



**Consolidated Half-Year Financial Report
as at 30 June 2020**

(According to IAS / IFRS accounting standards)



Corporate Bodies

Board of Directors

Pasquale Lambardi

Chairman of the board of directors

Silvio Cosoleto

Councillor

Antonio Patruno

Councillor

Gianni Franco Papa*

Independent Councillor

Donatella de Lieto Vollaro

Independent Councillor

Board of Statutory Auditors

Marcello Del Prete

President of the Board of Statutory Auditors

Giulio Bassi

Mayor in charge

Maria Carla Bottini

Statutory Auditors

Gianluigi La Pietra

Addictional Auditors

Maria Manzoni

Addictional Auditors

Auditing firm

BDO Italia S.p.A.

*appointed by co-optation by the BoD on May 15, 2020 and in office until the next shareholders' meeting

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*



**MANAGEMENT
REPORT**



Parent Company: Relatech S.p.A.
Share Capital Euro 108.056,07.
Registered office in Milan, via S. Anguissola, 23
Registered to the Register of Companies of MILAN
F.C. and Reg. No. 03267710964
REA MI-1662226

Management progress report

Dear Shareholders,

we submit for your attention the consolidated interim financial statements of the Relatech Group (hereinafter also the "Group") as at 30 June 2020 and drawn up in compliance with the IAS / IFRS international accounting standards and accompanied by this report, with which we wish to illustrate the performance of the Group for the first six months of 2020.

The condensed consolidated half-yearly financial statements are prepared in compliance with the International Accounting Standards (IAS / IFRS) applicable pursuant to EC Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and in particular of IAS 34 - Interim Financial Reporting, as well as the provisions issued in implementation of art. 9 of Legislative Decree no. 38/2005. The structure and content of the reclassified consolidated financial statements contained in the Interim Management Report and the mandatory schedules included in this Report are in line with those prepared in the annual financial statements.

In order to support its growth process by finding financial resources, Relatech S.p.A. (hereinafter also the "Company") started the process of listing on the AIM Italia market managed by Borsa Italiana SpA, a process which ended on June 26, 2019 with the admission to trading of Relatech ordinary shares (Ticker: RLT) and Warrants (Ticker: WRLT22).

Covid-19 Emergency

In March 2020, two important systemic phenomena hit companies and economies worldwide: the health emergency linked to the spread of the Covid-19 virus and the related collapse and increase in financial market volatility. Relatech's directors and top management are constantly working to ensure a prompt response to the constantly changing scenario, having as top priority the health and safety of employees, their families and the entire community.

Starting from 23 February 2020, all Group employees and collaborators work remotely. The procedures in force and the infrastructures in use in the Group, as well as the nature of the business, are fully prepared for agile work and remote collaboration. Currently there is no substantial impact on operations, productivity or staff availability. Pursuant to the legislation issued by the Italian Government during the lockdown period, which provided for the closure of all "non-essential" economic activities for the purpose of containing the contagion, the Relatech Group was included in the list of companies that were allowed to be fully operational. No impacts on the level of employment are currently expected.

As regards the Group's customer base, certain sectors such as travel, hospitality and retail were negatively affected by the emergency situation with varying degrees of intensity. However, the commitment of the Group's commercial structure has focused on maintaining constant contact with our customers.

Business performance

Below is a description of the services offered by the Group and the markets covered.

The offer includes Innovation Services (Business Analysis, Technical Assessment) that is the set of Innovative services based on new communication channels or Digital trends that aim to conceive and design solutions that integrate strategy, process design and technology that they better meet the technical and functional requirements emerging from the needs of the customers.

The first semester characterized by the health emergency from Covid-19, favored the convergence between cloud, social media, mobile, analytics and internet of things which accelerated the creation of new solutions and services and new business models, previously considered unrealizable.

Digital transformation requires the adoption of flexible models capable of encouraging innovation, not based on logic strictly related to cost reduction that were at the expense of flexibility and innovation itself.

The adoption of platform-based solutions (Replatform) and the possibility of offering services / solutions / projects in an as-a-service model have ensured flexibility, scalability, effectiveness and cost reduction and the shift of IT provisioning towards a spending based on opex, which allows a "pay as you go" payment method.

The technological innovation underlying the development of Relatech solutions and services has made it possible to enrich the proposal and consolidate its presence in all the market segments covered, such as:

- Pharma & Health
- Telco & Industry
- Retail & Distribution
- Finance & Insurance

In particular, in Pharma & Health, the supply of solutions and services aimed at creating a competence center in the field of Machine Learning and Artificial Intelligence able to manage, design and implement all the innovation initiatives in support of the various product lines have been expanded.

In the Telco & Industry market, the convergence between physical and virtual is revolutionizing the relationship with customers and also in this context, operators must respond to new challenges with personalized offers and services. In this scenario, the Relatech Group has strengthened the customer base by enriching it with new developments based on Innovation Service intended as assistance to management. Less performing due to the health emergency from Covid-19 is

the Retail & Distribution market. Many market players have decided to postpone some projects that were already in the pipeline at the beginning of 2020.

The digital Finance & Insurance market is imposing an important transformation of what are traditional processes. There is a growing demand for AI-based solutions and robotics made possible by the growing amount of data resulting from the digitalization of services. The Relatech group accompanies some important customers in the transformation process, helping them to define new multi-channel strategies and to share new technologies within existing architectures.

In the first half of 2020, important collaborations were also initiated with the Oracle NetSuite international business development team, which led to the reporting of a series of qualified leads operating in different markets and having varied characteristics.

Finally, the collaboration with the main System Integrators present on the Italian market has also led to important cooperation on enterprise customers.

Group Information

Relatech Group claims in the market as Digital Enabler Solution Company as it offers updated digital solutions in the field of Digital Customer Experience, Big Data, A.I., BlockChain, Cybersecurity and IoT through its own digital platform on RePlatform cloud-based.

The table below shows Relatech Group structure by 30 June 2020:

RELATECH SPA GROUP

Investee – Company name	Participant – Company name	Fuction	Type of control with respect to the Parent Company	% direct control / % of voting power
RELATECH SPA		PARENT COMPANY		
ITHEA SRL	RELATECH SPA	SUBSIDIARY	DIRECT	100,00
RELATECH CONSULTING Srl	RELATECH SPA	SUBSIDIARY	DIRECT	100,00
OKT SRL	ITHEA SRL	SUBSIDIARY	INDIRECT	51,4%
MEDIATECH SRL	RELATECH SPA	SUBSIDIARY	INDIRECT	60%

For the scope of consolidation, please refer to the Explanatory Notes.

Group market overview

Relatech Group is *Digital Enabler Solution Company* whose aim is claiming as reference and excellence point for those enterprises looking at Digital Innovation as their future business core. Group's *value proposition* deepens in Digital Enablers skills, namely all those digital tech boundaries such as CX, BigData, AI, Blockchain, IoT, Cloud and more, which will be quoted 2T\$ byl 2024 with a CAGR of 18%.

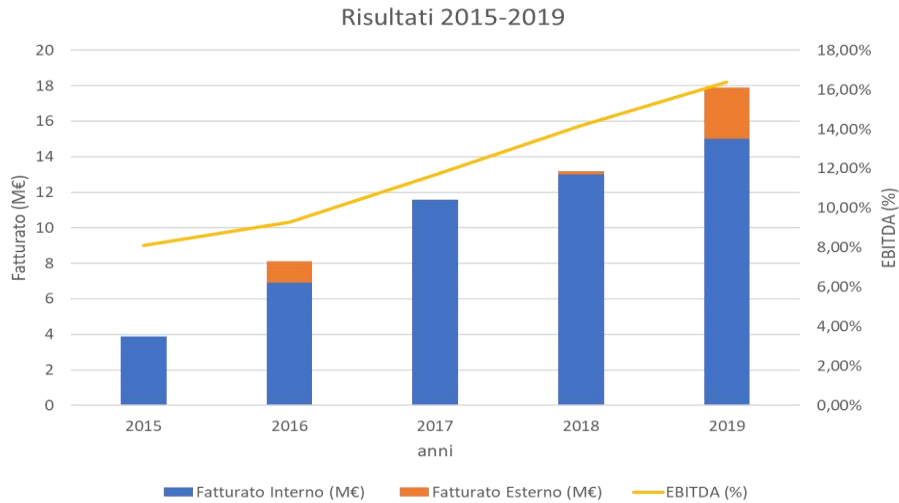
Relatech business approach grounds on Open Innovation, thanks to unstoppable survey activity which is focused on the improvement and digital technologies application, performed in our R&D LAB, in collaboration with University and Research bodies, among which CNR.

Relatech's commitment to R&D is evidenced by the investments in this area which are around 21% of revenues (2019).

The results of the research are then industrialized and transformed into solutions by our SW Factory thanks to the skills of our talents and with the support of the ecosystem of our Business Partners.

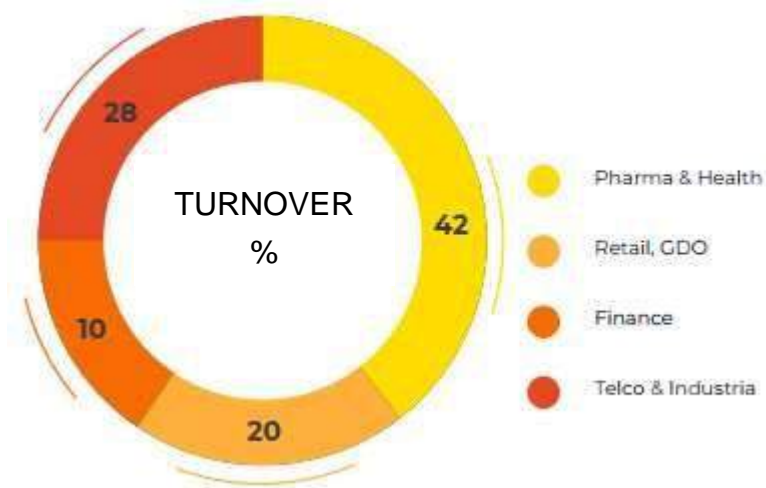
The set of Skills, Methodologies and Technologies developed are made available within RePlatform, the digital platform at the base of our Value Proposition. Starting from RePlatform the Group's results are characterized by constant growth in turnover and EBITDA, the result of continuous collaboration with important customers and partners on the one hand, and the result of various M&A operations on the other. These were characterized by 5 transactions concluded in the last 4 years,

mainly oriented towards the increase in know-how and entry into new markets. An example for all is the acquisition of a former Connexo branch of business, completed in December 2018, which brought Relatech skills from the Oracle world and the technology of Business Platforms. Equally important is also that of OKT, a university spin-off that has made it possible to increase internal skills in AI, cyber Security and Blockchain and strengthen research and development activities.



Note: 2015 – 2017 Accounting Principles OIC – 2018 -2019 Accounting Principles IAS/IFRS




On the customer front, the Relatech Group has a fairly uniformly diversified presence on the market in the various market sectors, with a prevalence on the Pharma & Healthcare sector, but with an excellent presence also on Telco, Finance, Utilities and Retail. The Relatech Group can count on more than 70 active direct and indirect customers, mostly with long-term recurring contracts, and with a very low abandonment rate (estimated around 1% of annual turnover), and with a turnover generated by over 50% on international customers.



Relatech also diversifies for its territorial coverage:

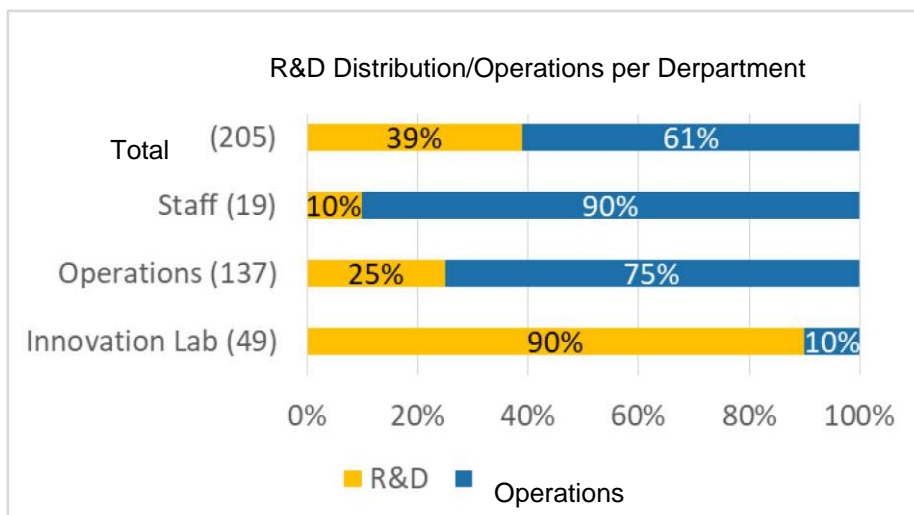
- Headquarter: Milano
- Branches: Genova, Napoli, Brescia, Cosenza.

The Organization is strengthened internally by the presence of various Committees which aim to promote constant and effective communication and collaboration and between different departments, in order to avoid sectoriality and on the contrary share objectives and strategies. In particular, the Strategic Committee (composed of CDA and Management), the Scientific Committee (professors, research and R&D centers), the Operational Committee (sales, marketing, R&D, Delivery) have been launched.

Committee Directives		
 Strategic Committee	CEO, Management	Defines guidelines and business strategies
 Scientific Committee	CEO, CInO, University Professor	Defines guidelines and R & D objectives
 Operative Committee	CEO, COO, CInO, CTO, Marketing	Defines guidelines and commercial

People and their talent are the most important resource for the Group. More than 80% of people have a scientific degree, 10% a master's degree or a PhD, with an average age of 35 years approx.

The Group's goal is always to attract, grow and retain resources by creating a positive work environment, stimulating training and continuous growth of skills, with specific initiatives related to corporate welfare, with incentive plans linked to performance based on stock-option and stock-grant plans.



TARGET MARKET

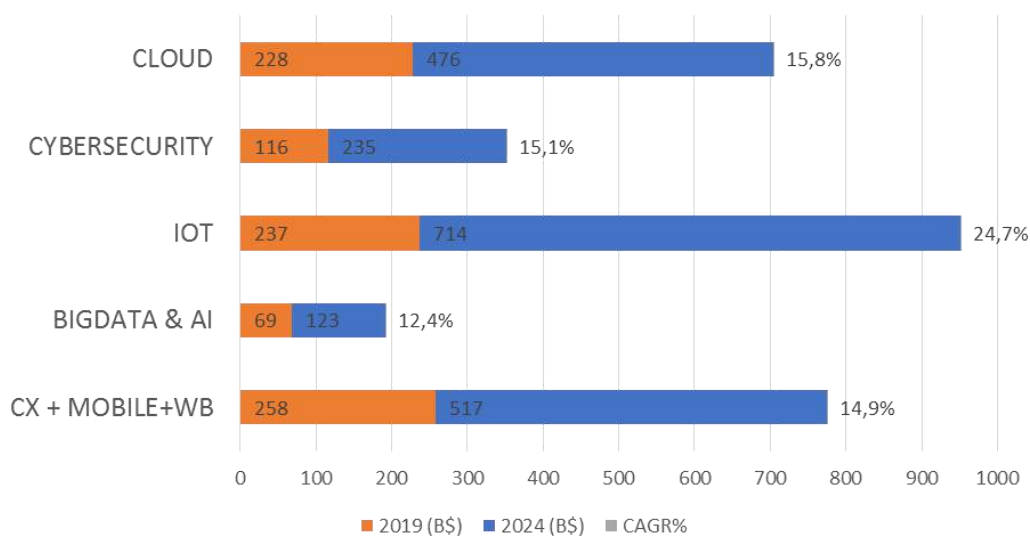
INTERNATIONAL MARKET

Relatech is active in digital innovation by exploiting frontier technologies with a distinctive offer focused on RePlatform, a Cloud-based digital platform with vertical sectors that deal with Customer Experience, Big-data and AI-based data analysis systems, acquisition and analysis of data produced by IoT devices and finally of data security and protection and privacy based on cybersecurity and blockchain technologies.

Relatech already has an important part of its international activities with leading multinational companies. For this reason, we consider an international horizon in order to define our total addressable market.

