



COMPANY PRESENTATION

An International High-Growth Platform With a New Approach to Orthopaedics

17 January 2022

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DISCLAIMER

This presentation (the "Presentation") has been prepared by Medacta Group SA ("Medacta" and together with its subsidiaries, "we", "us" or the "Group"). The information contained in the Presentation does not purport to be comprehensive. Please refer to the financial reports available on our website at <https://www.medacta.com/EN/investors>.

Forward-looking information

This Presentation has been prepared by Medacta and may include forward-looking information and statements concerning the outlook for our business. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates", "targets", "plans", "outlook" or similar expressions.

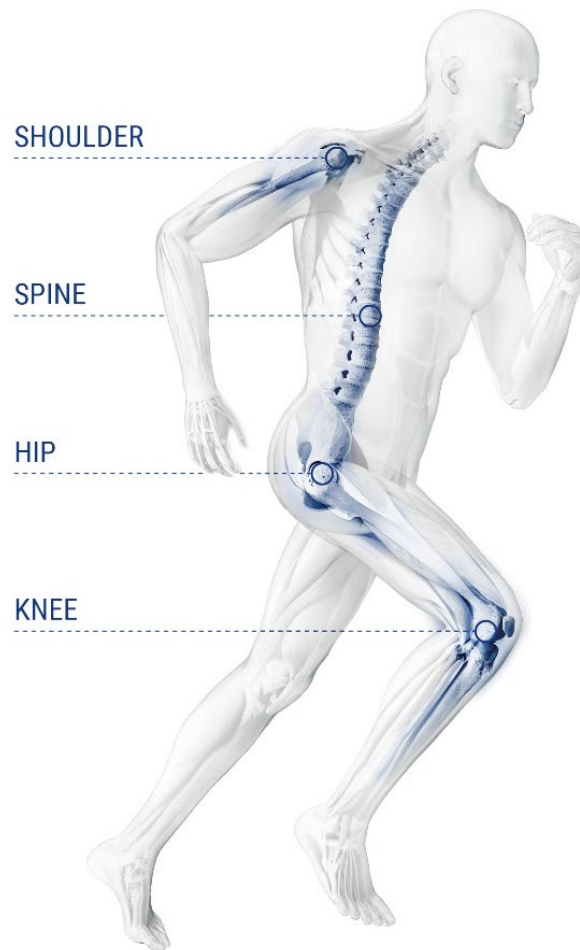
There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this Presentation. The important factors that could cause such differences include: changes in the global economic conditions and the economic conditions of the regions and markets in which the Group operates; changes in healthcare regulations (in particular with regard to medical devices); the development of our customer base; the competitive environment in which the Group operates; manufacturing or logistics disruptions; the impact of fluctuations in foreign exchange rates; and such other factors as may be discussed from time to time. Although we believe that our expectations reflected in any such forward-looking statement are based upon reasonable assumptions, we can give no assurance that those expectations will be achieved.

Alternative Performance Measures

This Presentation may contain information regarding alternative performance measures. Definitions of these measures and reconciliations between such measures and their IFRS counterparts if not defined in the Presentation may be found on the financial reports available on our website at <https://www.medacta.com/EN/investors>.

THIS PRESENTATION IS NOT AN INVITATION TO PURCHASE SECURITIES OF MEDACTA OR THE GROUP

We are an international company specialized in the design, production and distribution of **innovative orthopaedic products** and accompanying **surgical techniques** for joint replacement, spine surgery and sports medicine.

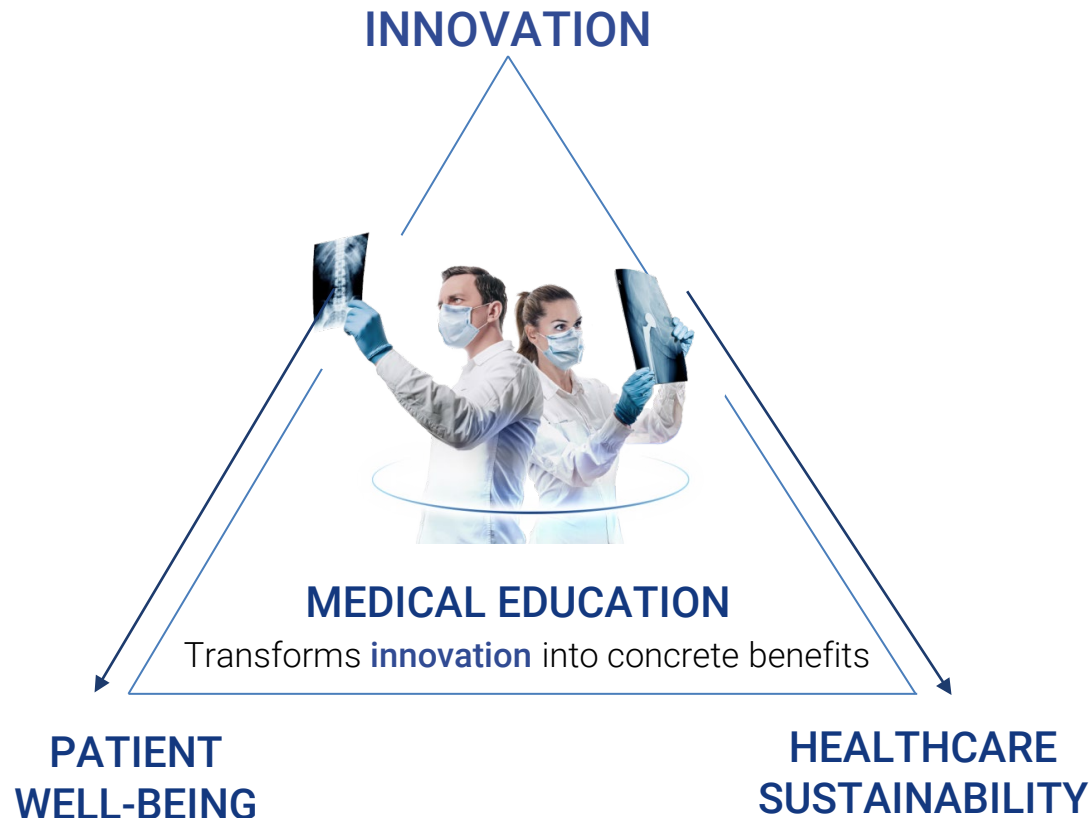


BUSINESS UNITS
JOINT • SPINE • SPORTS MED

Innovation is the foundation of our present and future success.

Our innovation began with **minimally invasive techniques** and has evolved into **personalized solutions** for every patient.

