with any insurance tools.

Liquidity risk
The liquidity risk is related to the ready availability of sufficient cash and financial resources when needed to meet commitments associated with financial instruments and carry out operations and planned investments.
The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring losses or risking damage to the reputation of any of the Group's entities.
There are no significant risk factors for the Group, considering that the credit lines granted by the banks are largely adequate for the current business needs.

Market risk
The specific market risks to which the Group is exposed are those arising from fluctuations in exchange and interest rates.
As regards the interest rate risk, the Group has covered its exposure on medium-long term debt positions recurring to fixed interest rates. Therefore, based on the current composition of debts, the Group did not deem it necessary to enter into interest rate risk hedging instruments.
As for the exchange rate risk associated with commercial relations with foreign customers and suppliers, for which transactions are not regulated in the functional currency of each of the consolidated entities, the risk is mitigated by the fact that the total volumes of transactions in foreign currency are lower than the volumes made in functional currency. The Group ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly. Under these circumstances, the Group did not consider it necessary and / or appropriate to enter into financial hedging instruments.
There are no further significant risk factors or uncertainties for the Group.

39. Other Information

Personnel

The following table shows the number of employees of the Group at December 31, 2020 and the average for the year, broken down by homogeneous categories.

Headcount	12.31.2020	Average 2020
Managers	19	19
Employees (office)	80	78
Warehouse / Production	210	205
Total	**309**	**302**

Fees to Directors and Statutory Auditors

	2020
Board of Directors	787,795
Statutory Auditors	31,500

Fees paid to the Board of Directors refer to the parent company OMP Racing S.p.A. and to other consolidated companies, where applicable.

The fees to the statutory auditors are those referred to the parent company OMP Racing S.p.A.

Fees to Independent Auditors

	2020
KPMG Italy	36,000
KPMG Bahrain	6,065
Total	**42,065**

Fees to KPMG reported in the previous table relate, as regards the values attributed to KPMG Italia, to the audit of the financial statements of OMP Racing S.p.A. for 22 thousand Euro and the consolidated financial statements of the Group for 14 thousand Euro and, as regards the values attributed to KPMG Bahrain, the audit of the Bell Racing Helmets International Wll financial statements. These values do not include monetary revaluation and expenses.

Donations and contributions

There are no disbursements to be disclosed for the fiscal year.

Commitments, guarantees and contingent liabilities

There are no commitments, guarantees or contingent liabilities not resulting from the balance sheet, except for the guarantees on bank loans granted by Bahrain Development Bank to the consolidated entity Bell Racing Helmets International Wll, as detailed under the note for Long term debt.

Derivative financial instruments

The Group did not invest in derivative financial instruments.

Relationships with related parties

All the balances with related parties at year end are disclosed throughout the Notes to these Financial Statements.

A summary of the balances with related parties at December 31, 2020 and the transaction recorded in the Profit and Loss during the fiscal year is provided below.

Related party	Relationship	Receivables	Payables	Revenue	Costs
SAYE S.p.A.	A	1,490,000	-	-	43,047
Racing Spirit Llc	B	6,827	10,858	5,033	18,689
Stephane Cohen	C	-	1,200	528,633	-
Gabriele Pedone	C	-	3,673	-	-
KJK Protective Techologies LLC	C	4,575	-	-	-
Stephan Kindt	C	-	-	26,000	-
GMP Consulting	C	-	9,200	-	19,200
Dinamo Srl	D	-	120,000	-	-
Studiomilano	D	94,760	-	-	704,095
Tyrrel Properties Llc	D	-	12,110	-	125,423

A: parent company; B: associated companies and joint ventures; C: Subsidiaries' shareholders and top managers; D: companies controlled by shareholders or top managers of the consolidated companies.

Receivables at December 31, 2020 include the active loan to the parent company SAYE S.p.A. for 1,490,000 Euro.

Revenues from Stephane Cohen (former minority shareholder of Bell Racing Helmets International Wll) relate to the waiver of the receivables due to Group companies, following the agreements stipulated between the parties within the acquisition by OMP Racing S.p.A. of the remaining 24.5% stake in the share capital of Bell Racing Helmets International Wll.

Payables to Dinamo Srl refer to the transfer of know-how to the consolidated company Zeronoise Ltd at the end of 2018, upon the constitution of the start-up, net of the reimbursements made in 2020.

Tyrrell Properties Llc is the company that provides the facilities in which the consolidated company OMP Racing Inc. is based, while Studiomilano is the consultancy company that provides personnel and payroll and administrative services to OMP Racing Inc.

All other commercial relations with related parties were concluded under normal market conditions.

Material events arising after the balance sheet date

Events occurring after the end of the financial year that highlight conditions already existing at the reporting date and requiring changes to the values of assets and liabilities, in accordance with the relevant accounting standard, are recognized in the financial statements, in accordance with the postulate of accrual, to reflect the effect that such events have on the financial situation and on the economic result at the end of the financial year.

Events occurring after the end of the financial year that indicate situations arising after the balance sheet date, which do not require changes in the balance sheet values, in accordance with the provisions of the relevant accounting standard, as they pertain to the following year, are not recognized in the financial statements but are illustrated in the explanatory notes, if deemed material for a more complete understanding of the situation of the Group.

With reference to the ongoing health emergency connected to Coronavirus - Covid-19, given the solidity of the fundamentals of both the value chain and the economic and financial structure of the consolidated companies and the Group as a whole, no significant effects are expected on operating results for the current year.

Among the significant events that occurred after the end of the year, it should be noted that on February 19, 2021, the parent company OMP Racing S.p.A. has acquired the entirety of the share capital of PIER S.r.l., owner of the property located in Ronco Scrivia rented by OMP Racing S.p.A.; subsequently, on March 10, 2021, after filing the related merger projects, the shareholders' meeting of OMP Racing S.p.A. approved the merger by incorporation of the subsidiary - merged PIER S.r.l. into the parent company - incorporating OMP Racing S.p.A.

Finally, at the end of March 2021, the Group increased its share in the companies Bell Racing USA LLC, Head Protection Technologies LLC and Head Pro Tech LLC, acquiring the remaining 35% of the share capital from the previous shareholder, reaching a 100% ownership in the three companies.

Financial statements of the Company that performs management and coordination activity

The Group is subject to the management and coordination activity of the company SAYE S.p.A. of which summarized data related to the Balance Sheet at December 31, 2019 and the Profit and Loss account for 2019 fiscal year are reported in the following tables.

Summarized Balance Sheet

	12.31.2019
Fixed Assets	13,409,237
Working Capital	1,241,705
Prepayments	5,880
Total Assets	**14,656,822**
Net Equity	**11,471,425**
End of service	33,715
Payables	3,150,897
Deferred income	785
Total Liabilities and Net Equity	**14,656,822**

Summarized Profit and Loss account

	2019
Revenue	369,091
Cost of Sale	654,309
Finance income/(loss)	2,861,369
Net result	**2,576,151**