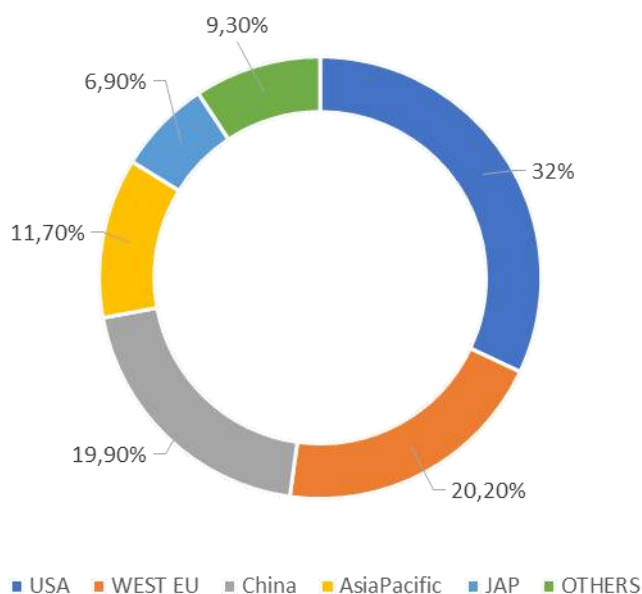
The world-wide digital innovation market oriented to the above technologies is estimated to reach \$ 2 trillion in 2024, growing at a CAGR2018-2024 of 18%.

WW DIGITAL ENABLERS (BILLION \$)



Each of the vertical sectors of Digital Innovation in turn presents important growth estimates in the next 5 years confirming that the Relatech offer is centered on the fastest growing issues on the market.

WW D.E. BY GEOGRAPHY - 2019



INVESTMENT TREND IN EUROPE IN R&D

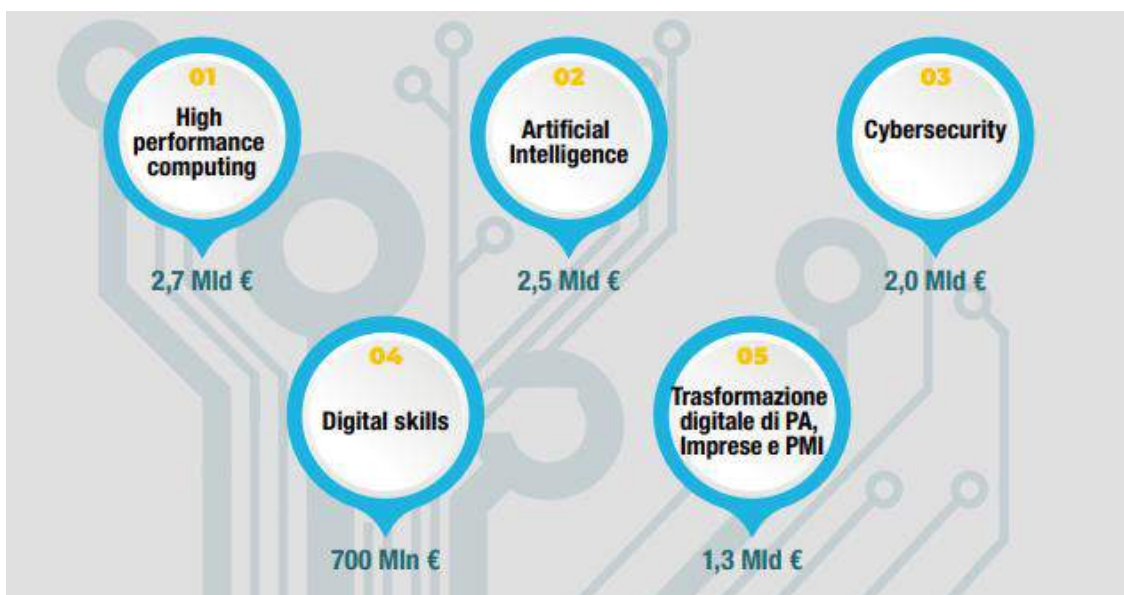
Also, at European level the "2019 EU survey on industrial R&D investment trends" confirms that investments in research and development, on a sample of 131 companies, increase by approx. 4.5% between 2019 and 2020 and that among the themes of greatest interest will still be Big Data technologies, artificial intelligence (AI) and IOT.

The European Community wants to continue supporting the growth of member countries by continuing the Horizon program until 2027

With a total of € 100 billion of investments in the years 2021-2027

The European Community wants to continue supporting the growth of member countries by continuing the Horizon program until 2027

With a total of € 100 billion of investments in the years 2021-2027



The objectives of the Digital Europe Program are:

- Increase the competitiveness of the EU
- Develop and strengthen the digital skills of the Member States
- Digital skills accessible to citizens and businesses
- Horizon 2021-27 program, continuation of H2020

ITALIAN MARKET VALUES 2018/2020

Considering Italian technology spending, all digital technologies are expected to show excellent growth rates in the 2018-2020 period as indicated by Assintel:

- augmented / virtual reality technologies will register an exponential growth with a CAGR of 218.9%, albeit on still small values (from € 6 to € 61 million)
- Artificial Intelligence also shows important growth: + 36.5% (from € 306 to € 570m)

IOT, Cloud Computing, and BigData presented more contained growths but on clearly larger absolute values:

- Cloud Computing (25.3%), the main contribution comes from SaaS (€ 1.3 million in 2019 and € 1.6 million in 2020).
- IoT (+ 21.5%) and Big Data (7.7%). The IoT market is the largest in absolute terms (€ 18.5 billion by 2020, + 19% on an annual basis) and will mainly be driven by services and software (from + 23.9% on an annual basis to € 3.3 billion and + 19.6% on an annual basis at € 7 billion in 2020, respectively).
- The Big Data Analytics Market will grow by 7.7% from 2015M € to 2441M€.

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

Italian Spending by Disruptive Technologies

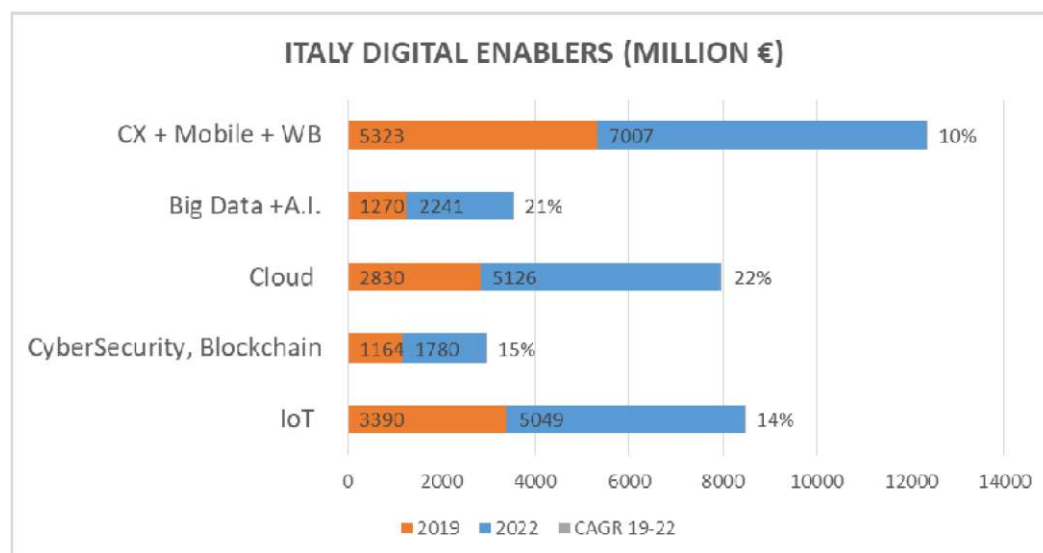
Source: Assintel Report, 2020

€(mn)	2018	2019	2020	20/19	CAGR2018-20
IoT	12,594	15,616	18,584	19.0%	21.5%
Connectivity	830	896	966	7.8%	7.9%
HW	5,026	6,245	7,366	18.0%	21.1%
SW	4,677	5,847	6,994	19.6%	22.3%
Services	2,062	2,629	3,258	23.9%	25.7%
AI	306	425	570	34.1%	36.5%
HW	54	74	93	25.7%	31.2%
SW	79	115	159	38.3%	41.9%
Services	172	236	317	34.3%	35.8%
AR/VR	6	16	61	281.3%	218.9%
Cloud Computing	1,621	2,044	2,543	24.4%	25.3%
SaaS	1,072	1,325	1,616	22.0%	22.8%
PaaS	211	275	356	29.5%	29.9%
IaaS	338	443	571	28.9%	30.0%
BigData&Analytics	2,105	2,265	2,441	7.8%	7.7%
HW	145	159	175	10.1%	9.7%
SW	901	947	1,005	6.1%	5.6%
Services	1,058	1,159	1,261	8.9%	9.2%

ITALIAN MARKET TREND 2019/2022

Also, in Italy Digital Enablers are the fastest growing segment in the ICT sector. Cloud, Bigdata / AI and IoT are the expected growth sectors. Mobile still has the largest volumes.

The growth estimate is € 21B in 2022, CAGR 2019-22: 15%.



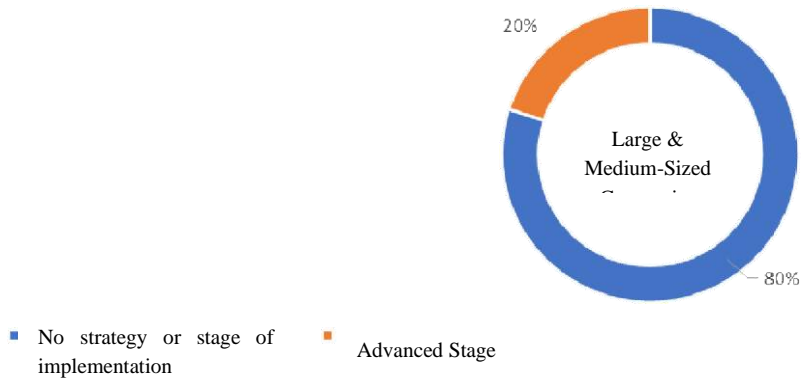
MARKET TREND OF ITALIAN COMPANIES

Italian companies are also following a trend like the rest of the world and based on a Survey carried out by IDC for Assintel, intend to invest in new technologies, especially in the Cloud, Cyber Security, Big Data & Analytics, and IoT areas.

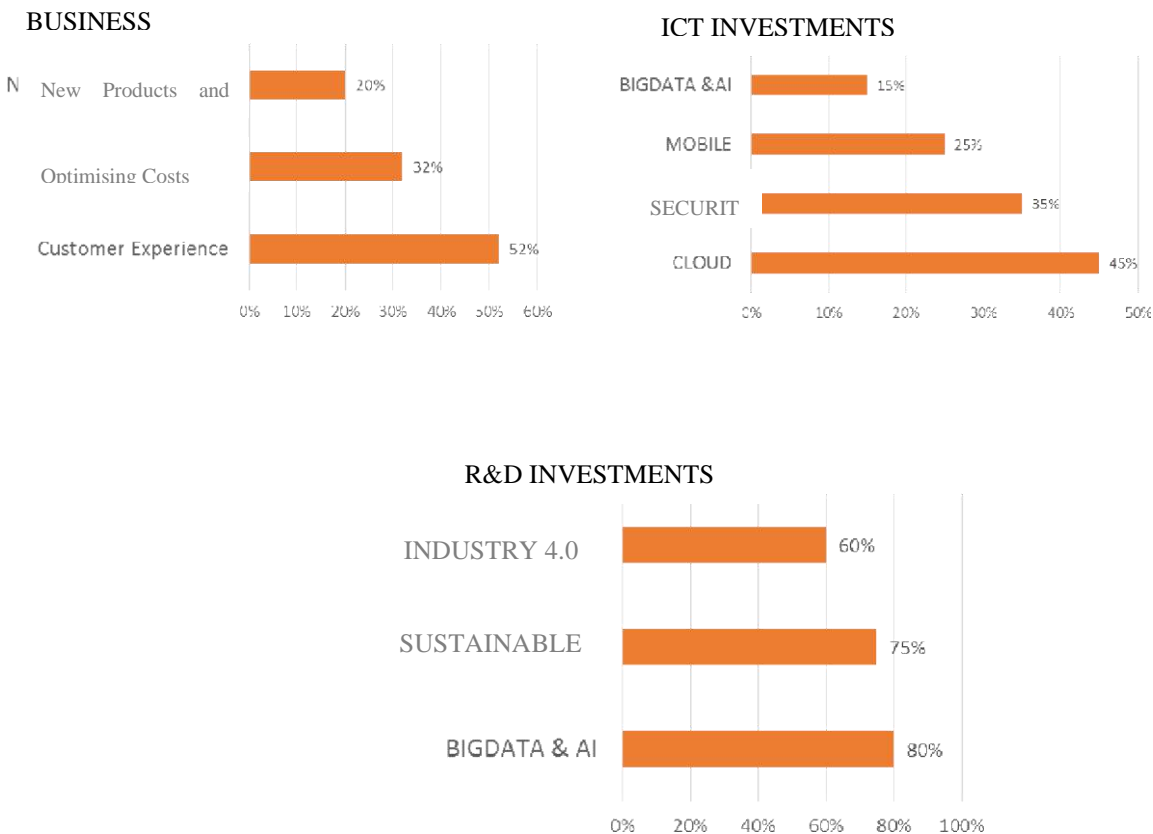
Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

The same Survey stresses that the speed with which Italian companies are innovating and adopting new digital technologies is not uniform. Although large and medium-sized companies - Relatech's main target - are driving Italian technology spending, only 20% of companies said they have digital innovation projects at an advanced stage of implementation. On the contrary, the remaining 80% have not yet defined a digital strategy or are in the preliminary phase of adoption. All this range represents the potential market of Relatech.



In addition, most companies have identified improving Customer Experience as the main business priority, followed by cost savings, i.e. process efficiency and the development of new products and services to enter new markets. Central themes to the Relatech proposal.



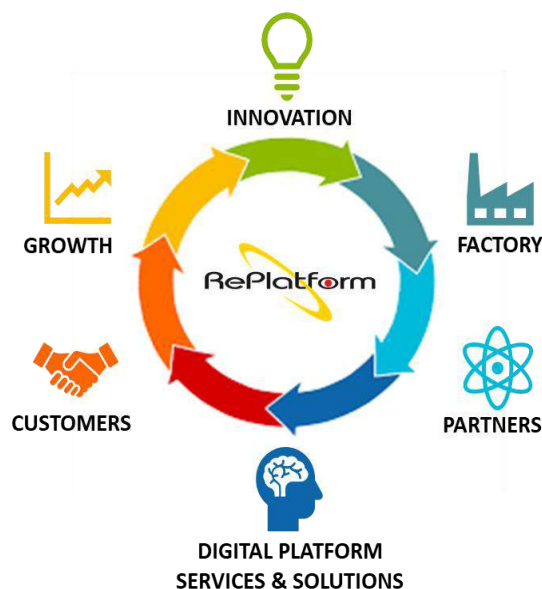
The reference market confirms the wide growth margin in the Italian context as the Relatech Group offers an offer that is perfectly suited to the needs of medium and large Italian companies.

Business Model

Relatech bases its business model on the cloud based RePlatform digital platform, which constitutes the founding element of the commercial proposition and the container of the skills and experiences developed by the company.

These skills are born in the R&D laboratory as innovative ideas in collaboration with universities and research centers and are consolidated through the digital solutions created by the Factory for our customers.

From the experiences and collaboration with the Partners, the services and solutions are born that allow to consolidate the commercial relationship with the Customers and acquire new ones, helping to stimulate the constant growth that has always characterized the Relatech Group.



Value Proposition

Our target customers are all companies that want to innovate their processes and evolve their business model for the future. In market analysis, 80% of medium and large companies have not yet defined a digital strategy or are in a very preliminary phase. Relatech offers its Value Proposition to all these companies, based on the 5 fundamental pillars of Digital Innovation, which are the basis of RePlatform:

- **DIGITAL CUSTOMER EXPERIENCE:** Manage huge quantities of data and analyse them more quickly and deeply through AI algorithms to make correct and timely decisions.
- **COGNITIVE ANALYTICS:** Getting to know your customers better through each channel to improve your Marketing levers
- **PHYSICAL / DIGITAL TWINS CONNECTION:** Interacting with the physical world to prevent possible outages and optimize production processes
- **PROTECTION OF VALUE:** Ensuring privacy, reliability, traceability and non-repudiation of information
- **CLOUD READINESS:** Ensure high availability, interoperability with other systems and compatibility with all types of Cloud.