The goal of our innovation is to improve the **well-being of our patients** through innovative solutions that promote **healthcare sustainability**.

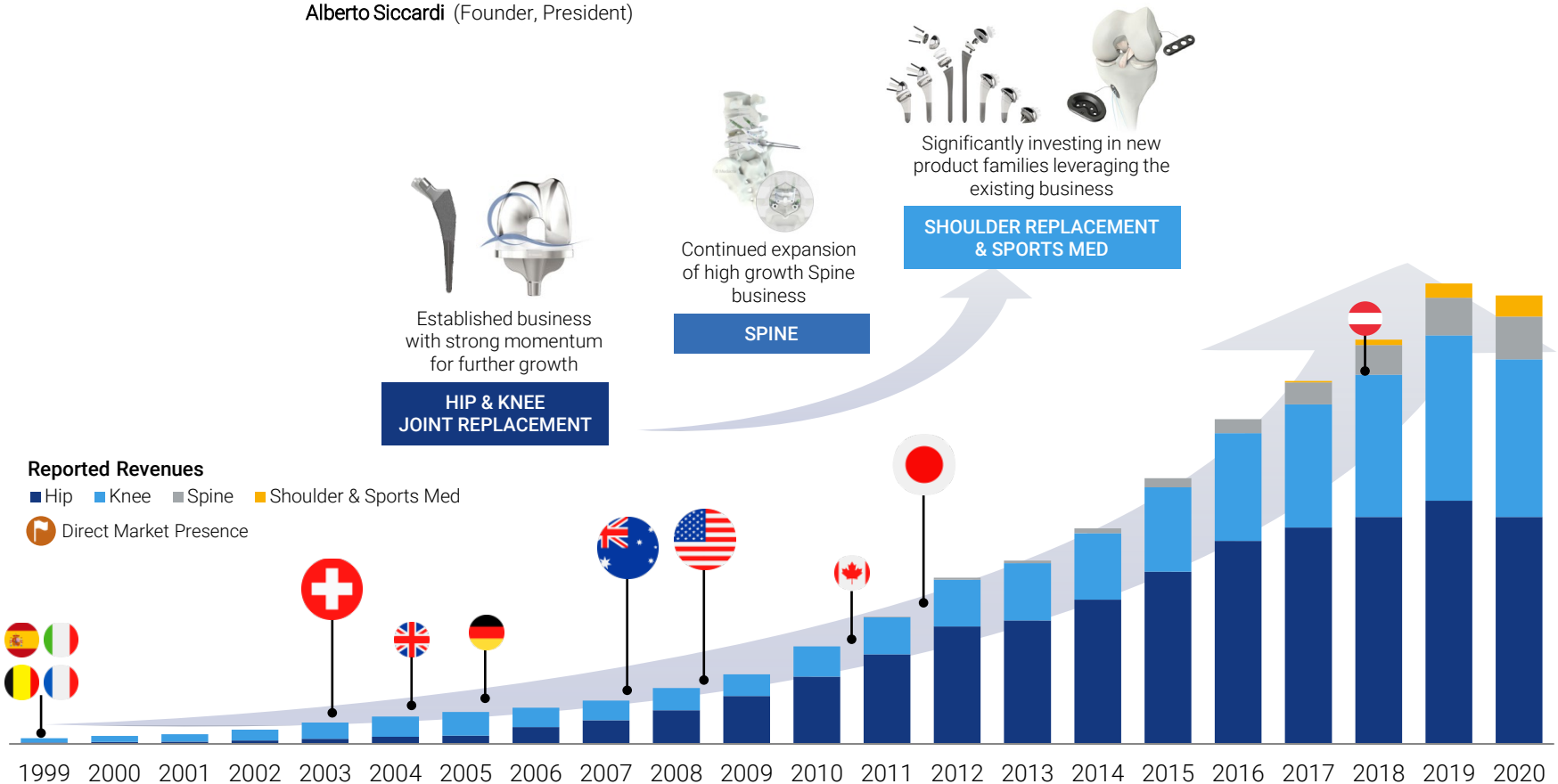


Proven Track Record of Growth built on the foundations of Long-Term Family Values

“

“Our vision resulted from my own experience: passion, innovation and medical education to create products and services that improve care and return patients to a life free from pain and disability. Our mission today is to continue to excel in all fields the Company has expanded.”

Alberto Siccardi (Founder, President)



High-Growth Orthopaedics Company

with Attractive Business Mix and International Reach

MEDACTA IN NUMBERS

EUR 302.5m
Revenue
2020

13%
CC Revenue
CAGR 2016-2019¹

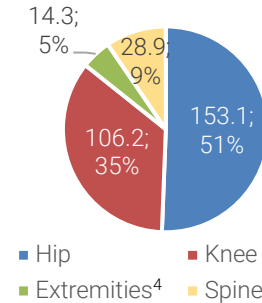
-2%
CC Revenue
2020 vs 2019²
caused by COVID-19

29.1%
Adjusted EBITDA
Margin 2020³

1,183
Employees
as of 31-Dec-2020

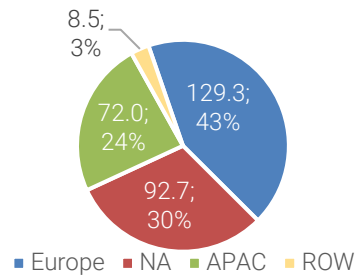
ATTRACTIVE BUSINESS MIX

2020 Revenue Split
(€m)

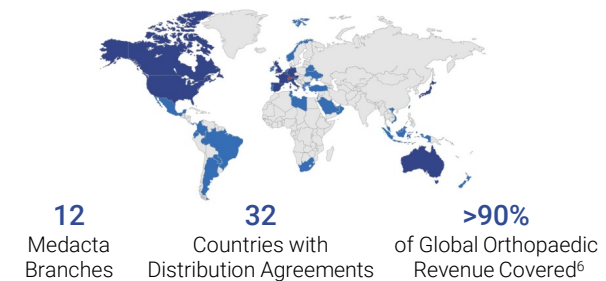


STRONG GEOGRAPHIC DIVERSIFICATION

2020 Revenue Split
(€m)



PRESENCE IN THE MOST ATTRACTIVE MARKETS⁵

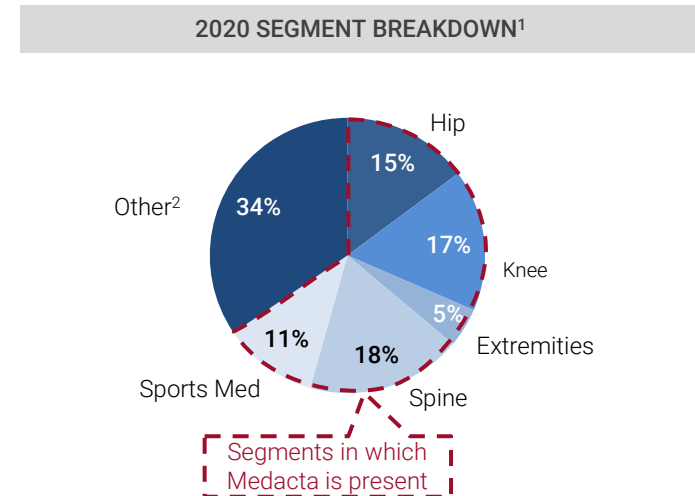
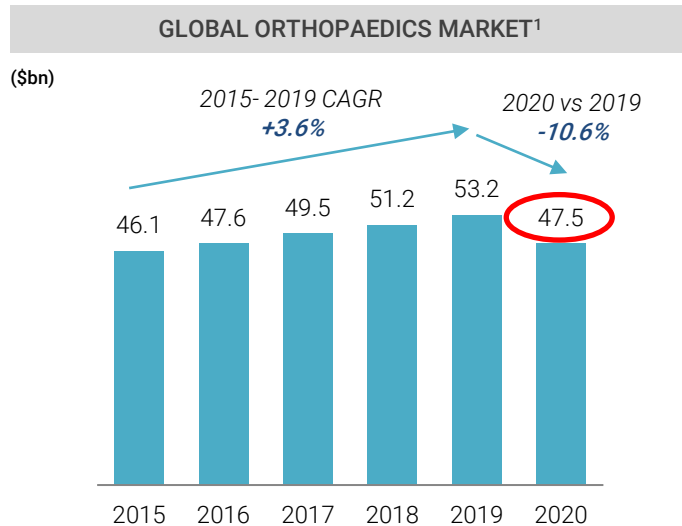


Notes:

1. Constant currency growth rate based on FY2019 average exchange rates. 2. Constant currency growth rate based on FY2020 average exchange rates 3. For a reconciliation of Alternative Performance Measures please refer to section headed "Alternative Performance Measures" of the 2020 Annual Report. The Annual Report is available at <https://www.medacta.com/EN/financial-reports>. 4. Extremities include Shoulder and Sportsmed. 5. As of 31-Dec-2020. 6. Medacta is present in target regions of countries that constitute over 90% of the global Ortho market. Source ORTHOWORLD®, The Orthopaedic Industry Annual Report®, June 2021.

Medacta operates in **the large and attractive Ortho sector** and is **outgrowing the market**.

Main market **growth drivers** are favorable demographics and increase in procedural volumes, technological advancements and shift to outpatient setting.



Notes:

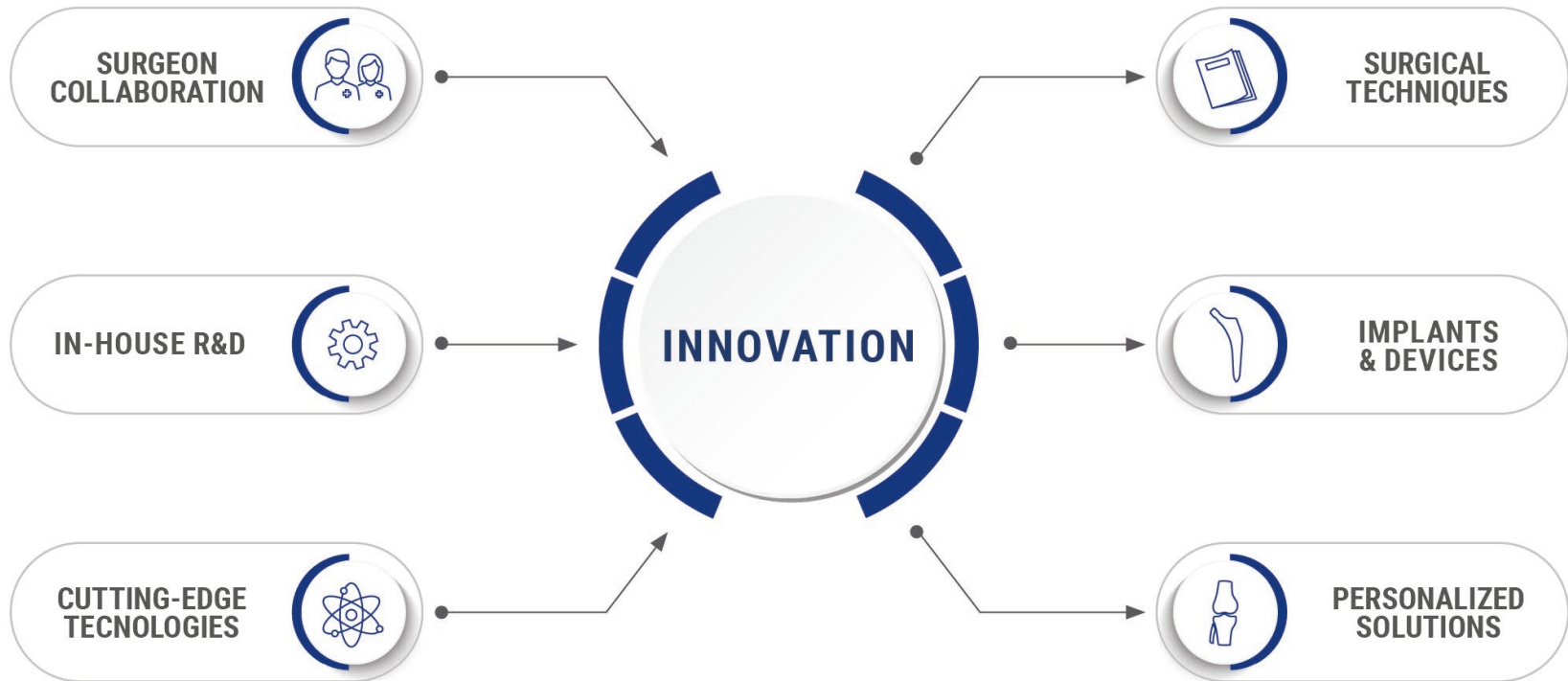
1. Source **ORTHOWORLD®**, The Orthopaedic Industry Annual Report®, June 2021. 2. Includes Trauma, Orthobiologics, craniomaxillofacial, bone growth stimulation and miscellaneous items



INNOVATIVE OFFERING

MEDACTA'S DIFFERENTIATED PRODUCT AND SERVICE PORTFOLIO

Our **innovation** is driven by a **strong collaboration with surgeons**, continuous investments in **in-house R&D**, and **cutting-edge technologies**.