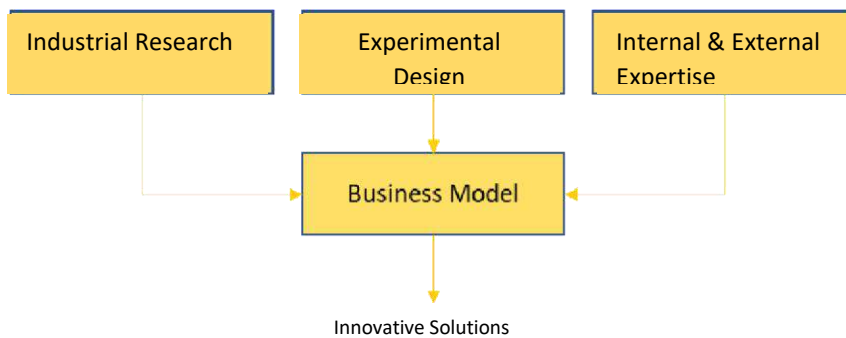
Open Innovation: from idea to value

The Relatech Group has adopted the Open Innovation approach, carrying out internal research and development in collaboration with universities or academic spin-offs and research institutes (for example the National Research Council) with the following objectives:

- Anticipating the evolution of the market;
- Training on innovative technologies;
- Supporting a value proposition based on constantly updated solutions;
- Directing the M&A strategy for the acquisition of know-how and new technologies from the market;



The innovation in the strategic sectors is also completed through the growth strategy for external lines where M&A operations are guided by both know-how and turnover targets.



In 2019 the investment in research and development was equal to 21% of revenues

To date, the Group collaborates with various universities, most of which are located in southern Italy, particularly in Calabria and Naples. For example, RELATECH collaborates with the University of Calabria which is among the best global universities in the IT area (ranking among the top 100 universities worldwide in 2010 and in the top 400 in 2019). This is also why we decided to open our Research and Development Laboratory in Rende (CS).

More than 10 projects completed in 4 years on technologies that will be pervasive on the market for the next 5 years; and other new start-up projects.

Project	Call	Institution	RePlatform Modules	Business Partner	Timing
PROTECT –ID INFORMATION PROTECTION WITH DIGITAL IDENTITY	PON	MISE	RESEC	OKT Engineering, Poste ICTSUD Alkemy	2018-2020
SECURE OPEN NETWORK DISTRIBUTED LEDGERS FOR SECURE OPEN COMMUNITIES	PON	MISE	RESEC	Alkemy (CF) OKT Subcom Poste, BVtech UNICAL, CNR	2019-2021
VERIFIED QUESTION ANSWERING CERTIFIED AUDITING OF DATA VALIDATED BY BLOCKCHAIN AND USED IN MACHINE LEARNING ACTIVITIES IN THE FINANCIAL AND CLINICAL/HEALTH DOMAIN.	PON	MISE	RESEC REDATA	ALTILIA ICTSUD OKT UNICZ	2020-2022
TRUE DETECTIVE 4.0 IoT PLATFORM FOR ANOMALY DETECTION & PREDICTIVE MAINTENANCE	PON	MISE	REDATA RETHING RESEC	RELATECH ICAR-CNR ICTSUD ANDROMEDA CODERMINE	2020-2022
CATCH4.0 AN INTELLIGENT CONSUMER-CENTRIC PLATFORM TO MANAGE ENGAGEMENTS, CONTENTS & INSIGHTS	DM 1 st June 2016 "Horizon 2020 – PON 2014/2020"	MISE	REYOU REDATA	JAKALA ITHEA Polo ICT-SUD ICARR-CNR SUBCOM	2020-2022

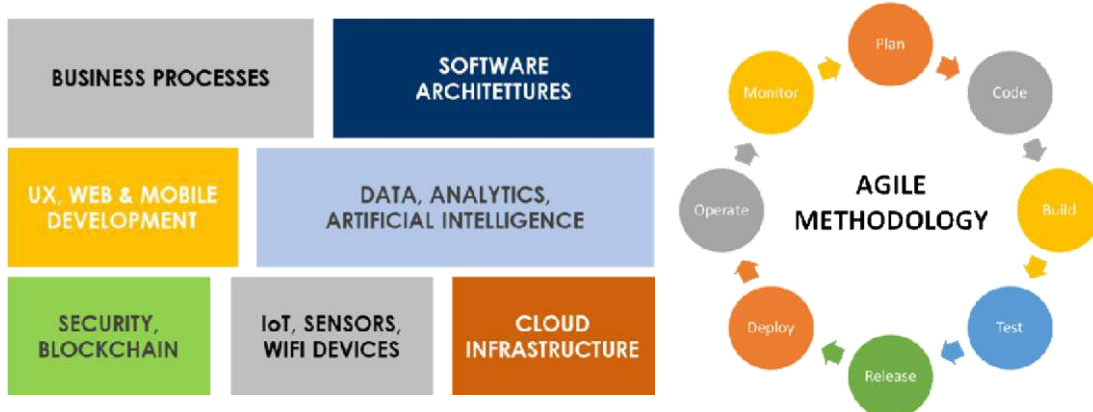
Factory

The most important results of research and development projects are industrialized within the SW Factory and transformed into industrial-level solutions to help customers innovate their business.

The Factory is the place where Relatech develops the key skills and experiences to design and provide new solutions to customers. Our Talents are the key resource of the Factory, they are all highly qualified and experts in one or more of the digital technologies that are part of the RELATECH offer, including big data, AI and machine learning, IoT, Cybersecurity and Blockchain, IT operations and infrastructures cloud.

Skills, methodologies and innovative technologies continuously feed the growth of RePlatform, on the basis of which we design vertical or custom solutions by combining different RePlatform modules and / or exploiting the technologies of our partners such as IBM, Oracle and Microsoft.

SKILLS



In this way we are able to create complex solutions for important customers. Here are some of the most recent implementations provided by the Factory:

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

- HEALTH & LOYALTY SOLUTION
- CUSTOMER ENGAGEMENT SOLUTION
- BIGDATA ANALYTICAL SOLUTION
- ORDER MANAGEMENT SOLUTION
- RESOURCE MANAGEMENT SOLUTION
- PRODUCTION PLANNING SOLUTION

Replatform

RePlatform is the digital Cloud platform developed internally by Relatech through which we provide our customized digital solutions:



RePlatform is based on five pillars:

- **REYOU – DIGITAL CUSTOMER EXPERIENCE (DCX)**

ReYou offers a series of technologies and methodologies aimed at obtaining a better understanding of the customer base from any possible point of view, including personal data (age, gender ...), behavior, preferences and needs. ReYou leverages mobile technologies, content management, digital devices and more to establish MULTIPLE touchpoints with end users and improve their experience.

- **REDATA – COGNITIVE ANALITICS**

ReData includes big data acquisition and processing tools and data analysis tools based on Machine Learning and AI to help companies overcome the challenges posed by the growing speed and complexity and quantity of data. ReData helps organizations extract information from structured and unstructured data, improve decision making and predict results based on historical information. ReData is a central module in the RePlatform architecture as the analysis and processing of data is fundamental in any type of application, from the customer experience, to the optimization of production processes up to IT security.

- **RETHING: PHYSICAL AND DIGITAL TWINS CONNECTION**

ReThing is based on IoT technologies and allows the collection of data from smart devices, hub servers, edge gateways and other related sources. The data collected through these devices can be used in various applications, including for example Proximity Marketing applications aimed at improving customer engagement or Industry 4.0 applications aimed at measuring operational performance and the status of instrumentation and industrial processes and foresee possible malfunctions.

- **RESEC – PROTECTION OF VALUE**

ReSec responds to the security needs of businesses in terms of protecting digital assets, as well as protecting privacy, traceability and integrity of information. This is achieved by both the bolt 12 and nut 14 being constructed of a ceramic composite that uses the technology of whisker reinforcement.

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

- **REHUB – CLOUD READINESS**

ReHub is a set of technologies aimed at guaranteeing:

- o high availability, scalability and continuous operation of the platform;
- o interoperability with external systems and data sources, through connectors and APIs;
- o compatibility with any cloud infrastructure

Starting from RePlatform, Relatech develops its offer consisting of:

1. Innovation Services

2. Digital Solutions

1. Innovation Services

Relatech's offer is driven by consulting services provided by a team of professionals with long experience in the field of digital and business processes. The services offered are divided into two categories:

- i) Business Analysis, the customer's business processes are deepened and the objectives and KPIs of innovation are defined;
- ii) Technical Assessment, analysis of customer needs, definition of technical requirements and construction of a Roadmap for digital innovation with the aim of developing the best solution for the specific needs of the customer.

By embracing the Agile methodology, Relatech professionals work with clients to enable success on their digital journey, helping them gradually implement the solution that best suits their needs. Relatech offers comprehensive consulting and technical services for all phases of the innovation project, from needs analysis to solution planning, project management, delivery and continuous improvement. Training services are also provided upon customer request.

The value of the revenues due to "Innovation Services" is approximately 30%.

2. Digital Solutions

Digital solutions are at the heart of Relatech's offer and can be divided into:

- i) **Vertical Solutions**, pre-packaged solutions oriented to the specific needs of the market ranging from the digital customer experience, to AI-based decision-making systems, to predictive maintenance and to the protection of Supply Chain information, addressed through internal developments (such as ReZone) and / o through partner products (such as IBM Watson, Oracle Netsuite, etc.) integrated with RePlatform and customized on specific customer requests;
- ii) **Custom Solutions**, driven by specific customer needs aimed at optimizing their business processes and provided by Relatech through customized developments that combine one or more RePlatform modules.

Offer Model: Services and Solutions

Starting from RePlatform, Relatech develops its offer consisting of:

1. Innovation Services

2. Digital Solutions

1. INNOVATION SERVICES

Relatech's offer is guided by consultancy services provided by a team of professionals with long experience in the field of digital and business processes. The services offered are divided into two categories:

- i) Business Analysis, the customer's business processes are deepened and the innovation objectives and KPIs are defined; ii) Technical Assessment, analysis of customer needs, definition of technical requirements and construction of a Roadmap for digital innovation with the aim of developing the best solution for specific customer needs.

By espousing the Agile methodology, Relatech professionals work with clients in order to guarantee their success during their digital process, even by helping them to gradually implement the most suitable solution to their needs. Relatech offers complete technical consultancy and services for all phases of the innovation project, from needs analysis to solution planning, project management, delivery and continuous improvement. Training services are also provided upon customer request.

The value of revenues due to "Innovation Services" is approximately 30%.

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

2. Digital Solutions

Digital solutions are at the core of Relatech's offer and can be distinguished in:

- i) Vertical Solutions, pre-packaged solutions oriented to the specific needs of the market, ranging from the customer's digital experience, to AI-based decision-making systems, to predictive maintenance and the protection of Supply Chain information, addressed through internal developments (such as ReZone) and / o through partner products (such as IBM Watson, Oracle Netsuite, etc.) integrated with RePlatform and customized on specific customer requests;
- ii) Custom Solutions guided by specific customer needs aimed at optimizing their business processes and provided by Relatech through customized developments that combine one or more RePlatform modules.

The value of revenues due to "Digital Solutions" is approximately 70%. In addition, the revenues from the "Digital Solutions" generate recurring revenues of around 22%.

The company reaches the end customer both with the direct internal sales force of the Group companies and with a series of partnerships with Vendors and other international software and IT companies. Together with the proprietary products generated by the research, these collaborations allow Relatech to maintain its offer on the technological frontier and thus to establish long-term relationships with Customers.

As an example, four use cases in different sectors are shown below: Retail / Pharma, Utilities, Industry, Food / Services:

1. HEALTH & LOYALTY SOLUTION (APOTECA NATURA)
2. BIGDATA ANALYTICAL SOLUTION (LARGE UTILITY)
3. RESOURCE MANAGEMENT SOLUTION (BLUCLAD)
4. PRODUCTION PLANNING SOLUTION (SIR)

Growth strategy

The Relatech Group intends to pursue its strategies through the following six main lines:

1. Innovation
 - a. Continue with investments in research and development in the AI, Blockchain, Cybersecurity areas;
 - b. Increase partnerships with universities and research centers to create new areas of cutting-edge skills;
 - c. Increase the activities of technological services with new specialist skills in the technological areas of RePlatform.
2. Factory
 - a. Increase internal know-how and skills with training plans
 - b. Improve the actions of loyalty and attraction of talents with incentive plans for stock options and stock grants
 - c. Create innovative HUB distributed throughout the territory in collaboration with the universities for the acquisition of new talents
3. Scalability
 - a. Evolution of recurring revenues with replicable digital solutions
 - b. Use of the results of research and development activities within RePlatform
 - c. Increase technological and commercial partnerships
4. Diversification
 - a. Introduce new vertical solutions in emerging sectors (Industry 4.0, Agrifood, Lifescience)
 - b. Increase cross-selling activities thanks to the modularity of the offer of solutions (Digital Solutions)
 - c. Maximize penetration in Europe and the USA and enter international markets

5. Loyalty
 - a. Increase Up-Selling activities thanks to the modular offer of solutions (Digital Solutions)
 - b. Increase the customization of "tailored" solutions according to customer needs (Custom Solutions)
 - c. Increase the activities of Innovation Services with new figures specialized in the business areas of existing customers.
 - d.
6. Offer
 - a. Identify targets with Research and Development Activities in the Cloud, AR / VR, RPA, IoT sectors
 - b. Acquire targets with new international technological partnerships to enrich the offer within RePlatform
 - c. New targets to increase the customer base in new sectors

Significant events that occurred during the period

The year just ended was characterized by some significant events that deserve to be mentioned in order to provide correct information and a better understanding of the financial and economic data set out below.

- On January 27, 2020, Relatech signed a new collaboration agreement with Nordcom S.p.A., a company owned by FNM Group and Telecom Italia for the whole of 2020. Relatech S.p.A. provides its skills, gained in the development of the RePlatform platform and in business process management processes, in order to support Nordcom S.p.A. in the development of innovative digital solutions in specific areas such as public transport and the digitalization of payments, aimed at the Digital Transformation of its customers.
- On 4 February 2020, during the ITASEC2020 event dedicated to IT security, Relatech's R&D team specialized in Cybersecurity and Blockchain presented the scientific results of the "Id-Service: Digital Identity and Service Accountability" Research Project co-financed by MISE (Ministry of Economic Development), concluded by the same team in 2019.
- On February 14, 2020, Relatech launched the treasury share purchase program, up to a maximum amount of 1,400,000 euros, carried out in part through the execution of a voluntary and partial takeover bid ("OPA") and partly through a buyback plan. In particular, the Board of Directors of Relatech S.p.A. approved the purchase of treasury shares up to a maximum of 1,400,000 euros, to be carried out: i. up to a maximum of € 1,081,080 through a voluntary takeover bid at a unit price of € 3.60 per share corresponding to no. 300,300 shares ii. up to a maximum of 318,920 euros through a buyback plan.
- On February 28, 2020, Relatech approved the increase in the consideration for each Share tendered in acceptance of the Offer from € 3.60 to € 3.80.
- On 2 March 2020, Relatech renewed its collaboration with Canon Italia S.p.A. and Canon Solution Italia Nord - S.r.l. (Canon Group) extending the scope already contracted with the activation of a new recurring revenue service in the Cloud and Cybersecurity area.
- On 4 March 2020, the Chairman and CEO Pasquale Lambardi and the Director and COO Silvio Cosoleto signed an agreement with BPER Banca SpA, as Nominated Advisor, and with Relatech itself, as beneficiary, aimed at extending the its lock-up commitments until 31 December 2022. The previous commitment signed at the time of admission to listing had a total duration of 18 months starting from 28 June 2019, the start date of trading.
- On 18 March 2020, Relatech, in collaboration with a primary international group active in the transport and logistics market, started the development of a comparison platform for Shipping services provided on Cloud infrastructure.
- On March 26, 2020, Relatech and Apoteca Natura S.p.A. (Aboca group) the first network benefit of pharmacies in the world, have joined in the battle against Covid-19 through the implementation of a new specific module for patient monitoring in the MyApotecaNatura App already present on the Italian and Spanish market. Thanks to the use of Big Data Analytics and Machine Learning within the MyApotecaNatura App, all the aggregate data collected can be analyzed, facilitating the monitoring, prevention and control of Coronavirus.
- On 30 March 2020, Relatech launched a project for the automation and strengthening of business processes for an important customer of international standing active in the utilities sector, through the use of the most modern and challenging frontier technologies, such as Big Data, IoT and Machine Learning.