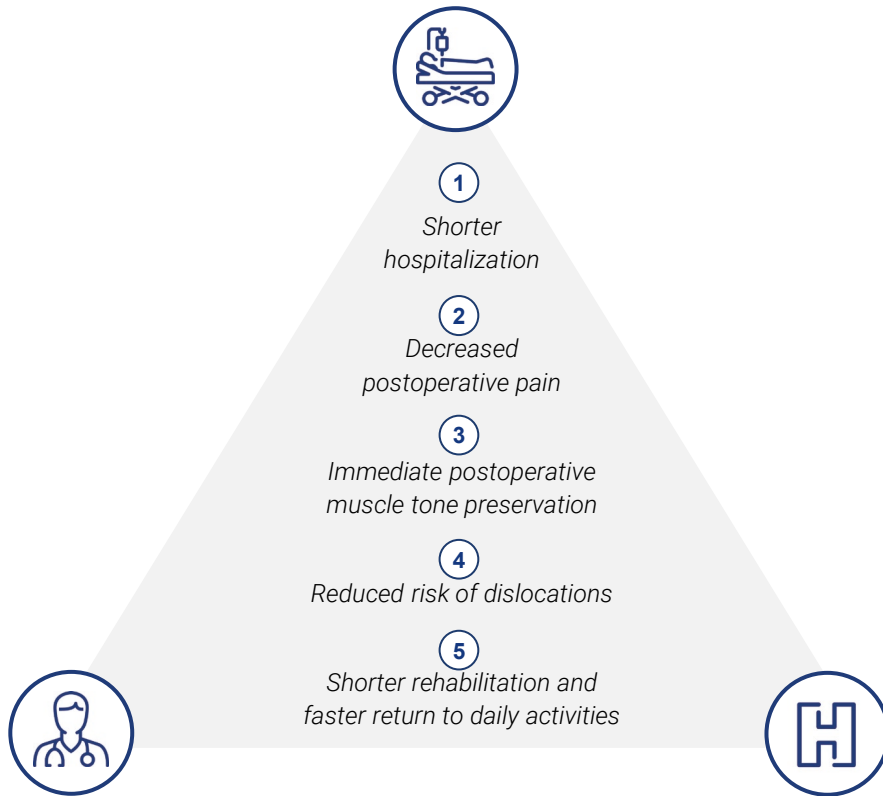


Medacta's Extensive Product and Service Portfolio

| | Medacta International  JOINT | | | Medacta International  SPINE | Medacta International  SPORTS MED |
|--|---|---|--|---|--|
| Business Lines | Hip | Knee | Shoulder | Spine | Sports Med |
| |  |  |  |  |  |
| Complete product lines with key differentiated offerings | AAIS | MyKA GAIA SPHERE MyKnee GAIA Efficiency | MyShoulder | MySpine MC | AA-ARS ACL |
| Platform technology | NEXTAR | NEXTAR | NEXTAR | NEXTAR | |
| Sales force structure | Dedicated | | | Dedicated | Transitioning from joint to dedicated |
| Key market strategy | AA.O.R.E. INSTITUTE SUPERIOR EDUCATION | | | | |

Pioneer in **Minimally Invasive Solutions** for Hip Replacement

TYPICAL BENEFITS FOR THE PATIENT, SURGEON AND HEALTHCARE SYSTEM



ANTERIOR MINIMALLY INVASIVE SURGERY (AMIS) FOR HIP REPLACEMENT

SURGICAL TECHNIQUE

AMIS is an evolution of the anterior approach: simpler, more reproducible and less invasive

DEDICATED IMPLANTS

Specifically designed to facilitate implantation through the anterior approach. Success evidenced by clinical outcomes and customer satisfaction

ADVANCED INSTRUMENTATION

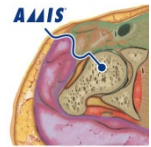
Developed specifically to make the AMIS technique easier and more reproducible

MEDICAL EDUCATION

M.O.R.E. AMIS Education Program is a highly effective teaching programs for the anterior approach

SERVICES & TOOLS

Assist surgeons in the promotion of their practice and patient education



Provided at **no additional cost** as part of the **package**

AMIS Friendly Implant
 AMIS Mobile Leg Positioner



15+
 Years of Experience



490,000+¹
 Procedures performed worldwide



70%+²
 Conversion Rate

Notes:

1. As of 31-Dec-2021. 2. Illustrative conversion rate calculated on the basis of 531 new learning centre participants between 1-Jan-2019 and 31-Dec-2019 who became active customers within 24 months after attending a course. Refers to all Medacta customers.

The Medacta Approach to **Knee Replacement**

Medacta **Unique Offering** in Total Knee Arthroplasty

INNOVATIVE IMPLANTS

Total knee implant designed to deliver maximum functional stability
Better reproduction of the natural knee
Superior patient outcomes supported by scientific and clinical evidence

MYKNEE TECHNOLOGY

Preoperative 3D planning and patient-specific surgical guides allow for accurate implant positioning
~42% of Medacta knees are implanted with MyKnee technology

MEDICAL EDUCATION

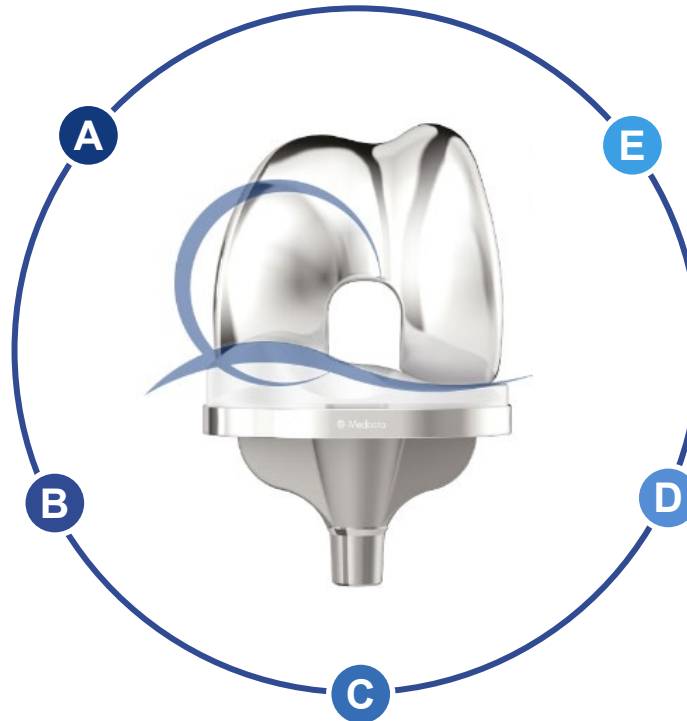
The M.O.R.E. Education Knee Program supports the surgeon step-by-step in the application of the Medacta knee offering

SINGLE-USE INSTRUMENTATION

Complete single-use instrument solution used to implant Medacta knee implants; optimizes instrument management and efficiency in the operating room
~40% of Medacta knees are implanted with single-use instrumentation

MyKA APPROACH

The Medacta Individualized Kinematic Alignment (MyKA) offering is based on the kinematic alignment surgical approach and aims at restoring the normal knee function



Sustained Growth of the **Shoulder Business** Underlined by the **Launch of New Products**

The Medacta Shoulder System is an **innovative modular system** that offers a range of options for shoulder replacement designed to **reduce postoperative shoulder pain**, enhance shoulder mobility and **improve patient well-being**.

Shoulder product range already fully sustained by the Education platform as part of the global rollout.



Growth of **Spine Offerings** Driven by a Comprehensive Range of Procedural Solutions, in particular **MIS MySpine MC**

MIS MySpine MC is a **minimally invasive, patient-matched, 3D printed solution** in the midline cortical approach, tailored to the patient's anatomy to allow for greater accuracy in pedicle screw positioning through preoperative planning and intraoperative guidance tools.

The key advantages of MIS include reduced risk of damage to soft tissue, **faster recovery time and reduced postoperative pain.**





NextAR, our Augmented Reality Surgical Platform, empowers the surgeon's vision with **real-time surgical guidance superimposed onto the operative field** to make data-driven decision-making.

All NextAR Platform applications for **knee, shoulder and spine** surgery are **CE marked and FDA cleared**.

An innovative solution to potentially improve surgery accuracy and efficiency in surgical procedures, with **low upfront capital investment and cost per case** compared to other technologies. This platform can be an optimal solution worldwide, and particularly for U.S. Ambulatory Surgery Centers ("**ASCs**").



Sports Med Expanding Medacta's Portfolio

Competitive Sports Med product portfolio focused on all major sports injury treatments with **innovative and differentiated products, procedural and patient-specific solutions.**





MEDICAL EDUCATION

MEDACTA'S TAILORED SURGEON EDUCATION PROGRAM

Since its founding in 2005, the M.O.R.E. Institute has become a **global education platform** tailored to the **needs of the individual surgeon**, with courses addressing each of our business lines.

The M.O.R.E. Institute relies on the surgeon community to create **networking opportunities** and **educational events**, both face-to-face and online: **surgeon-to-surgeon visits**, **proctorships**, **wet labs**, international **symposia**, **expert meetings**, **eLearning Class** and **eLearning Center**.

REFERENCE CENTERS

~ 400

LEARNING CENTERS

~ 110

SURGEON-TO-SURGEON
VISITS

~ 650

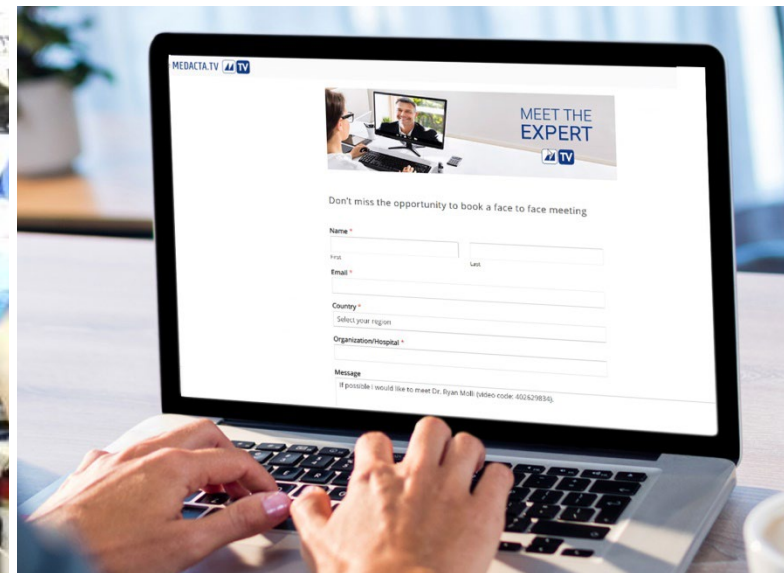
COURSE PARTICIPANTS

~ 950

SURGEONS ATTENDING MARKETING INITIATIVES
AND EDUCATION PROGRAMMES

~ 2'900

Note:
Data refers to 2020



A **tested and proven method** for continuous education
Expect MORE with an **education path tailored to the surgeon's needs**

INSTRUCTIONAL LEVEL

STEP 1

Visiting
a Reference
Center

EVALUATE the surgical techniques
EXPLORE the Medacta products

STEP 2

Attending a
Learning
Center

DEEPEN the scientific knowledge
PRACTICE with cadaver workshop

STEP 3

Taking
advantage of
Proctoring

KEY MEDACTA
DIFFERENTIATOR

PARTICIPATE in a network of experts
EVOLVE with continuous education

ADVANCED LEVEL

STEP 4

Meeting with
experts

SHARE experience

MASTER LEVEL

STEP 5

Focusing on
revision
cases

MASTER the surgical techniques

GOVERNANCE AND FINANCIALS

ENTREPRENEURIAL AND EXPERIENCED MANAGEMENT TEAM
AND SOLID TRACK RECORD

Best Practice Public Company Governance



Alberto Siccardi
Chairman
Non-Executive

- Founded Medacta in 1999, President & CEO of Medacta for nearly twenty years
- Previously owner and CEO of Bieffe Medital, an innovative company operating in the Dialysis and I.V. market, successfully sold to Baxter in 1997
- Master of Business Administration at Bocconi University School of Management in Milan; Pharmacy degree at Turin University



Maria Luisa Siccardi Tonolli
Member
Non-Executive
Member of Audit & Risk Committee

- Member of the Board of Medacta since 2003, Head of Family Office since 2002, Vice President of the Board of Directors of Medacta for Life Foundation, Member of the Board of Directors of Surgical Practice Resource Group and of Verve SA, President of Machi Holding
- Former Head of Strategic and Corporate Finance for Medacta (2003-2014), as well as Vice President Finance / Treasury Supervisor (2011-2019)
- Degree in Business Economics at Bocconi University in Milan