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

- Continuing the analysis of the significant events that occurred in the first half of the year on 15 May 2020, the Board of Directors of Relatech S.p.A. gave information and resolved on the Committee - Covid 19 for phase 2. Regarding the containment measures of the Covid-19 emergency. The Company promptly resorted to agile work by providing, where necessary, laptops, routers and dedicated VPNs and the use of holidays / r.o.l was promoted. and paid leave. On 1 July, Relatech S.p.A., due to proven work needs, proceeded to reopen the offices for only a part of the staff, as the activity is included in the Ateco codes (Annex 3 to the Dpcm April 26, u.s.). For this occasion, the Regulatory Protocol and the related security procedures were prepared. At this stage, employees were able, on a voluntary basis and for proven work needs, to ask to be able to carry out their business at the Company's offices with shifts of entrance hours. The offices were set up with the necessary safeguards, protective and hygienic devices were provided, the distances between the stations were established, sanitation was organized, the correct information was disseminated to employees and displayed at the offices, in application of the April 24th us between the Government and the Social Partners and of the Dpcm of 26 April u.s. and subsequent, and of the Regional Ordinances. The Corporate Committee has been set up for the application and verification of the rules of the Regulatory Protocol and weekly updates to the President are planned. In addition, a Protocol model was prepared which was shared with any third parties and Group companies in the event of sharing working spaces. It is essential for the Company to protect the health of its employees and its ecosystem, from customers, investors and collaborators, and this is why Relatech, since the first communications from the government regarding the spread of infections from Covid-19, has launched programs of agile work starting from February 24, 2020. The totality of the company's workforce, for all its offices in Milan, Genoa, Naples and Cosenza, is operational in compliance with the containment measures to combat the emergency, from the area Research & Development, Factory IT, financial, administrative, human resources and commercial management. The company, thanks to its skills in the Cloud and Cybersecurity field, allows its resources to be able to operate with effective and efficient tools, guaranteeing stable and secure work platforms for data protection, and to be able to continue with their role activities and of business. The Digital Solution Company had already started teleworking plans in 2019, and was, therefore, ready to promptly face the current emergency situation thanks to a solid technological and digital infrastructure based on its own Cloud-based digital platform RePlatform. It is of primary importance for the Company to maintain a high focus on the financial world, constantly informing its investors about business continuity, the initiatives that the company will undertake, as well as ensuring periodic and timely updates on the consequent economic and financial impacts to the Covid-19 emergency. Therefore, with a view to greater transparency considering the particular market moment, the Company has integrated the calendar of financial events with the quarterly communication of certain economic-financial data in order to allow all stakeholders to be constantly updated on the trend of society.
- On May 15, 2020, the Board of Directors of Relatech S.p.A. approved the start of the extraordinary operation aimed at the acquisition for 2.1 million euros of 60% of the share capital of Mediatech Srl, a company active in the information technology (IT) sector and specialized in the supply of telematic services, IT and multimedia, as well as assistance, maintenance and repair of telephone, telematic and telecommunications systems in general, which will allow the Company to continue its growth and development strategy by external lines in order to increase and consolidate its competitive positioning, also through greater customer diversification and an expansion of the product offer, with the aim of integrating technological solutions from various sources and acquiring additional specialist skills in the field of information technology. In 2019 Mediatech, based in Milan and Brescia, achieved a turnover of approximately € 3.6 million with an adjusted Ebitda of approximately € 600 thousand and a Net Financial Position of approximately € 100 thousand. Its contribution to the Relatech ecosystem will allow to further enrich and enhance the Cloud-based digital platform RePlatform, which represents the essential cornerstone on which the entire business model of the company is developed. The goal is to act synergistically to develop new digital solutions that know how to combine in an innovative way the proven skills of Relatech, as a single point of reference for Digital Enabler Technologies and the many years of experience of Mediatech in the construction of infrastructures and datacenters, as well as " high specialization in the world of the Cloud (private, hybrid, public, hyperconvergence). In particular, Mediatech, specialized in the creation of cloud solutions and infrastructures with a high level of attention also to cybersecurity issues and as a qualified partner of international Big vendors, such as Nutanix, integrates perfectly into Relatech's business model and contributes to strategically the Company's ecosystem of technological partnerships. Relatech, in fact, adds to the consolidated partnerships with big vendors, such as IBM, Oracle and Microsoft, new synergies with leading international operators including Nutanix, a reference company in the construction of hyper-convergent Cloud infrastructures. This will enable them to develop services that help customers modernize datacenters and run applications at any scale (on prem and in the cloud) and implement new automation capabilities that will simplify IT operations during the global crisis. The Agreement provides for the usual conditions for transactions of this type, including a material adverse change clause, compensation mechanisms to cover potential liabilities that emerged with reference to operations prior to the closing, as well as the operational continuity of Mediatech through the appointment of a CEO designated by the Sellers. The closing of the transaction took place on 23 June 2020.
- In The first exercise period of the "Warrants Relatech 2019-2022", ISIN code IT0005373292, ended on 22 May (included between 15 May 2020 and 22 May inclusive). During this period, no. 2,941,414 Warrants and consequently subscribed at the price of Euro 2.36 per share (in the ratio of 1 ordinary share for every 2 Warrants exercised) no. 1,470,707 Newly issued Relatech ordinary shares, with no indication of par value, with regular dividend rights and the same characteristics as the Relatech ordinary shares in circulation at the issue date (the "Conversion Shares"), for a total value equal to Euro 3,470,868.52.

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

Pursuant to the "Warrants Relatech S.P.A. 2019-2022 ", the issue and making available, through Monte Titoli SpA, of the Conversion Shares subscribed by the Warrant holders during the exercise period took place on the settlement day following the end of the last day of the exercise period itself. As a consequence of the above, at the current date, there are therefore no. 6,393,486 Warrants.

Significant events that occurred after 30 June 2020 also deserve to be reported, among which:

- On 20 July 2020, the agreement for the acquisition of 53.50% of the share capital of Xonne Srl, an Innovative SME specialized in virtual, augmented and mixed (or digital) reality solutions and applications, was concluded, partly through share payment and partly through the subscription and release of a capital increase, in particular, 26.50% of the share capital purchased with payment in Relatech shares with a valuation equal to Euro 7.85 each, with a 35% premium on the value of the share as of July 17, 2020, and 27% of the share capital acquired in a capital increase.

Relatech on the stock exchange

The Shares and Warrants of Relatech S.p.A. were admitted to the AIM Italia market (Alternative Capital Market) organized and managed by Borsa Italiana S.p.A. on June 26, 2019 with the start of negotiations from June 28, 2019.

Some information on the Relatech S.p.A. Shares and Warrants admitted to trading on the AIM Italia Market is provided below.

Ordinary Relatech shares	
Ticker:	RLT
ISIN code:	IT0005371874
Bloomberg:	RLT: IM
Reuters	RLT.MI
Specialist:	BANCA BPER SpA
NOMAD:	BANCA BPER SpA
Number of shares:	9334900
Admission price:	€ 2.15
Capitalization on the admission date:	€ 20,070,035

Relatech warrants	
Ticker:	WRLT22
ISIN code:	IT0005373292
Specialist:	BANCA BPER SpA
NOMAD:	BANCA BPER SpA
Number of warrants:	9334900
Admission price:	€ 0.25
Deadline:	May 20, 2022

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

First exercise period:	11 - 22 May 2020
Price of the first exercise period	€ 2.37
Second operating period	May 10 - 21, 2021
Price of the second exercise period	€ 2.60
Third exercise period	May 9 - 20 2022
Price of the third exercise period	€ 2.86

The composition of Relatech S.p.A. shareholders structures as at 30 June 2020 is shown in the table below.

Shareholders	No. Shares	% of Capital
Pasquale Lambardi	7.089.900	65,61%
Silvio Cosoleto	471.200	4,36%
KAIROS PARTNERS SGR S.P.A.	541.956	5,02%
Market	2.702.551	25,01%
Total	10.805.607	100,00%

Economic, equity and financial situation of the Group

For a better understanding of the Group's equity, financial and economic situation, the reclassified Balance Sheet and Income Statement are provided below in order to allow for the determination of the Main Performance Indicators (APIs).

The APIs refer to measures used by management to analyze the Group's performance. These indicators are intended to provide additional information on the data included in the financial statements. It should be noted that the APIs as defined may not be comparable to measures with a similar name used by other companies. The definition of the main APIs used in this report on operations is given below:

EBITDA: represents an alternative performance indicator not defined by the accounting standards used by the management of the company to monitor and evaluate the operating performance of the same, as it is not influenced by tax elements, by the amount and characteristics of the capital employed as well as by the amortization paid by the company. This indicator measures the profit or loss for the period gross of depreciation, write-downs of tangible and intangible assets and provisions, financial income and charges and income taxes.

ADJUSTED EBITDA: is an indicator used to purify EBITDA from the effect of economic components (costs or revenues) of an extraordinary nature recorded in the first half of 2020.

EBIT: represents an alternative performance indicator not defined by accounting standards used to monitor and evaluate the result of company management before the financial component and taxes.

ADJUSTED EBIT: represents an alternative performance indicator not defined by accounting standards used to monitor and evaluate the result of company management before the financial component and taxes, obtained by eliminating the EBIT from the effect of the extraordinary cost and revenue components recorded in the first semester 2020.

The considerations made for EBITDA and EBIT can be extended to the Result before and after taxes, arriving at determining the Result before or after Adjusted taxes.

NET INVESTED CAPITAL: derives from the sum of non-current and current assets net of financial ones, less non-current and current liabilities net of those of a financial nature.

NET FINANCIAL DEBT: the figure shown is aligned with the value of the net financial debt determined according to the recommendations of the CESR (Committee of European Securities Regulators) of 10 February 2005.

COST OF SALES: includes the costs of personnel, materials, services and the use of third-party assets directly used in the provision of services to customers.

Consolidated Income Statement of the Group

The table below shows the consolidated income statement data of the Group for the financial years ended June 30, 2020 and 2019 together with the incidence on the Group's revenues of each item.

Consolidated income statement (amounts in Euro)						
Consolidate income statement	30 June 2020	% inc. VdP	30 June 2019	% inc. VdP	ΔYoY	Δ%
Revenues	8.161.330	76%	9.009.931	87%	-848.601	-9%
Increases in fixed assets for internal works	1.198.297	11%	981.157	9%	217.141	22%
Other income	1.328.068	12%	376.596	4%	951.471	253%
Total revenues and other income	10.687.695	100%	10.367.684	100%	320.012	3,09%
Costs	5.067	0,0%	25.197	0,2%	-20.130	-80%
Costs for services	3.344.181	31,3%	3.154.229	30,4%	189.953	6%
Costs of third-party asset	89.490	0,8%	158.753	1,5%	-69.263	-44%
Costs for personal	3.307.656	30,9%	3.631.373	35,0%	-323.718	-9%
Different management charges	18.630	0,2%	11.853	0,1%	6.777	57%
COGS Cost	6.765.024	63,3%	6.981.405	67,3%	-216.381	-3%
Gross Profit	3.922.671	37%	3.386.279	33%	536.392	15,8%
Costo R&D						
R&D personal costs	1.658.931	16%	1.607.014	16%	51.917	3%
Total other operating costs	1.658.931	16%	1.607.014	16%	51.917	3%
Adjustments for extraordinary costs	351.281	3%	135.650	1%	215.631	159%
EBITDA ADJUSTED	2.615.021	24%	1.914.915	18%	700.106	37%
Depreciation						
General depreciation	635.160	6%	271.954	3%	363.206	134%
Provisions						
Provisions for Risks and Charges	0	0%	288.000	3%	-288.000	-100%
Depreciation and Provisions	635.160	5,94%	559.954	5,40%	75.206	13%
Adjustments for Extraordinary Accounts	0		288.000			0%
EBIT ADJUSTED	1.979.862	18,5%	1.642.962	15,8%	336.900	21%
Financial management	(28.605)	-0,27%	(29.592)	-0,29%	988	-3%
EBT ADJUSTED	1.951.257	18,3%	1.613.369	15,6%	337.888	21%
Current taxes	229.905		245.887		-15.982	-6%
Deferred/prepaid taxes	123.372		286.658		-163.285	-57%
Adjusted Profit (loss) for the year	1.597.980	15,0%	1.080.825	10,4%	517.155	48%
Profit (loss) for the year of third parties	150.089		64.214		85.875	134%
Adjusted Group profit (loss) for the year	1.447.891	13,5%	1.016.611	9,8%	431.280	42%

Reading the table above shows an increase in consolidated EBITDA of 37%; the EBITDA margin went from 18% as at 30 June 2019 to 24% as at 30 June 2020. As for the EBITDA adjustment, equal to Euro 351,281, it should be noted that this amount corresponds to the fair value of the shares assigned to the Director of execution of the Stock Grant plan approved by the Board of Directors on February 14, 2020.

Consolidated Balance Sheet of the Group

The following table shows the summary reclassified balance sheet referring to 30 June 2020 and 31 December 2019 as well as the changes that have taken place compared to the previous period.

BALANCE SHEET	30 June 2020	31 December 2019	Δ	Δ %
Net fixed capital	9.652.880	6.938.743	2.714.137	39%
Net working capital	887.123	2.751.487	(1.864.365)	-68%
Other non-current assets and liabilities	(1.994.625)	(1.666.799)	(327.825)	20%
Net invested capital	8.545.378	8.023.430	521.948	7%
Net assets	12.577.463	8.725.932	3.851.531	44%
Net financial position	(4.032.085)	(702.502)	(3.329.583)	474%
Total source of net financing	8.545.378	8.023.430	521.948	7%

Net Financial Position

The Group's Net Financial Position at 30 June 2020 and 31 December 2019 is summarized in the following table:

NFP	30 June 2020	31 December 2019	Δ
A Cash	(199)	(233)	33
B Other cash and cash equivalents	(9.212.268)	(3.804.726)	(5.407.542)
C Shares held for trading	(250.000)	(250.000)	0
Liquidity (A)+(B)+(C)	(9.462.467)	(4.054.959)	(5.407.508)
E Current financial receivables			0
F Current bank payables	649.445	582.548	66.897
G Current portion of non-current debt			0
H Other current financial payables			
I Current financial debt (F)+(G)+(H)	649.445	582.548	66.897
J Net current financial debt (I)-(E)-(D)		(3.472.411)	3.472.411
K Non-current bank payables	3.095.935	1.177.219	1.918.715
L Bonds issued			
M Other non-current payables	288.000		
N Non-current financial debt (K)+(L)+(M)	3.383.935	1.177.219	2.206.715
O Net financial debt (J)+(N) net of effects IFRS 16	(5.429.088)	(2.295.192)	(3.133.896)
P Short-term use rights	201.214	386.497	(185.283)
Q Liabilities for long term usage right	1.195.789	1.206.193	(10.404)
O+P+Q Net financial debt (J)+(N)	(4.032.085)	(702.502)	(3.329.583)

The Net Financial Position at 30 June 2020 shows a negative value equal to Euro 4,032,085 (cash) compared to a positive value equal to Euro 702,502 in the financial year ended 31 December 2019. This change is mainly attributable to the collection made

Gruppo Relatech – Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

following of the capital increase to service the exercise of the warrants. In fact, it should be noted that on May 22, 2020 the exercise / conversion term of the Warrants expired, which allowed the subscription of one Relatech ordinary share for every two warrants owned; in relation to this maturity, 2,941,414 warrants were converted with consequent issuance of 1,470,707 new ordinary shares with total deposits of € 3,470,869 of which € 14,707 allocated to Share Capital and € 3,456,161 to the Reserve Share premium.

In accordance with the IFRS 16 Accounting Principle, the assets owned by the entity are considered tangible fixed assets and are used in production, sale, for administrative purposes or for long-term use. It should therefore be noted that what qualifies the tangible asset as a fixed asset, to be included in the assets of the balance sheet, is not the mere possession of the asset but, vice versa, it is the use of the asset that makes it qualify as a fixed asset.

The application of IFRS 16 Accounting Principle which resulted in the recording of "Liabilities for rights of use" for a total of Euro 1,397,003.

The Net Financial Position also includes the "contingent liability" equal to € 288,000 determined in application of IFRS 3 "Business combination" (par. 39.40) in relation to the purchase of the investment, equal to 60% of the share capital of Mediatech S.r.l. whose purchase agreement, finalized on 23 June 2020, provides that the sellers will accrue an earn-out to be determined according to the achievement of certain performance parameters of Mediatech in the years up to 2022.

Net of the adjustments induced by the application of IFRS 3 and 16, the Net Financial Position amounts to Euro -5,717,088 (cash) compared to Euro -2,295,192 with an increase of Euro 3,421,896.

Proforma Consolidated Income Statement of the Group

As indicated in the following paragraph "Scope and principles of consolidation", the Directors, in application of the exemption provided for by Article 28, paragraph 2, letter a), decided not to include in the scope of consolidation the subsidiary Mediatech Srl, acquired at a forthcoming date at the end of the semester, 23 June 2020, and the inclusion of which would have been "irrelevant for the purposes indicated in the second paragraph of art. 29 "or in compliance with the principle according to which" The financial statements must be drawn up with clarity and must truthfully and correctly represent the equity and financial situation and the economic result of the group of companies consisting of the parent and subsidiaries "

For this reason, the directors have in any case prepared pro-forma economic cone data according to the IAS / IFRS principles highlighted below.

Proforma Consolidated Income Statement (amounts in euro units)						
	30 June 2020	% inc. VdP	30 June 2020 Mediatech	% inc. VdP	Proforma	% inc. VdP
Revenues	8.161	76%	1.833	95%	9.994	79%
Increases in fixed assets for internal work	1.198	11%	79	4%	1.277	10%
Other income and profit	1.328	12%	9	0%	1.337	11%
Total income and profit	10.688	100%	1.921	100%	12.609	100%
Material costs	5	0%	1.161	60%	1.166	9%
Services costs	3.344	31%	181	9%	3.526	28%
Costs for the use of third-party assets	89	1%	57	3%	119	1%
Personal costs	3.308	31%	172	9%	3.479	28%
Various management charges	19	0%	6	0%	25	0%
Total Costs	6.765	63%	1.549	81%	8.315	66%
R&D Costs	1.659	16%	79	4%	1.738	14%
Adjustments for extraordinary costs	351	3%			351	3%
Adjusted EBITDA	2.615	24%	292	15%	2.907	23%

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

Proforma Consolidated Income Statement (amounts in euro units)

						0
Depreciation	635		7		642	5%
Provisions and Write-down	0		0	0%	0	0%
Depreciation and provisions	635	6%	7	0%	669	5%
Adjusted EBIT	1.980	19%	285	15%	2.265	18%
Financial income			0		0	
Financial charges	(31)		(5)		(38)	0%
Exchange gains / losses	2		0		2	0%
Financial management	(29)	0%	(7)	0%	(36)	0%
Adjusted EBT	1.951	18%	278	14%	2.229	18%
Current taxes	230		78		308	2%
Deferred/prepaid taxes	123		0		123	1%
Profit (Loss) for the year	1.598	15%	200	10%	1.798	14%
<i>Profit (Loss) of third-party</i>	<i>150</i>		<i>80</i>		<i>230</i>	<i>2%</i>
Profit (Loss) Income of the Group	1.448	14%	120	6%	1.568	12%

Main risks and uncertainties to which the Group is exposed

Pursuant to and for the purposes of the first paragraph of art. 2428 of the Italian Civil Code, a description of the main risks and uncertainties to which the group is exposed is provided below:

Risks associated with general economic and market conditions

In relation to this obligation, it should be noted that the health emergency due to the recent spread of the COVID-19 virus, qualified as a pandemic by the World Health Organization, introduces numerous elements of uncertainty; in particular, the economic scenario that is set following the spread of the pandemic from COVID 19 is a worsening of the global macroeconomic framework whose extent, duration and intensity are not yet known to date.

It is reasonable to assume, as has already been hypothesized by authoritative sources, a significant deterioration of the economic situation both nationally and internationally which will lead to a drop in GDP triggered by the contraction in supply and demand. In this context, the International Monetary Authorities and the Central Authorities have taken and hopefully will take steps in the coming days aimed at contrasting and / or mitigating the negative effects on the socio-economic fabric. In relation to the measures taken by the Italian Government, the temporary closure of activities defined as "non-essential" is reported. With respect to this last provision, it should be noted that the activity carried out by Relatech and its subsidiaries falls within the category of activities deemed essential and, for this reason the activity has been not suspended.

With reference to the specific sector in which the company that proposes itself as the "Digital Enabler" operates, it should be noted that the emergency scenario dictated by the spread of the Covid 19 virus, unfortunately, given the context, highlighted the advantages of the "Digital Transformation"; today, in fact, the advantages of smart/working are better understood, which is not only to be understood as "teleworking, but in a broader sense as" programming and regulation "of the same within the broader framework of the technological transformation of production and information processes. In this context, Cloud technology, CyberSecurity and in general of Digital Transformation processes take on even more importance.

It should also be noted that revenues derive in part from the supply of "tailor-made" digital solutions created on specific customer requests. In the current economic and social scenario, influenced by the spread of the epidemic, and by the restrictive measures adopted by the central and peripheral authorities, the exercise of these activities could be subject to possible variations, even significant, with consequences in the short term. , on revenues. However, the increase or decrease in revenues in a given period may not be indicative of the performance of revenues in the long time.

Liquidity risk

Liquidity risk occurs when you are not in a position to find the financial resources to cope with short-term operations. For the purpose of mitigating liquidity risk, most of the Company's debt was subscribed in the medium to long term. In addition, the net current financial position, in addition to being such as to make liquidity risk not relevant, guarantees enough financial resources to support the investment activity planned by the administrative body.

Risks related to the concentration of turnover on some customers

Part of the Group's revenues is concentrated on a small number of customers. In relation to this risk, the Group has embarked on a growth path also implemented through external lines aimed at expanding and diversifying the customer base and increasing the turnover.

This strategy has already given positive evidence in containing this risk factor. In particular, it should be noted that, as at 31 December 2018, the revenues made on the Group's top ten customers represented 83% of the Production Value overall.

As of 30 June 2020, the revenues made on the same customers represent 60% of the Production Value.

Although the Company has developed lasting relationships with its main customers, any changes to existing relationships or business strategies of some of them could have negative effects on the Company's economic, financial and equity performance.

Risks associated with the acquisition of a business unit

On 28 December 2018, the acquisition by the Group, and in particular by Relatech Consulting S.r.l., of a business unit from the bankruptcy of Con.nexò Italia Servizi Srl took effect. of the acquired business unit, the company Relatech Consulting sued the court complaining of an alleged non-fulfillment by Con.nexò Italia Servizi Srl (tenant company of the aforementioned company branch before sale) of the agreed services for the implementation of a specific project governed by various contracts starting from 2016 until February 2, 2018.

The Customer, with a writ of summons notified on May 31, 2019, has agreed the bankruptcy of Con.nexò Italia Servizi s.r.l. and Relatech Consulting S.r.l. in order to ascertain that the contracts stipulated between the Customer and Con.nexò Italia Servizi s.r.l. would be resolved due to the expiry of the term given to Relatech Consulting S.r.l. with warning to fulfill; or, in the alternative, to pronounce its termination due to the non-fulfillment of Relatech Consulting Srl, which should be ordered to pay compensation for damage equal (i) to the sum between the amount paid in execution of the aforementioned contracts and what is necessary for the realization of a new IT system or, alternatively, (ii) the equivalent of the service due and not yet performed as well as the damages from delay to be paid according to the contractual penalty. Although Relatech believes that the Client's request is unfounded, the Board of Directors, in accordance with accounting principles and as a precaution, has made provision for a provision equal to Euro 288,000. This amount is recognized in the Group's consolidated income statement. It is believed that this provision, made exclusively on a prudential basis, is sufficient to mitigate the risk associated with the legal dispute in place with the customer of the business unit acquired from the bankruptcy of Con.nexò Italia servizi S.r.l.

Credit risks

The credit risk is represented by the exposure of the Group to potential losses that may arise from the non-fulfilment of the obligations assumed by customers. The maximum theoretical exposure to this risk is represented by trade receivables existing at the end of the year.

The credit risk deriving from normal business with customers is constantly monitored through the use of information and procedures for assessing the creditworthiness of the customers themselves. These creditworthiness monitoring procedures made it possible to minimize the risk of credit losses which in any case is covered by the existing bad debt provision.

Risks associated with external illegal acts

With reference to the category under examination, fraudulent events connected to Cyber-attacks were highlighted among the main potential risks. These risks may cause the possible interruption of production and sales support activities or the compromise of the confidentiality of the personal data managed by the Group.

Main non-financial indicators

Pursuant to the second paragraph of art. 2428 of the Italian Civil Code, we certify that, for the specific activity carried out and for a better understanding of the situation of the Group, the performance and the result of operations, the exposure of non-financial indicators is not considered relevant.

Environmental information

We certify that the Group has not undertaken any environmental impact policies because they are not necessary in relation to the activity carried out. It should also be noted that the Group companies have no pending lawsuits, nor have they been convicted, nor have they been definitively

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

found guilty of damage caused to the environment. No sanctions or fines were imposed for administrative violations, crimes or environmental damage.

Information on personnel management

There is no significant information on personnel management. It should be noted, however, that no accidents or serious illness of employees occurred during the period under review. There were also no charges against the company regarding occupational diseases of employees or former employees. The company has no ongoing lawsuits, nor has it been convicted, nor has it been definitively found guilty of disputes of any kind with employees.

Information required by law regarding Innovative SMEs

Relatech S.p.A. is an innovative SME registered in the special section of the business register. The reference regulatory framework is represented by Law Decree 24 January 2015, n. 3 (so-called "Investment Compact") which defines Innovative SMEs as small and medium-sized enterprises, in accordance with Recommendation 2003/361 / EC, in possession of specific requirements including: having incurred expenses for research, development and innovation equal to or greater than three percent of the greater amount between cost and total production value of the Innovative SME, to employ highly qualified personnel as employees or collaborators, to have ownership of the rights relating to an original computer program registered in the Register special audience for computer programs, provided that this patent is directly related to the corporate purpose and business activity. In May 2019, the Company filed an application with the Business Register to confirm possession of the Innovative PMI requirements.

Research & Development Activities

The business model and strategy of the Relatech Group are based on continuous investments in research and development, which allow to:

- anticipate the evolution of the market
- keep products and solutions on the technological frontier.

Relatech focuses on combining university research with applied research. The research is in fact fuelled both by collaborations with various university centres that originate pure innovation, and by an internal research team that develop applied research.

Research and Development investment areas are in the following fastest growing technological areas:

- Digital Customer Experience;
- Artificial Intelligence and Big Data Analytics;
- IoT and Industry 4.0;
- Cybersecurity and Blockchain;

In particular, the research activities are configured as an experimental research aimed at the definition of new tools and new techniques and the development of innovative prototype platforms for:

- analysis of Customer Experience in the Retail market (Digital CX, AI);
- food traceability and production planning in the food sector (AI, Blockchain, IoT);
- certification of the emitter in the e-business process (AI, Blockchain);
- the definition of a new advanced traceability system for food wellness (CX, AI, Blockchain);
- the application of information filtering techniques and recommendations for customer satisfaction (CX, AI);
- for Integration of identity certification services with data-management platforms (Blockchain);
- for "trap" computer systems that aim to emulate real services on the network in order to attract and identify malicious agents (AI, Cybersecurity);
- for machine learning tools in order to obtain predictions on consumption and perform predictive maintenance on a water distribution network (AI, IoT);
- for sharing economy models in order to strengthen trustiness in the management and care of the shared good (AI, Blockchain, IoT).

The results of these activities, several of which are still in progress, have been and will be used to create new application modules to be merged into RePlatform, the digital platform of the Relatech group, on which its business model is based.

At the same time, Relatech also develops internal Research and Development activities, not linked to funded research tenders, to accelerate the development of skills and application modules particularly relevant for the evolution of the company offer.

Predictable evolution of management

In accordance with and by the effects of what indicated in the point 6) of the third paragraph of the art. 2428 of the Civil Code, we point out that even into a social and economic context strongly influenced by the spreading of Covid-19 pandemic, the first months of current exercise year give signs of prospects in line with the year just ended. At this time of difficulty and of strong uncertainty on the economic trend, the Company has intensified its Investor Relations activity with the aim of being more transparent towards investors but also towards customers and suppliers. Meetings with the foreign financial community were also intensified, bearing in mind that over 50% of our turnover comes from foreign customers, also by virtue of the strategic plan of Relatech. After the consolidation in Italy we wish throughout 2020, a particular attention will be addressed to international development, on a regular as well extraordinary basis.

Other information

Finally, we inform you that Relatech S.p.A. is not subject to the control of another company. Therefore, nothing to report for the purposes of art. 2428 paragraph 2 points 3 and 4 of the Civil Code. Pursuant to paragraph 5 of art. 2497-bis of the Civil Code certifies that the company is not subject to the direction and coordination of others.

Conclusion

This Interim Consolidated Financial Report was approved by the Board of Directors for publication on 23 September 2020

Ing. Pasquale Lambardi

Chairman of the board of directors



**HALF-YEAR CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS AS AT 30 JUNE
2020**

**(prepared in accordance with the IAS / IFRS
accounting standards)**

Consolidated Balance sheet
(amount in euro)

	Note	June 30, 2020	December 31, 2019	Δ
Fixed assets				
Intangible assets	1	5.859.621,71	5.041.754	817.868
Assets for rights of use	2	1.385.827	1.585.124	(199.297)
Tangible assets	3	268.485	290.083	(21.598)
Financial Activities	4	2.138.947	21.782	2.117.165
Other non-currents assets		65.165	72.834	(7.669)
Deferred tax assets	5	255.318	262.691	(7.373)
Non-current assets		9.973.363	7.274.268	2.699.096
Commercial credits	6	3.323.156	4.695.810	(1.372.653)
Other current assets	7	3.264.001	1.967.071	1.296.930
Non-fixed financial assets	8	250.000	250.000	-
Cash and Cash equivalents	9	9.212.467	3.804.959	5.407.508
Current assets		16.049.625	10.717.839	5.331.786
Total assets		26.022.988	17.992.107	8.030.881
Net worth				
Share capital		108.056	93.349	14.707
Share premium reserve		6.784.444	3.328.283	3.456.161
FTA reserve		(61.502)	(61.502)	-
Legal reserve		18.670	14.894	3.776
Statutory reserves		503.155	503.155	-
OCI reserve		(88.828)	(87.522)	(1.306)
Other reserves		3.507.698	1.642.092	1.865.605
Negative reserve for own shares in portfolio		(1.180.923)		(1.180.923)
Profit (Loss) carried forward		1.457.045	573.985	883.060
Group profit (loss) for the year		1.194.617	2.534.256	(1.339.639)
Net Worth		12.242.433	8.540.990	3.701.442
Third party capital and reserves		184.942	136.904	48.038
Third party result		150.089	48.038	102.050
Third party equity		335.030	184.942	150.088
Total Net Equity	10	12.577.463	8.725.932	3.851.531
Provisions for risks and charges	11	288.000	288.000	-
Deferred tax liabilities	5	818.688	686.608	132.080
Provisions for employee and director benefits	12	1.202.320	1.021.617	180.703
Financial liabilities for rights of use	13	1.195.789	1.206.193	(10.404)
Financial liabilities	14	3.390.035	1.183.319	2.206.715
Non-current liabilities		6.894.832	4.385.737	2.509.095
Commercial Debts	15	1.118.323	772.331	345.992
Current tax liabilities	16	855.764	754.717	101.047

Gruppo Relatech – Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

Consolidated Balance sheet
(amount in euro)

Financial liabilities do rights of use	13	201.214	386.497	(185.283)
Financial liabilities	14	649.445	582.548	66.897
Other current liabilities	17	3.725.948	2.384.345	1.341.603
Current liabilities		6.550.693	4.880.438	1.670.255
Total liabilities		26.022.988	17.992.107	8.030.881

Consolidated Income Statement
(amount in euro)

	June 30, 2020	% inc. VdP	June 30, 2019	% inc. VdP	Δ	Δ%
Revenues	8.161.330	76%	9.009.931	87%	(848.601)	-9%
Increases in fixed assets for internal work	1.198.297	11%	981.157	9%	217.141	22%
Other revenue and income	1.328.068	12%	376.596	4%	951.471	253%
Production Value	10.687.695	100%	10.367.684	100%	320.012	3%
Material costs	5.067	0%	25.197	0,2%	(20.130)	-80%
Services costs	3.344.181	31%	3.154.229	30%	189.953	6%
Costs for the use of third-party assets	89.490	1%	158.753	2%	(69.263)	-44%
Personnel costs	4.966.587	46%	5.238.387	51%	(271.800)	-5%
Different management charges	18.630	0%	11.853	0,1%	6.777	57%
Total Costs	8.423.955	79%	8.588.418	83%	(164.463)	-2%
EBITDA	2.263.740	21%	1.779.265	17%	484.475	27%
Depreciation						
Depreciation of intangible fixed assets	203.934	2%	137.263	1%	66.671	49%
Depreciation of tangible fixed assets	233.251	2%	31.423	0%	201.828	642%
Depreciation of right of use	197.974	2%	103.267	1%	94.707	92%
Provisions and write-downs			288.000	3%	(288.000)	na
Depreciation and provisions	635.160	6%	559.954	5%	(19.501)	-3%
EBIT	1.628.581	15%	1.219.312	12%	409.269	34%
Financial management			9		(9)	-100%
Financial charges	(30.895)		(27.461)		(3.434)	13%
Exchange gains/losses	2.291		(2.140)		4.431	-207%
Financial management	(28.605)	0%	(29.592)	-0,29%	988	-3%
Adjustments to financial assets						
EBT	1.599.976	15%	1.189.719	11%	410.257	34%
Current taxes	131.898		208.040		(76.143)	-37%
Deferred/prepaid taxes	123.372		286.658		(163.285)	-57%
Profit (Loss) for the year	1.344.706	13%	695.021	7%	649.685	93%