Victor Balli
Member
Lead Independent Director
Chairman of Audit & Risk Committee

- Member of the Board of Directors of Givaudan (Compensation / Chairman of Audit Committee), KWS Saat (Chairman of Audit Committee), the Swiss Federal Audit Oversight Authority, Louis Dreyfus Company Holding (Chairman of Audit Committee), Hemro and Sika (Audit Committee)
- Previously CFO at Barry Callebaut (2007-2018)
- Masters Degree in Economics from the University of St. Gallen (HSG); Masters Degree in Chemical Engineering from the Swiss Federal Institute of Technology (ETH)



Riccardo Braglia
Member
Independent Director
Member of Remuneration Committee

- Vice Chairman and CEO of Helsinn Group with a wealth of over 35 years of international experience in the pharmaceutical industry
- Co-founder and Board Member of Lyfebulb, USA, Member of the Advisory Board of Windham Ventures and Health Elements, USA, Member of the Board of the Conquer Cancer Foundation, USA, and Member of the CEO Roundtable on Cancer, USA, as well as of the Swiss-American Chamber of Commerce
- Degree in Business Economics from Bocconi University, Milan



Philippe Weber
Member
Independent Director
Chairman of Remuneration Committee

- Chairman of the the Board of Directors and Managing Partner at Niederer Kraft Frey (since 2015, Partner since 2002); Vice-chairman of Leonteq, Member of the Board of Directors of PolyPeptide Group, NorthStar Holding, Banca del Ceresio, EDAG Engineering and Newron Suisse
- Specialized in Capital Markets / Stock Exchange Law, M&A and Governance with focus on listed entities and other large enterprises
- Doctorate in Law at University of Zurich (1995), LL.M. at European University Institute

Experienced and Committed Leadership Team and entrepreneurial culture

Francesco Siccardi (CEO)



19

- Joined Medacta in 2002; Member of the Board since 2003
- 2002 – 2010 in charge of marketing, product development and business development Executive VP of Medacta since 2010
- Biomedical Engineer from the Politecnico of Milan

Corrado Farsetta (CFO)



13

- Joined Medacta in 2008
- Previous experience in Finance at manufacturing companies (Air Liquide) and management consulting
- Masters of Science in Business Administration from Bocconi University

Alessandro Siccardi (Supply Chain Director)



10

- Joined Medacta in 2011; Member of the Board since 2013
- 2012 - 2016 International Area Director and 2011-2012 Marketing Assistant
- SDA Bocconi School of Management of Milan

Supported by an Experienced Team

19

Giovanni Niccolò Galli
VP Joint
and General Manager

19

Kris Chavatte
VP Spine

25

Michele Piovani
VP Extremities
and SportsMed

17

Gianluca Olgiati
Global Marketing
Director

19

Gregory Bussone
QA Director

18

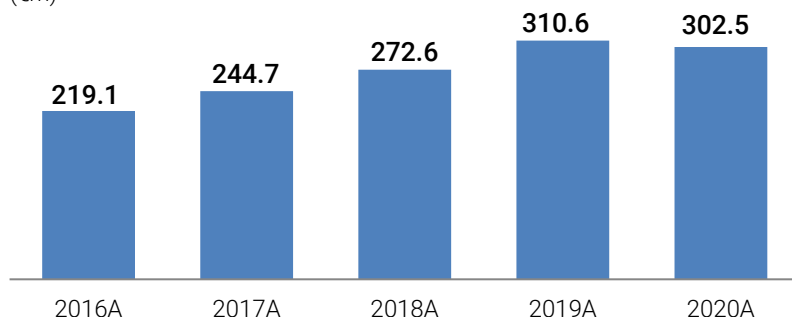
Manrico Subinaghi
Technical Director

xx Years in the Ortho Industry

Impressive Track Record of Revenue Growth and Profit Margin Development

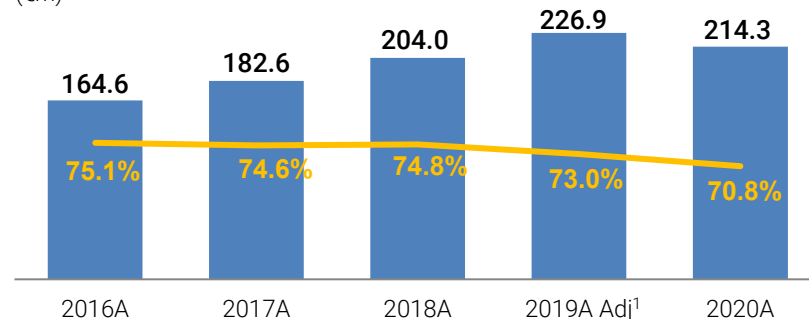
REPORTED REVENUE

(€m)



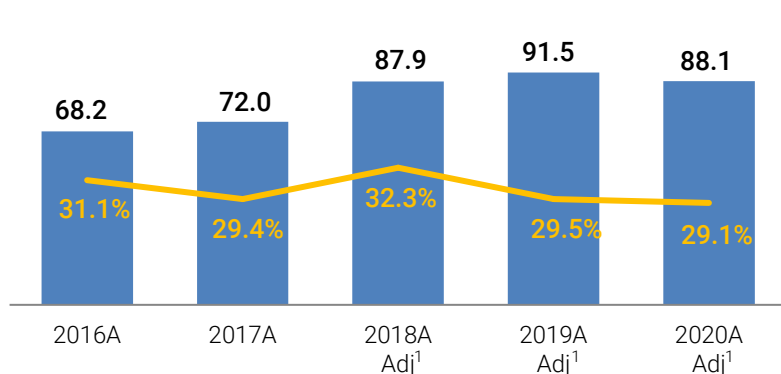
GROSS PROFIT AND GROSS PROFIT MARGIN

(€m)



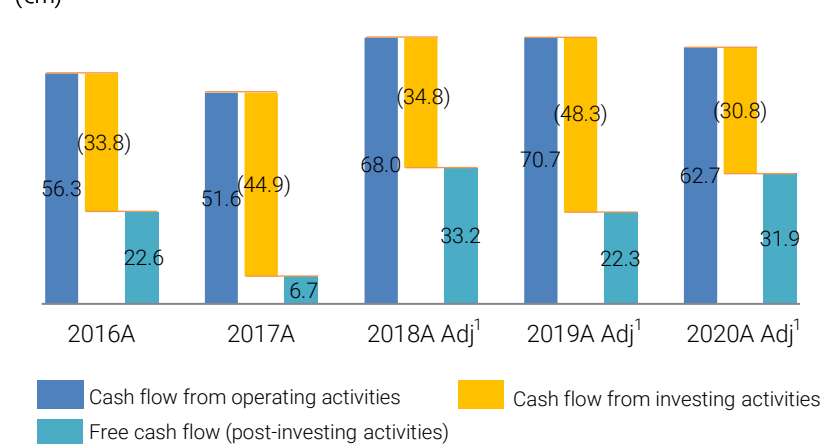
EBITDA AND EBITDA MARGIN

(€m)



FREE CASH FLOW (POST-INVESTING ACTIVITIES)

(€m)



Notes:

2020 affected by Covid-19 pandemic.