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

Consolidated Income Statement
(amount in euro)

<i>Profit (loss) for the year of third parties</i>	150.089		64.215		85.874
Group profit (loss) for the year	1.194.617	11%	630.807	6%	563.810
Earnings per share					
base	0,11		0,11		
Diluted	0,08		0,11		
Other components of comprehensive income					
Effects that will have no future impact on the income statement:					
Actuarial gains / losses from benefit plans net of the tax effect	(1.306)		(116.316)		
Total other components of the comprehensive income statement	(1.306)		(116.316)		
Overall net result for the year	1.343.400		578.705		

Statement of Net Equity Movements

Net worth	Sales at 12/31/2019	Destinat. of result	Other variations	Result of the year	Sales at 06/30/2020
Share Capital	93.349		14.707		108.056
Share premium reserve	3.328.283		3.456.161		6.784.444
Legal reserve	14.894	3.776			18.670
Statutory reserves	503.155				503.155
FTA reserve	(61.502)				(61.502)
OCI reserve	(87.522)		(1.306)		(88.828)
Other reserve					
Consolidation reserve	12.889				12.889
Merger surplus	195.378				195.378
Extraordinary reserve	1.433.825	1.647.421			3.081.246
Other reserve			218.184		218.184
Profit (loss) brought to new	573.985	883.060			1.457.045
Result for the year	2.534.257	(2.534.257)		1.194.617	1.194.617
Negative reserve for treasury shares in portfolio			(1.180.923)		(1.180.923)
Total Group Equity	8.540.991	(0)	3.687.747	1.194.617	12.242.432
Capital and reserves of third parties	136.904	48.038			184.942
Results of third parties	48.038	(48.038)		150.089	150.088
Total Third-party Net Equity	184.942				335.031
Total Net Equity	8.725.932	0		150.089	12.577.463

FINANCIAL STATEMENT

June 30, 2020

June 30, 2019

A) Financial flows deriving from operating activities (indirect method)

Profit (loss) for the year	1.344.706	695.022
Income taxes	255.270	494.697

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

FINANCIAL STATEMENT	June 30, 2020	June 30, 2019
Interest expense/(assets)	28.605	29.593
(Dividends)		
(Capital gains) / Capital losses deriving from the sale of assets		
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains / losses on disposal	1.628.581	1.219.312
Adjustments for non-monetary items that have not had a counterpart in the net working capital		
Provisions to funds	203.757	520.096
Depreciation of fixed assets	437.186	168.687
Amortization of the right of use	197.974	103.267
Write-downs for permanent losses in value		
Other increases / (decreases) adjustments for non-monetary items		(595.533)
Total adjustments for non-monetary items that have not had a counterpart in the net working capital	838.917	196.516
2) Cash flow before changes in net working capital	2.467.497	1.415.828
Changes in net working capital		
Decrease / (Increase) in trade receivables	1.372.653	1.140.303
Increase / (decrease) in trade payables	345.992	(1.150.277)
Decrease / (Increase) in accrued income and prepaid expenses	(36.947)	247.481
Increase / (Decrease) in accrued liabilities and deferred income	488.602	90.082
Other decreases / (Other increases) in net working capital	(480.699)	(373.620)
Total changes in net working capital	1.689.602	(46.031)
3) Cash flow after changes in net working capital	4.157.099	1.369.797
Other adjustments		
Interest received / (paid)	(28.605)	(22.658)
(Income taxes paid)	(131.898)	(463.730)
Use of funds		(80.412)
Other receipts (payments)		
Total other adjustments	(160.502)	(566.800)
Cash flow from operating activities (A)	3.996.597	802.996
B) Financial flows deriving from the investment activity		
(Investments) / Divestments in tangible assets	(211.653)	(64.910)
(Investments)	(211.653)	(64.910)
(Investments) / Divestments in intangible assets	(823.828)	(618.278)
(Investments)	(823.828)	(618.278)
(Investments)/Disinvestments in financial activities	(2.117.165)	(1.625)
(Investments)	(2.117.165)	(1.625)
Sale price of divestments		
(Investments) / Disposals Non-fixed financial assets	0	(39.373)
(Investments)	0	(39.373)
Cash flow of investment activity (B)	(3.152.646)	(724.186)
C) Financial flows deriving from financing activities		
<i>Third party means</i>		
Increase/(decrease) in short terms payables to banks	66.897	603.834

Gruppo Relatech – Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

FINANCIAL STATEMENT	June 30, 2020	June 30, 2019
Increase / (decrease) in payables v. other lenders	288.000	
Opening of financing	2.300.000	359.961
(Repayment of loans)	(381.285)	(586.964)
Other variations		(4.058.985)
<i>Own funds</i>		
Capital increase against payment	3.470.869	4.059.761
Other changes in own means		(40.285)
Sale (purchase) of own shares	(1.180.923)	
Dividends		(250.000)
Cash flow from financing activities (C)	4.563.557	85.322
Increase (decrease) in cash and cash equivalents (A ± B ± C)	5.407.508	164.133
Cash and cash equivalents at the beginning of the year	3.804.959	2.009.801
Cash and cash equivalents at the end of the year	9.212.467	1.845.668

Explanatory Notes

Condensed consolidated half-year financial statements

as at 30 June 2020

Preparation base

The Company, in application of the Legislative Decree 28 February 2005, n. 38 "Exercise of the options provided for in Article 5 of the European Regulation no. 1606/2002 on international accounting standards", prepared, for the first time, these condensed interim financial statements at 30 June 2020 in compliance with the International Financial Reporting Standards (hereinafter also IFRS), as issued by the International Accounting Standard Board (IASB) and approved by the European Union on the date of approval of these financial statements.

IFRS also means all the international accounting standards (IAS) and all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously called "Standing Interpretations Committee" (SIC).

The consolidated financial statements reflect the results of the accounting records regularly kept by the parent company and by the subsidiaries, adjusted by the eliminations of the consolidation process.

The equity and financial situation and the economic result of the Group are represented in a clear, truthful and correct manner in accordance with the provisions of Legislative Decree 127/91, if necessary, the additional information required by the 3rd paragraph of the art. 29 of the aforementioned decree.

In addition to the consolidation criteria, these Explanatory Notes also illustrate the valuation principles followed for the preparation of the Consolidated Financial Statements, in compliance with the relevant civil law; the following are also reported: the lists of companies included and excluded from the consolidation, the reconciliation schedule between the shareholders' equity of the parent company as shown in the financial statements and the shareholders' equity as shown in the consolidated financial statements.

For the purposes of preparing the accounting statements, priority is given to the economic substance of the transactions rather than their legal form.

With reference to IAS 1 paragraphs 25 and 26, the Directors of the Parent Company confirm that, in consideration of the economic prospects, capitalization and financial position of the Company, there are no uncertainties regarding the Group's business continuity and that, consequently, in the preparation of the financial statements at 30 June 2020, adopts the accounting principles of a company in operation.

It should be noted that Relatech S.p.A., despite holding controlling shareholdings as indicated below, is not required to prepare consolidated financial statements as the Group falls within the cases of exemption from the obligation to prepare consolidated financial statements pursuant to art. 27 of Legislative Decree 127/1991 the limits indicated in the aforementioned article. However, the Company is required to prepare the consolidated financial statements as required by the AIM Italia issuer regulation, on a voluntary basis,

This condensed consolidated interim financial statement will be subject to a limited audit by BDO Italia S.p.A by virtue of the assignment granted to it for the period 2018-2020.

Information on the composition of the corporate group

At 30 June 2020, the Relatech Group was made up of the following companies:

Gruppo RELATECH SPA

Investee - Company name	Participant - Company name	Role	Type of control with respect to the Parent Company	% direct control /% of exercisable votes
RELATECH SPA		PARENT COMPANY		
ITHEA SRL	RELATECH SPA	CONTROLLED	DIRECT	100,00
RELATECH CONSULTING SRL	RELATECH SPA	CONTROLLED	DIRECT	100,00
OKT SRL	ITHEA SRL	CONTROLLED	INDIRECT	51,4%
MEDIATECH SRL	RELATECH SPA	CONTROLLED	DIRECT	60 %

General criteria and principles for preparing the consolidated financial statements

The condensed consolidated interim financial statements at 30 June 2020 include the financial statements of Relatech S.p.A. and those of the companies in which it has, directly or indirectly, the majority of the votes that can be exercised at the ordinary meeting, of the companies in which it has sufficient votes to exercise a dominant influence in the ordinary meeting, of the companies over which it has a dominant influence by virtue of a contract or statutory clause.

The financial statements used for the consolidation are those of the companies drawn up by the competent corporate bodies of the respective companies. The values shown in the Explanatory Notes, unless otherwise specified, are expressed in units of euro.

We certify that, in order to provide a true and correct representation of the equity, financial situation and economic result, it was not necessary to derogate from the application of any provision of Legislative Decree 127/91.

Consolidation area and principles

The following table shows the composition of the group and the consolidation area referring to the consolidated financial statements as at 30 June 2020, specifying that the same has not changed since 31 December 2019.

Consolidation area and principles as at 30 June 2020

Name	Registered office	Share Capital	Participation fee	Consolidation Principle
RELATECH S.p.A.	Italia	Euro 108.056,07	Parent company	-
ITHEA SRL	Italia	Euro 40.000	100%	Complete
RELATECH CONSULTING SRL	Italia	Euro 10.000	100%	Complete
OKT SRL	Italia	Euro 96.000	51,4%	complete

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

As indicated in the paragraph "Group pro-forma consolidated income statement", the subsidiary Mediatech S.r.l. was excluded from the scope of consolidation. The company will be included starting from the annual financial report as at 31 December 2020.

The consolidation of subsidiaries is carried out using the global integration method. The main criteria adopted for the application of this method include:

- a) the book value of the equity investments held by the parent company and by the other companies included in the consolidation area is eliminated against the related shareholders' equity against the assumption of the assets, liabilities, costs and revenues of the subsidiaries in their total amount overall regardless of the size of the shareholding held;
- b) transactions that give rise to items of debit and credit, cost and revenue, between companies consolidated with the global integration method, are eliminated. Unrealized profits deriving from transactions between group companies included at the balance sheet date in the valuation of inventories are eliminated;
- c) the difference between the acquisition cost and the shareholders' equity of the investee companies, at the date of the first consolidation, is attributed, where possible, to the assets and liabilities of the same, up to their current value. Any residual part, if negative, is recorded in an equity item called "Consolidation reserve"; if positive, it is recorded in an asset item called "Goodwill", unless it must be fully or partially charged to the income statement; the remainder of the non-allocable cancellation difference on assets and liabilities and on the goodwill of the subsidiary is charged to the income statement;
- d) dividends from consolidated shareholdings accounted for as income from shareholdings in the income statement of the parent company or by other companies holding such shareholdings are eliminated against the item "Retained earnings and losses";
- e) any portions of shareholders' equity and of the result for the period pertaining to third parties are highlighted in specific items of the consolidated balance sheet and income statement;
- f) the companies acquired during the period are consolidated from the date in which control was acquired;
- g) capital goods acquired on the basis of financial leasing contracts are reflected in the consolidated financial statements according to the financial method, which provides for the recognition of the asset under tangible fixed assets, its consequent depreciation, the recognition of the payable to the grantor and the recognition in the income statement of financial charges recognized on an accruals basis. These assets have been recorded at their initial value and amortized starting from the signing of the financial leasing contract;
- h) the excess of the purchase price over the shareholders' equity attributable to the acquired companies is attributed, where possible, to the assets and liabilities of these companies and for the part having the nature of goodwill under the item "Goodwill". This item is amortized over a period of 10 years;
- i) the portion of shareholders' equity attributable to minority interests of consolidated companies is recognized separately in a specific item of shareholders' equity called "Third party capital and reserves", while the portion of minority interests in the net result of these companies is highlighted separately in the consolidated income statement under the item "Result for the year attributable to minority interests".

Regarding transactions carried out with related parties, it should be noted that they cannot be classified as either atypical or unusual, as they fall within the normal course of business of the Group companies. These transactions are regulated at market conditions, considering the characteristics of the goods and services provided.

Evaluation criteria

The accounting principles, the consolidation principles, and the valuation criteria adopted for the preparation of the condensed consolidated interim financial statements comply with those used in the preparation of the consolidated financial statements at 31 December 2019, to which explicit reference is made.

Several other amendments and interpretations apply for the first time in 2020 but have not had any impact on the Group's condensed interim consolidated financial statements. Below is a brief summary:

	Approved by UE	Effective data
Covid-19-related rent concessions (Amendment to IFRS 16)	NO	Exercises starting from 1 June 2020

Amendments to IFRS 3: Business Combination	YES	Exercises starting from 1 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material	YES	Exercises starting from 1 January 2020
Annual improvements to IFRS 2015-2017 Cycle	YES	Exercises starting from 1 January 2020

Other standards or amendments issued by the IASB, not approved by the European Union or approved but not yet applicable to the Consolidated Financial Statements, are shown in the following table:

	Approved by 'UE	Effective data
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS19 (issued on 25 June 2020)	YES	Exercises starting from 1 January 2021
Amendments to IAS 1 Presentation of Financial statements classification of Liabilities as current or non-current	NO	Exercises starting from 1 January 2022
Amendments to - IFRS 3 Business Combinations; - IAS 16 Property, Plant and Equipment; - IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Annual Improvements 2018-2020 (All issued 14 May 2020)	NO	Exercises starting from 1 January 2022
IFRS 17 Insurance Contracts (issued in May 2017)	NO	Exercises starting from 1 January 2023

The Group will adopt these new principles, amendments and interpretations based on the expected date of application and will assess their potential impacts when these are approved by the European Union.

Comment on the main items of the statement of financial position

1 Intangible assets

After the entry in the income statement of the amortization quotas for the year, equal to 401,908 euros, intangible assets, net of accumulated depreciation, amount to 5,859,622 euros.

The following table shows in detail the changes in the items that make up intangible assets.

Analysis of the movements of intangible fixed assets

	Development costs	Grants, licenses, trademarks and similar rights	Goodwill	Fixed assets in progress and advances	Other intangible fixed assets	Total intangible fixed assets
Value at the beginning of the year 31/12/2019						
Costs	3.601.738	1.650	1.352.820	32.038	426.904	5.415.150
Depreciation (accumulated depreciation)	207.533	275	-	-	165.587	373.396

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

Balance sheet value	3.394.205	1.375	1.352.820	32.038	261.317	5.041.754
Changes in the balance sheet						
Increases due to acquisitions	1.198.298	-	-	-	21.478	1.219.776
Decreases for disposals and divestments (of the book value)		-	-	-		-
Depreciation for the year	360.174	46	-	-	41.688	401.908
Other changes (decrease in depreciation fund)		-	-	-	-	-
<i>Total of variations</i>	<i>838.124</i>	<i>46</i>	<i>-</i>	<i>-</i>	<i>20.210</i>	<i>817.868</i>
Value at 06/30/2020		-	-			
Cost	4.800.036	1.650	1.352.820	32.038	448.382	6.634.926
Depreciation (accumulated depreciation)	567.707	321	-	-	207.275	775.304
Value of the balance sheet	4.232.328	1.329	1.352.820	32.038	241.107	5.859.622

Goodwill

The item Goodwill refers for Euro 1,330,101 to the amount paid for this purpose for the definitive award of the business unit, for a price of Euro 1,370,101 whose final deed of purchase was signed on 28 December 2018. The residual part equal to Euro 22,719 is attributable to the recognition in this item of the consolidation differences of the subsidiary OKT Srl. Goodwill and other assets with an indefinite useful life are not subject to systematic amortization but are subject to verification at least annual recoverability (so-called impairment test). For goodwill, any write-downs are not subject to subsequent write-backs.

During the preparation of these condensed consolidated half-yearly financial statements, the Directors verified the sustainability of the forecasts of the main economic and equity indicators used to estimate the value in use of the assets for the purpose of determining the recoverable value of the goodwill recorded in the consolidated financial statements as of December 31, 2019.

The directors of the Group considered that the conditions exist to confirm the goodwill values at 30 June 2020, and will proceed with the preparation of the impairment test by the approval of the financial statements for the year ending on 31 December 2020

Development Costs

In the first half of 2020, the Group incurred Research and Development costs for a total of Euro 1,658,931 relating to the cost of personnel engaged in the activities. Of these costs, the part relating to development costs relating to the cost of personnel, equal to € 1,198,298, is recorded in the increase in fixed assets for internal work.

2 Activities for right of Use

In accordance with the IFRS 16 Accounting Principle, the assets owned by the entity are considered tangible fixed assets and are used in production, sale, for administrative purposes or for long-term use. It should therefore be noted that what qualifies the tangible asset as a fixed asset, to be included in the assets of the balance sheet, is not the mere possession of the asset but, conversely, it is the use of the asset that makes it qualify as an asset.

The application of the IFRS 16 Accounting Principle which led to the recognition of "User Rights Assets" for a total of Euro 1,385,827 and the recognition of negative economic components such as the amortization rate and interest expense on the debt recognized in the State balance sheet under the item "Liabilities for User Rights".

3 Tangible fixed assets

Property, plant and equipment gross of the related accumulated depreciation amounted to € 1,654,311. Depreciation for the year amounted to € 233,251, of which € 197,974 relating to Rights of Use Activities ". The following table shows in detail the changes in the items that make up tangible fixed assets and the respective accumulated depreciation.

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

Analysis of movements of tangible fixed assets

	Rights of Use Activities	Plants and Machinery	Industrial and Commercial Equipment	Other assets	Total tangible fixed assets					
Value at the beginning of the year										
Costs	1.860.924	57.882	100.348	388.206	2.407.360					
Depreciation (accumulated depreciation)	277.124	23.257	39.387	193.709	533.477					
Value of balance sheet	1.585.124	34.625	60.961	194.497	1.875.207					
Changes in the balance sheet										
Increases due to acquisitions	-	-	-	13.679	13.679					
Decreases for disposals and divestments (of the book value)	-	-	-	-	-					
Depreciation for the year	197.974	4.366	5.573	25.338	233.251					
Other changes (decrease in depreciation fund)	-	-	-	-	-					
<i>Total variations</i>	-	197.974	-	4.366	-	5.573	-	11.659	-	219.572
Value of final balance sheet										
Cost	1.860.924	57.882	100.348	401.885	2.421.039					
Depreciation (accumulated depreciation)	475.098	27.623	44.960	219.047	766.728					
Value of balance sheet	1.385.827	30.259	55.388	182.838	1.654.311					

Plants and Machinery

The item "Plant and Machinery" mainly refers to the generic plants present at the operating offices of the Group companies.

Industrial Equipment

The item "Industrial and Commercial Equipment" mainly consists of IT equipment and equipment.

Other Assets

The item "Other assets" includes the costs relating to tangible assets which by their nature have not been placed in other items of tangible fixed assets; in particular, this item includes the Furniture and Furnishings of the operating offices of the companies and the personal computers used by the Group's employees.

It should be noted that there are no tangible assets for which monetary revaluations have been made.

4 Financial activities

The table below shows in detail the composition of the item Financial fixed assets and the changes in consistency compared to the previous year.

Financial fixed assets

Description	06/30/2020	12/32/2019	Variation
Investments in subsidiaries	2.117.165		2.117.165
Investments in associated companies		-	-
Investments in other companies	21.782	21.782	-
Total	2.138.947	21.782	2.117.165

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

Investments in subsidiaries

The item Investment in subsidiaries refers to the investment, equal to 60% of the share capital of Mediatech S.r.l. the purchase of which was completed on 23 June 2020. This amount includes the cost incurred for the acquisition including ancillary charges. The acquisition agreement provides that the sellers will accrue an earn-out to be determined based on the achievement of certain performance parameters of Mediatech in the years up to 2022.

The application of the IFRS 3 "Business Combination" accounting standard (par. 39.40) resulted in a higher valuation of the purchase cost subsequently and the corresponding "contingent liabilities" of € 288,000.

In application of the exemption provided for by Article 28, paragraph 2 letter a) of Legislative Decree no. 127/1991, the directors decided not to include in the scope of consolidation the subsidiary Mediatech S.r.l., acquired close to the end of the semester, 23 June 2020, and whose inclusion would have been "irrelevant for the purposes indicated in the second paragraph of art. 29 "or in compliance with the principle according to which" The financial statements must be drawn up with clarity and must truthfully and correctly represent the equity and financial situation and the economic result of the group of companies consisting of the parent company and subsidiaries ".

Investments in other companies

The item Investment in other companies refers to the investment held indirectly in the *Centro Di Competenze Sud* (ICT SUD) consortium company and in the company ICT NEXT both based in Rende (CS).

5 Deferred tax assets

The prepaid taxes of the Group amount to 255,318 euros. This change is mainly attributable to changes in the income statement due to the application of IAS / IFRS accounting principles. The following table shows the details of the changes that occurred during the year as well as the difference that originated the posting of the prepaid taxes

Advance Taxes

Description	12/31/2019	Increment	Decrement	06/30/2020
Employee benefits	42.332	9.120		51.452
Differences on Depreciation	220.359		16.493	203.866
Total	262.691	9.120	16.943	255.318

Deferred taxes

The deferred taxes of the Group amount to 818,688 euros. This item is mainly attributable to changes in the income statement due to the application of the IAS / IFRS accounting principles. The following table shows the details of the changes that occurred during the year as well as the difference that originated the posting of Deferred Taxes.

Deferred taxes

Description	12/31/2019	Increment	Decrement	06/30/2020
Employee benefits	15.370			15.370
Differences on Depreciation	671.238	203.147	71.067	803.318
Total	686.608	203.147	71.607	818.688

6 Trade receivables

Trade receivables Trade receivables, amounting to 3,323,156 euros, are shown net of the bad debt provision which, as at 30 June 2020, amounts to 36,754 euros. The table below shows the breakdown by geographical area of the Trade Receivables item.

Breakdown of trade receivables by geographical area	06/30/2020	12/31/2019
Italy	2.310.424	3.500.066
UE (Italy excluded)	1.012.732	1.195.744
Total	3.323.156	4.695.810

The bad debt provision was estimated based on the recoverability of trade receivables through an analysis of the receivables and the information available at the closing date of the financial statements.

Below is a table that details the changes in the provision in the first half of 2020.

Allowance for doubtful accounts	06/30/2020	12/31/2019
Opening balance	36.754	36.754
Acc.to for the year	-	-
Uses in the year	-	-
Total	36.754	36.754

The following table illustrates the composition of trade receivables by maturity as at 30 June 2020, with evidence of the coverage of the bad debt provision.

Amounts in thousands of euro

	June 30, 2020	To expire	Expired between 30 and 60 days	Expired between 61 and 90 days	Expired between 91 days and 120 days	Past due beyond 120 days
Trade receivables from third parties	2.793	2.356	159	148	89	43
(*) net of invoices to be issued equal to Euro 530 thousand.						
Allowance for doubtful accounts	37					

7 Other current activities

The Other Current Assets totalled € 3,264,001 compared to € 1,967,071 in the year ended December 31, 2019. The following table details the composition of the item as well as the changes that occurred compared to the previous year:

Other current activities

Description	06/30/2020	12/31/2019	Variat. Absolute
Tax credits	1.670.826	591.053	1.079.773
Other credits	359.031	178.820	180.211
Prepayments	1.234.144	1.197.198	36.946
Total	3.264.001	1.967.071	1.296.930

Below are detailed tables showing the composition of the individual items that make up the Other Current Assets.

Gruppo Relatech – Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

Current tax assets

Description	06/30/2020	12/31/2019	Variat. Absolute
Treasury c / VAT	88.968	311.558	-222.590
Treasury c / various tax credits	29.933	27.339	2.594
Tax credits from special laws	1.523.470	219.024	1.304.446
Treasury c / IRES advances	23.144	27.821	-4.677
Treasury c / IRAP advances	5.311	5.311	-
Total	1.670.826	591.053	1.079.773

The item current tax assets, equal to Euro 1,670,826 compared to Euro 591,053 device closed at 31 December 2019, mainly consists of Tax credits relating to Research and Development activities and to the Credit imposed connected to the listing process on the AIM market.

Other current activities

Description	06/30/2020	12/31/2019	Variat. Absolute
Security deposits	65.165	72.834	-7.669
Other credits	359.031	178.820	180.211
Total	424.197	251.654	172.543

The item Other current assets amount to € 424,197 compared to € 251,654 in the year ended December 31, 2019. The item in question mainly includes guarantee deposits for € 65,165 and sundry receivables from third parties for € 359,031 of which € 191,317 relating to contributions for research and development activities.

Accruals and deferrals

Accruals and deferrals calculated based on the accrual principle, by dividing the costs and / or revenues common to two years, amount to € 1,234,144 compared to € 1,197,200 for the year ended 31 December 2019. The table below shows the composition of this item.

Accruals and deferrals

Description	06/30/2020	12/31/2019	Variat. absolute
Accrued income	1.103.853	1.083.933	19.920
Relatech PON project - Truedetective 4.0	89.788	32.948	56.840
PON project – Nextshop	220.856	322.912	-102.056
POR project – Sistabene	35.715	35.715	0
PON project - Catch 4.0	44.662		44.662
OKT project	314.120	433.909	-119.789
Customer orders	398.711	258.449	140.262
Prepayments	130.291	113.267	17.024
Software licenses	0	9.308	-9.308

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

Insurance	4.892	11.720	-6.828
Financial charges	1.575	2.071	-496
Rental fees	15.444	7.039	8.405
Rent car	15.310	18.093	-2.783
Personnel search expenses	22.433	21.741	692
Marketing fees	11.778	25.334	-13.556
Consulting	58.375	16.750	41.625
Other costs	484	1.211	-727

8 Non-fixed financial assets

This item, amounting to € 250,000, consists exclusively of units in mutual investment funds. The valuation was carried out considering the fair value of these funds as of June 30, 2020. It should be noted that there are no restrictions or constraints on the transferability of the financial assets that make up the item.

9 Cash and cash equivalents

The balance of the group's cash and cash equivalents amounts to € 9,212,667 compared to € 3,804,959 for the year ended December 31, 2019. The following table details the changes in the balances compared to the previous year.

Cash and cash equivalents

Description	06/30/2020	12/31/2019	Variation
Bank and post office deposits	9.212.467	3.804.726	5.407.741
Cash and cash equivalents	199	233	-34
Total	9.212.667	3.804.959	5.407.707

10 Net Worth

Moving on to the examination of the balance sheet liabilities, the items constituting the consolidated equity are highlighted in detail. The following table highlights the changes that have occurred in the shareholders' equity items compared to the previous year.

Movements in Net Equity

Net Worth	Sales at 12/31/2019	Destinat. of the result	Other variation	Results for the year	Sales at 06/30/2020
Share capital	93.349			14.707	108.056
Share premium reserve	3.328.283			3.456.161	6.784.444
Legal reserve	14.894	3.776			18.670
Statutory reserves	503.155				503.155
FTA reserve	(61.502)				(61.502)
OCI reserve	(87.522)			(1.306)	(88.828)
Other reserve					
Consolidation reserve	12.889				12.889
Merger surplus	195.378				195.378
Extraordinary reserve	1.433.825	1.647.421			3.081.246
Other Reserve				218.184	218.184
Profits (losses) carried forward	573.985	883.060			1.457.045

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

*The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.

Result for the year	2.534.257	(2.534.257)	1.194.617	1.194.617
Negative reserve for treasury shares in portfolio			(1.180.923)	(1.180.923)
Total Group Equity	8.540.990		3.687.747	1.194.617 12.242.432
Capital and reserves of third parties	136.904	48.038		184.942
Third party result	48.038	(48.038)	150.089	150.088
Total Third-Party Net Equity	184.942			335.031
Total Net Equity	8.725.932		150.089	12.577.463

The Group's Net Equity as of June 30, 2020 amounts to € 12,577,463 compared to € 8,725,932 for the year ended December 31, 2019.

It should be noted that on May 20, 2020, the share capital increase subject to the conversion of the Relatech Warrants was subscribed, as resolved in the Extraordinary Shareholders' Meeting of March 11, 2019. The exercise of the conversion right, as envisaged by the warrant regulation, allowed for the subscription of one Relatech S.p.A. ordinary share every two warrants owned. In relation to this maturity, 2,941,414 warrants were converted with consequent issuance of 1,470,707 new ordinary shares with total deposits of € 3,470,869 of which € 14,707 allocated to Share Capital and € 3,456,161 to the Reserve share premium.

The entry of the "Negative Reserve for Own Shares in Portfolio" recorded against the purchases of own shares carried out in execution of the Shareholders' resolutions is highlighted. In particular, it should also be noted that, on 14 February 2020, Relatech S.p.A. has launched a share purchase program up to a maximum of 1,400,000 euros, carried out through the execution of a voluntary and partial tender offer "OPA" and partly through a buyback plan.

Subsequently, on May 15, 2020, the Board of Directors resolved to launch the buyback program authorized by the Shareholders' Meeting of May 7, 2020, for a total of up to a maximum of Euro 1,500,000, to be carried out through a buyback plan. .

The appendix illustrates in detail the effects in the balance sheet, financial and economic changes resulting from the application of the IAS IFRS accounting standards illustrated the effects.

11 Provisions for risks and charges

The following table illustrates the composition of the item in question, as it is shown in the financial statements.

Description	06/30/2020	12/31/2019	Variation
Provision for future risks and charges	288.000	288.000	-
Total	288.000	288.000	-

The Provision for Future Risks and Charges represents a prudential provision, made in accordance with accounting principles, in relation to a legal dispute that arose with a customer of the business unit acquired from the bankruptcy Con.nexo Italia Servizi S.r.l. .

12 Provisions for employee and director benefits

Employee benefits (TFR) and TFM

The employee leaving indemnity (TFR) is determined by applying an actuarial methodology valued for the purposes of IAS 19; the amount of the rights accrued by the employees during the year is charged to the income statement under the item cost of labour while the notional financial charge that the company would incur if a loan of an amount equal to the severance indemnity were requested from the market is recognized among the income (net financial charges). Actuarial gains and losses that reflect the effects deriving from changes in the actuarial assumptions used are recognized in the comprehensive income statement taking into account the remaining average working life of the employees.

	06/30/2020	12/31/2019
Present value of the obligation at the beginning of the period	1.021.617	632.682
Service Cost	244.122	456.829
Interest Cost	4.082	8.581
Advances and Settlements	-65.783	-153.228
Other movements (reclassifications)		
(Profits) / Actuarial losses	-1.718	76.753
Total	1.202.320	1.021.617

The actuarial model of reference for the valuation of the severance pay is based on various hypotheses of both demographic and economic nature.

For some of the hypotheses used, where possible, explicit reference was made to the direct experience of the Company, for the others the reference best practice was taken into account. The economic technical bases used are shown below.

	06/30/2020	12/31/2019
Annual discount rate	0,74%	0,77%
Annual inflation rate	1,20%	1,20%
Annual rate of increase in severance pay	2,40%	2,40%
Annual rate of wage increase	1,00%	1,00%

It should be noted that:

- **the annual discount rate** used to determine the present value of the obligation was inferred, consistently with par. 83 of IAS 19, from the Iboxx Corporate AA index with a duration of 10+ detected at the valuation date. For this purpose, the yield with a duration comparable to the duration of the collective of workers subject to valuation was chosen;
- **the annual rate of increase** in severance pay as required by art. 2120 of the Civil Code is equal to 75% of inflation plus 1.5 percentage points;
- **the annual rate of salary increase** applied exclusively for companies with an average of less than 50 employees in 2006 was determined on the basis of what was communicated by the managers of the company.

The demographic technical bases used are shown below.

SUMMARY OF THE DEMOGRAPHIC TECHNICAL BASES

Death	RG48 mortality tables published by the State General Accounting Office
Inability	INPS tables divided by age and sex
Retirement	100% upon achievement of the AGO requirements

ANNUAL FREQUENCIES OF TURNOVER AND TFR ADVANCES

Frequency Anticipations	0,50%
Turnover frequency	5,00%

13 Financial liabilities for use rights

In accordance with the IFRS 16 Accounting Principle, the assets owned by the entity are considered tangible fixed assets and are used in production, sale, for administrative purposes or for long-term use. It should therefore be noted that what qualifies the tangible asset as a fixed asset, to be included in the assets of the balance sheet, is not the mere possession of the asset but, vice versa, it is the use of the asset that makes it qualify as a fixed asset.

The application of the IFRS 16 Accounting Principle which led to the recognition of "User Rights Assets" for a total of Euro 1,385,827 and the recognition of negative economic components such as the amortization rate and interest expense on the debt recognized in the State assets under the item "Liabilities for User Rights" 1,397,003 of which € 378,343 with maturity within the twelve months following 30 June 2020 and 1,018,660 with maturity beyond the following twelve months.

14 Financial liabilities

Financial liabilities, represented by payables to the banking system, totalled € 4,039,480 compared to € 1,765,867 in the year ended December 31, 2019.