1. For a reconciliation of adjusted results and cash flows, please refer to published Annual Reports available at <https://www.medacta.com/EN/financial-reports>.

1H 2021 Highlights*

| | | |
|--|---|---|
| REVENUES | ADJUSTED EBITDA MARGIN ² | ADJUSTED EBIT MARGIN ⁴ |
| EUR 177.5M | 31.9% | 21.4% |
| +35.4% growth before FX effects from prior period ¹ +31.7% reported growth | 28.2% Reported EBITDA Margin EUR 56.6M Adjusted EBITDA ³ | 17.8% Reported EBIT Margin EUR 38.1M Adjusted EBIT ⁵ |
| ¹ Is calculated as the difference between the current and historical period results translated using the current period exchange rates. | ² Adjusted EBITDA margin, is calculated as adjusted EBITDA as a percentage of Revenue for the period. ³ Is calculated as EBITDA, adjusted for non-recurring items: provisions on litigations and extraordinary legal expenses. | ⁴ Adjusted EBIT margin, is calculated as adjusted EBIT as a percentage of Revenue for the period. ⁵ Is calculated as EBIT, adjusted for non-recurring items: provisions on litigations and extraordinary legal expenses. |
| PROFIT FOR PERIOD | ADJUSTED FREE CASH FLOW ⁷ | NUMBER OF EMPLOYEES |
| EUR 29.7M | EUR 13.4M | 1'246 |
| 16.8% on Revenues EUR 1.49 EPS ⁶ | | 63 new jobs added in H1 2021 |
| ⁶ There is no a material effect of dilution, and diluted earnings per share equals basic earnings per share. | ⁷ Adjusted Free Cash Flow is calculated as IFRS cash flow from operating activities plus IFRS cash flow from investing activities and adjusted for certain non-recurring items. | |

* **Alternative Performance Measures:** This presentation contains certain financial measures of historical performance that are not defined or specified by IFRS, such as "constant currency", "EBITDA", "Adjusted EBITDA" or "CORE EBITDA", "Free Cash Flow", "Adjusted Free Cash Flow", "Net Debt" and "Leverage". Reconciliation of these measures as well as "CORE" financial measures is provided in the "Alternative Performance Measures" (APM) section of the 2021 Half-Year Report. These Alternative Performance Measures (APM) should be regarded as complementary information to, and not as a substitute for the IFRS beginning performance measures. For definitions of APM, together with reconciliations to the most directly reconcilable IFRS line items, please refer section headed "Alternative Performance Measures" of the 2021 Half-Year Report. The 2021 Half-Year Report is available at <https://www.medacta.com/EN/financial-reports>.

1H 2021 Highlights

- **1H 2021 revenue increased to Euro 177.5 million, or 35.4% at constant currency (31.7% reported)** vs 1H 2020 thanks to a significant carry-over and customer acquisition, in addition to normalization of surgery activities, **with positive contributions from all business lines and geographies**
- **Gross Profit margin** improved to **72.5%** (69.7% in 1H 2020) **and adjusted EBITDA** increased to **Euro 56.6 million**, corresponding to **31.9% margin** (23.8% in 1H 2020)
- **Adjusted Free Cash Flow of Euro 13.4 million**, up Euro 18.1 million compared to 1H 2020
- **50+ new products registered** across all our business lines, continued hiring of personnel to support the **operation and the salesforce expansion and investment in additional surgical instruments to serve new customers**
- **Ongoing Marketing & Education** activities and, **since June, international travel and congresses have restarted**

2021 Outlook

- The **second semester 2021 revenue growth is expected to normalize** as the 2020 comparative period already benefited from previous pent-up demand in certain geographic areas
- 2021 **guidance of revenue**, revised upward last July, within a range of **Euro 355 million to Euro 375 million** at constant currency and **adjusted EBITDA margin largely in line with 2020**, subject to any unforeseen events, specifically from the Covid-19 pandemic

Medacta's Sustainability

Combining growth with caring for **people, environment and community**

We invest in **people**, the real engine of any successful business.
We place priority on **health, safety, work-life balance, professional development, training** and **well-being** of our employees.

RETURN-TO-JOB AFTER MATERNITY LEAVE¹

100%

PROFESSIONAL TRAINING COURSES¹

228

HOURS OF CONTINUING TRAINING¹

~18'000



We are fully committed to continuously **reduce our environmental impact** through the improvement of our operational energy efficiency, favoring the use of renewable energy and continuously improving environmental management systems at our manufacturing plants. In 2014 we successfully introduced **carpooling**.



Since 2011 **Medacta for Life Foundation** has been supporting projects for health, development and childhood worldwide.

Notes:
1. 2020 data.
For more information about Medacta's Sustainability, visit <https://www.medacta.com/EN/sustainability>.

2020 ESG Highlights

New products registered

+ 30



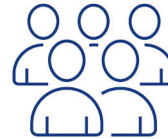
Surgeons attending our marketing initiatives and education programs

+ 2,900



New jobs added across all geographies

+ 80

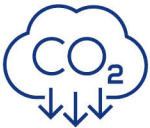


Extension of our #beMedacta campaign worldwide and update of the Group Performance Review system according

#beMedacta

Reduction of CO₂ emissions (scope 1) in our manufacturing plants

- 20%



% of waste to recycling, including waste to energy

91%



A new building dedicated to My Kid, the Primary School, by Medacta for Life Foundation



Organizations/associations supported by Medacta for Life Foundation

~ 40



Key Takeaways

Large and resilient Ortho market with solid growth, driven by **attractive industry fundamentals**

Global and established presence including the US (largest Ortho Market), Japan and Australia – **with ample room to expand**

Commercial strategy focused on **increasing penetration and sales force**, supported by a **global medical education platform** tailored to the **needs of the individual surgeon**

Continued product expansion of established Hip and Knee portfolio, as well as Shoulder, Spine and nascent Sports Med product lines

Constant product developments fostered by efficient **R&D** activity, continued **collaboration with surgeons**, adoption of **cutting-edge technologies**



APPENDIX

Interim Consolidated Statement of Profit or Loss

| | Unaudited 30.06.2021 | Unaudited 30.06.2020 |
|-------------------------------------|-------------------------|-------------------------|
| (Thousand Euro) | | |
| Revenues | 177'488 | 134'808 |
| Cost of Sales | (48'851) | (40'862) |
| GROSS PROFIT | 128'637 | 93'946 |
| Research and Development expenses | (4'550) | (3'265) |
| Sales and Marketing expenses | (60'981) | (54'404) |
| General and Administrative expenses | (31'369) | (22'992) |
| Other income | 632 | 393 |
| Other expenses | (790) | (562) |
| OPERATING PROFIT(EBIT) | 31'579 | 13'116 |
| Financial income | 4'902 | 1'775 |
| Financial costs | (4'892) | (5'616) |
| PROFIT BEFORE TAXES | 31'589 | 9'275 |
| Income taxes | (1'851) | 409 |
| PROFIT FOR THE PERIOD | 29'738 | 9'684 |
| ATTRIBUTABLE TO | | |
| Equity holders of the parent | 29'738 | 9'684 |
| Non-controlling interests | - | - |
| BASIC EARNINGS PER SHARE | 1.49 | 0.48 |
| DILUTED EARNINGS PER SHARE | 1.49 | 0.48 |

Interim Consolidated Statement of Financial Position

| ASSETS | Unaudited | Audited |
|--|----------------|----------------|
| (Thousand Euro) | 30.06.2021 | 31.12.2020 |
| Property, plant and equipment | 138'247 | 131'642 |
| Right-of-use assets | 21'004 | 21'722 |
| Goodwill and intangible assets | 50'743 | 48'797 |
| Other non-current financial assets | 473 | 488 |
| Deferred tax assets | 25'839 | 21'588 |
| TOTAL NON-CURRENT ASSETS | 236'306 | 224'237 |
| Inventories | 121'726 | 114'187 |
| Trade receivables | 58'749 | 45'782 |
| Other current financial assets | - | 1'297 |
| Other receivables and prepaid expenses | 9'542 | 8'364 |
| Cash and cash equivalents | 31'328 | 48'068 |
| TOTAL CURRENT ASSETS | 221'345 | 217'698 |
| TOTAL ASSETS | 457'651 | 441'935 |

| LIABILITIES AND EQUITY | Unaudited | Audited |
|--|----------------|----------------|
| (Thousand Euro) | 30.06.2021 | 31.12.2020 |
| Share capital | 1'775 | 1'775 |
| Capital contribution reserve | 21'227 | 21'227 |
| Retained earnings and other reserves | 169'999 | 139'409 |
| Foreign currency translation reserve | (1'019) | 2'306 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | 191'982 | 164'717 |
| Non-controlling interests | - | - |
| EQUITY | 191'982 | 164'717 |
| Non-current financial liabilities | 61'665 | 65'044 |
| Other non-current liabilities | 2'789 | 3'197 |
| Non-current provisions | 6'907 | 1'237 |
| Retirement benefit obligation | 12'470 | 13'023 |
| Deferred tax liabilities | 36'202 | 36'269 |
| Non-current lease liabilities | 13'110 | 13'642 |
| TOTAL NON-CURRENT LIABILITIES | 133'143 | 132'412 |
| Trade payables | 21'523 | 16'477 |
| Other current liabilities | 9'303 | 24'329 |
| Current financial liabilities | 66'721 | 66'339 |
| Current provisions | 7'592 | 8'399 |
| Accrued expenses and deferred income | 22'109 | 23'861 |
| Current lease liabilities | 5'278 | 5'401 |
| TOTAL CURRENT LIABILITIES | 132'526 | 144'806 |
| TOTAL LIABILITIES | 265'669 | 277'218 |
| TOTAL LIABILITIES AND EQUITY | 457'651 | 441'935 |

Interim Consolidated Statement of Cash Flows

| | Unaudited 30.06.2021 | Unaudited 30.06.2020 |
|---|-------------------------|-------------------------|
| (Thousand Euro) | | |
| PROFIT FOR THE PERIOD | 2'9738 | 9'684 |
| Adjustments for: | | |
| Income taxes | 1'851 | (409) |
| Depreciation, amortisation and impairment of tangible, intangible and right-of-use assets | 18'518 | 18'756 |
| (Gain) / loss on disposal of tangible and intangible assets | 530 | 267 |
| Foreign exchange result | (1'650) | 659 |
| Interest expenses | 844 | 982 |
| Change in Provisions and Retirement benefit obligations * | 5'731 | (912) |
| Share-based payments expense | 166 | |
| Income taxes paid | (22'485) | (1'825) |
| Interest paid | (844) | (982) |
| (Increase) / decrease in trade receivables | (13'098) | 2'572 |
| (Increase) / decrease in other receivables and prepaid expenses | (1'280) | 264 |
| (Increase) / decrease in inventories | (8'726) | (9'907) |
| Increase / (decrease) in trade payables | 5'272 | (118) |
| Increase / (decrease) in other liabilities and accruals | 994 | (6'520) |
| CASH FLOW FROM OPERATING ACTIVITIES | 15'561 | 12'511 |
| Purchase of tangible assets | (21'180) | (17'065) |
| Purchase of intangible assets ** | (4'274) | (4'722) |
| Proceeds from disposal of tangible assets | 1'398 | 1'377 |
| Changes in financial assets | 15 | (40) |
| CASH FLOW FROM INVESTING ACTIVITIES | (24'041) | (20'450) |
| Proceeds from borrowings | - | 4'540 |
| Repayment of borrowings | (4'853) | (1'94) |
| Repayment of lease liabilities | (2'891) | (3'077) |
| Purchase of treasury shares | (286) | |
| CASH FLOW FROM FINANCING ACTIVITIES | (8'030) | 1'269 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (16'510) | (6'670) |
| Cash and cash equivalents at the beginning of the period | 48'068 | 27'241 |
| Net effect of currency transaction on cash and cash equivalent | (230) | 3'414 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 31'328 | 23'985 |

* "Change in Provisions and Retirement benefit obligations" includes non-monetary movements that, as of June 30, 2020, were presented within the line items: "(increase) / decrease in trade receivables" amounting in H1 2020 to Euro 2'599 thousand; "(increase) / decrease in inventories" amounting in H1 2020 to Euro (9'793) thousand; "(increase)/(decrease) in other payables, accruals and provisions" amounting in H1 2020 to Euro (7'633) thousand.

** "Purchase of intangible assets" excludes unpaid acquisitions of intangible assets.