Description	06/30/2020	12/31/2019	Variation
Current financial liabilities	649.445	582.548	66.897
Non-current financial liabilities	3.390.035	1.183.319	2.206.716
Total	4.039.480	1.765.867	2.273.613

Non-current financial liabilities consist of medium and long-term payables to banks and the "contingent liability", equal to € 288,000, determined in application of IFRS 3 "Business combination" (paragraph 39.40) in relation to the purchase of the equity investment, equal to 60% of the share capital of Mediatech Srl whose purchase agreement, finalized on 23 June 2020, provides that the sellers will accrue an earn-out to be determined according to the achievement of certain performance parameters of Mediatech in the years up to 2022.

The table below highlights the Group's overall exposure to the credit system.

Debts vs Banks

Description	expire	Parent company	subsidiaries	Total
Finanz.to Banca Intesa N. 74954523	gen-22	48.314		48.314
Finanz.to Banca Intesa 01R1047250903	gen-22	160.057		160.057
Finanz.to Banca Intesa 01R1048674251	dic-23	319.531		319.531
Finanz.to Banca BNL N. 1936322	giu-21	257.278		257.278
Finanz.to Banca Intesa 01R1046065373	giu-25	1.000.000		1.000.000
Finanz.to Banca BPER	dic-25	1.000.000		1.000.000
Credit cards	-	1.056		1.056
Finanz.to Progett Polinice MPS	dic-25		169.241	169.241
Finanz.to MCC - Horizon2020 - NEXTSHOP	giu-28		83.905	83.905
Finanz.to Banca Intesa N.01C1048670382	dic-23		503.896	503.896
Finanz.to facilitated MCC - Horizon 2020 - OKT	giu-28		177.000	177.000
Banca Credem OKT	-		25.103	25.103
Total		2.786.235	959.144	3.745.379

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

15 Commercial debts

The following table shows in detail the breakdown by geographical area of the item Trade payables.

Commercial debts

Breakdown of payables to suppliers by geographical area	06/30/2020	12/31/2019	Variation
Italy	1.075.034	744.648	330.386
Eu (not include Italy)	6.369	1.007	5.362
Extra-Eu	36.920	26.675	10.245
Total	1.118.322	772.330	345.992

The item trade payables, equal to 1,118,322 euros compared to 772,330 euros in the year ended December 31, 2019 mainly includes trade payables to third parties.

16 Current tax liabilities

Details of current tax liabilities are shown below.

Description	06/30/2020	12/31/2019	Variation
VAT tax authorities	202.068	135.169	66.899
Revenue c / withholding tax on employee income	166.087	245.626	-79.539
Treasury c / withholdings on income from work autonomous	1.050	1.723	-673
Treasury c / substitute taxes on severance pay	106	0	106
Treasury c / IRES	394.375	351.565	42.810
Treasury c/IRAP	92.078	20.634	71.444
Total	855.764	754.717	101.047

17 Other current liabilities

Other current liabilities amounted to € 3,725,948 compared to € 2,384,345 in the year ended December 31, 2019. The following table details the composition of this item.

Other current liabilities

Description	06/30/2020	12/31/2019	Variation
Payables to welfare and social security institutions	586.275	536.127	50.148
Other debts	1.686.266	883.414	802.852
Accrued liabilities and deferred income	1.453.406	964.804	488.602
Total	3.725.948	2.384.345	1.341.603

Payables to welfare and social security institutions

Payables to social security institutions, equal to € 586,275, represent the contributions payable by the Group companies to be paid to the social security institutions, pertaining to the month of June 2020. These fees are paid in July 2020.

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

Other debts

Description	06/30/2020	12/31/2019	Variation
Payables to directors	16.467	20.891	-4.424
Various payables to third parties	403.609	6.939	396.670
Staff c / salaries	650.327	391.995	258.332
Employees c / deferred salaries	615.864	463.589	152.275
Total	1.686.266	883.414	802.853

Payables to personnel, amounting to € 650,327 and € 615,864, refer to accrued and unpaid fees relating to the month of June 2020, bonuses accrued during the year, holidays and leave not taken, at the fourteenth month.

Accrued liabilities and deferred income

Accrued liabilities and deferred income, equal to 1,453,406 euros, are determined on the basis of the accruals criterion and mainly refer to positive income components pertaining to subsequent years.

Debts secured by collateral

There are no debts secured by collateral

18 Revenues

In detail, revenues from sales and services amounted to € 8,161,330 compared to € 9,009,931 in the same period of the previous year. The breakdown of revenues by area is shown below

Geographical breakdown of revenues

Breakdown of revenues by geographical area	06/30/2020	06/30/2019	Variat. Absolute
Italy	3.271.862	3.791.237	-519.375
UE (excluded Italy)	4.889.468	5.218.694	-329.226
Extra-UE	-	-	-
Total	8.161.330	9.009.931	-848.601

19 Increases in fixed assets for internal work

The Group in the year 2020 incurred Research and Development costs for a total of Euro 1,658,931 relating to the cost of personnel engaged in the aforementioned activities. Of these costs, the part relating to development costs relating to the cost of personnel, equal to euro, equal to euro 1,198,297 is recognized in the increase in fixed assets for internal work.

20 Other revenues

The Other Revenues at 30 June 2020 amounted to € 1,328,068 compared to € 376,596 in the same period of the previous year. This item consists exclusively of public grants relating to research projects conducted with universities and research centres, the tax credit for research and development activities conducted by Group companies and the tax credit relating to the listing costs incurred. in 2019 for an amount of € 500,000.

The table below shows the breakdown of this item in detail.

Description	06/30/2020	06/30/2019	Variation	Inc. %
Operating grants	1.328.068	376.596	951.471	253%
Other revenues	-	-	-	
Total	1.328.068	376.596	951.471	253%

21 Services Costs

The costs for services at 30 June 2020 amounted to € 3,344,181 compared to € 3,154,229 in the same period of the previous year. The table below shows the breakdown of this item in detail.

Services cost

Description	06/30/2020	06/30/2019	Variat. absolute
Third party processing	2.370.173	2.265.114	105.059
Ordinary telephone charges and data lines	36.128	9.245	26.883
Electric energy	7.190	10.011	-2.821
Subscription fees for services	26.294	11.767	14.527
Various maintenance costs		2.812	-2.812
Vehicle services and expenses dep.	4.351	1.331	3.020
Technical advice	15.513	23.037	-7.524
Labour consultancy and payroll processing	32.344	44.912	-12.568
Tax and administrative, legal and notary consultancy	29.427	15.881	13.546
Marketing and advertising consultancy	115.758	55.828	59.930
Remuneration of directors	533.559	214.990	318.569
Compensation for professional auditors (first semester)	18.800	10.410	8.390
Travel and travel expenses for employees	22.261	197.333	-175.072
Travel and travel expenses for administrators		15.929	-15.929
Reimbursement of directors' expenses		6.278	-6.278
Compulsory insurance	23.931	20.189	3.742
Cleaning and surveillance	17.460	20.845	-3.385
Employee meal vouchers	44.573	51.254	-6.681
Reimbursement of personal expenses	229	16.431	-16.202
Research, education and training	28.122	117.826	-89.704
Commissions and bank charges	18.069	14.645	3.424
Other services		28.161	-28.161
Total	3.344.181	3.154.229	189.952

The cost of services item amounts to € 3,344,181 compared to € 3,154,229 in the same period of the previous year and mainly includes costs for consultancy, costs for employee travel and shipping.

In detail:

- The costs for consultancy mainly refer to costs incurred for the purchase of services provided by third parties and necessary for the provision of the service to end customers and amount to a total of 2,370,173 euros;
- the item Directors' emoluments include the amount of € 351,281 corresponding to the equivalent of no. 93,800 ordinary shares of Relatech S.p.A. held in the portfolio assigned to the Director Silvio Cosoleto in execution of the Stock Grant plan approved by the Board of Directors.
- The item costs for marketing activities mainly includes costs incurred for communication campaigns aimed at increasing awareness of the brand, digital activities, events within the Group and participation in external events as sponsors and amount to a total of 115,758 euros.

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

22 Costs for the use of third-party assets

The costs for the use of third-party assets at 30 June 2020 amounted to € 89,490 compared to € 158,753 in the same period of the previous year.

It should be noted that due to the application of the IAS / IFRS 16 accounting principle, the value of this deputy was adjusted, for the year ended June 30, 2020 only, by an amount equal to 207,099 euros.

23 Staff costs

The item Personnel costs includes all costs incurred up to 30 June 2020 relating to employees including the cost for additional months and for holidays accrued but not taken.

Description	06/30/2020	06/30/2019	Variation
Wages and payrolls	3.684.137	3.853.013	-168.876
Social charges	1.018.677	1.081.546	-62.869
Severance indemnity	263.773	226.096	37.677
Other costs	-	77.733	-77.733
Total	4.966.587	5.238.387	-271.800

It should be noted that an amount equal to Euro 1,658,931 relates to employees employed in Research and Development activities.

The following table shows the evolution of the total number of executives, middle managers and employees present as of 30 June 2020.

In number

Description	06/30/2020	06/30/2019
Paintings	20	22
Employees	183	176
Apprentices	10	16
Trainees / Interns	11	2
Total	224	216

24 Various management charges

The item shown in the income statement equal to 18,630 euros is mainly represented by indirect taxes and other modest expenses.

25 Depreciation and write-downs

The item shown in the income statement equal to Euro 635,160 is represented by amortization of intangible and tangible fixed assets. For details on depreciation, please refer to the comment on the balance sheet items.

26 Financial income and expenses

The details of financial income and expenses are shown in the following table. The table shows the effect on financial charges resulting from the application of the IAS / IFRS 16 and 19 Accounting Standards.

Description	06/30/2020	12/31/2019	Variation
Bank financial charges	-14.078	-20.517	6.439
Financial expenses (IAS 19))	-4.082	-	-4.082
Financial expenses (IFRS 16)	-12.736	-6.936	-5.800
Exchange gains / losses	2.291	-2.140	4.431
Total	-28.605	-29.593	988

At 30 June 2020, the item in question mainly includes:

- bank interest expense equal to € 14,078 referring to current account advances relating to the sale of receivables and interest expense on loans outstanding at the same dates;
- exchange gains, equal to Euro 2,291;
- severance indemnity discounting charges, equal to € 4,082 deriving from the application of the IAS 19 accounting principle relating to the fair value adjustment of employee benefit provisions;
- interest on rights of use liabilities for € 12,736 as required by IFRS 16.

27 Earnings per share

The basic earnings per share is calculated by dividing the result for the year attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in circulation during the year.

Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year and those potentially deriving from the exercise of the warrants in place at the end of the reference period. (in the money).

The result and information on the shares used to calculate the basic and diluted earnings per share are shown below:

Net profit attributable to shareholders	1.065.676
Weighted number of shares in circulation 01/01/2020 - 30/06/2020	9.591.262
Basic earnings per share	0,11
Net profit attributable to shareholders	1.065.676
Weighted number of outstanding and exercisable shares 01/01/2020 - 30/06/2020	12.788.005
Diluted earnings per share	0,08

It should be noted that the weighted average number of own shares used for the purposes of the basic earnings per share considers the weighted average effect of the changes resulting from the transactions on own shares that took place during the year.

Transactions with related parties

Pursuant to IAS 24, the related parties of the Group are companies and persons who can exercise control, joint control or significant influence over the Group and its subsidiaries.

Relations between the companies are of a commercial and financial nature and are formalized by contracts. These relations are carried out at market value and carefully monitored by the Board of Directors. Transactions relating to the normal operations of the individual entities have been entered into with the counterparties in question; there are no atypical or unusual transactions.

The following are the main economic, equity and financial items of the Relatech Group relating to transactions with related parties, specifying that the company L. Partners S.r.l. it is related as a company controlled by the Chairman of the Board of Directors.

In Euro

BALANCE SHEET RELATIONS	06/30/2020	L. Partners S.r.l.	Nature of the operation
Trade and miscellaneous credits	4.568	4.568	Receivables relating to charges and costs
Payables for use of third-party assets	54.600	54.600	Payables for real estate rents

ECONOMIC RELATIONS	06/30/2020	L. Partners S.r.l.	Nature of the operation
Cost for use of third-party assets	34.200	34.200	Real estate rents

Other information

Below is the other information required by the Italian Civil Code or in any case useful for better understanding the equity, financial and economic situation of the Group.

Own actions

At 30 June 2020 the company holds no. 265,846 treasury shares in portfolio for which a negative reserve for shares in portfolio equal to 1,180,923 euros is recognized.

Remuneration of directors, statutory auditors and independent auditors

It should be noted that there are no advances and credits in favour of the administrative body. Furthermore, the company has not undertaken commitments on behalf of this body as a result of guarantees of any kind given.

The companies of the Group have approved remuneration for the administrative and control bodies. The amount of these fees at 30 June 2020, calculated according to the criterion of temporal competence, are indicated in the following table:

Compensation	Amount as of June 30th 2020
Administrative body	533.559
Board of Statutory Auditors	9.000
Auditing firm	18.800

It should be noted that, with the resolution of the Shareholders' Meeting of 11 March 2019, the administrative body and the Board of Statutory Auditors were appointed and will remain in office until the approval of the financial statements for the year ended 31/12/2021. Subsequently, with the shareholders' meeting of 18 April 2018, in accordance with the provisions contained in the Issuers' Regulation, the administrative body was supplemented with the appointment of the independent director, an appointment subject to the submission of the application for admission to trading of the Company's shares on AIM Italia. The emolument of the Administrative Body includes the amount of € 351,281 corresponding to the equivalent of no. 93,800 ordinary shares of Relatech S.p.A. held in the portfolio assigned to the Director Silvio Cosoleto in execution of the Stock Grant plan approved by the Board of Directors. The auditing company BDO Italia S.p.A., appointed by the shareholders' meeting of 27 April 2018, was given the mandate to audit the accounts pursuant to articles 2409-bis et seq. of the Italian Civil Code, for a period of three years until the approval of the financial statements at 31 December 2020.

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

Details on other financial instruments issued by the company

The company has not issued other financial instruments pursuant to article 2346, paragraph 6, of the civil code.

Information relating to derivative financial instruments pursuant to art. 2427-bis of the Civil Code

In compliance with the requirements of art. 2427-bis of the Italian Civil Code, we certify that the company has not signed contracts relating to derivative financial instruments.

Commitments, guarantees and potential liabilities not resulting from the balance sheet

There are no commitments and guarantees issued in favour of the group companies.

Disclosure relating to the book value of financial instruments

In order to provide information capable of illustrating exposure to financial risks, the information provided by companies regarding the fair value measurement of financial instruments as required by the IFRS 7 accounting standard is of considerable importance.

The "Fair Value hierarchy" has three levels:

- level 1: if the financial instrument is listed on an active market;
- level 2: if fair value is measured on the basis of valuation techniques that take as a reference parameters observable on the market, other than the prices of the financial instrument;
- level 3: if the fair value is calculated on the basis of valuation techniques that take as a reference parameters not observable on the market.

Below is the information relating to the book value of financial instruments for the period ended June 30, 2020

Description	Balance sheet value	Fair value	Hierarchy of the fair value
Equity investments	2.138.947	2.138.947	Livello 3
Financial credits	65.165	65.165	Livello 3
Non-fixed financial assets	250.000	250.000	Livello 1
Cash and cash equivalents	9.212.467	9.212.467	Livello 1

Description	Balance sheet value	Fair value	Hierarchy of the fair value
Non-current financial payables and liabilities			
Payables to banks and other lenders	3.102.035	3.102.035	Livello 3
Financial liabilities for rights of use	1.195.789	1.195.789	Livello 3
Current financial payables and liabilities			
Payables to banks and other lenders	649.445	649.445	Livello 3
Financial liabilities for rights of use	201.214	201.214	Livello 3

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

Transactions resulting from atypical and / or unusual transactions

In compliance with the provisions of the Consob Communication of 28 July 2006, it should be noted that in the first half of 2020 no atypical and / or unusual transactions as defined by the Communication were carried out.

Final remarks

Dear Shareholders,

We confirm that this Annual Financial Report, consisting of the Condensed Consolidated Half-Year Financial Statements, Balance Sheet, Income Statement, Explanatory Notes and Management Report, represents the financial situation of the Relatech S.p.A. Group in a truthful and correct manner, as well as the consolidated economic result for the first six months of 2020.

Milan, September 23 2020

The Chairman of the Board of Directors

Ing. Pasquale Lambardi

Attachments

Appendix 1: Effects of the adoption of the IAS / IFRS accounting standards on the consolidated income statement as at 30 June 2020.

Report of the Independent Auditors

Appendix 1

Effects of the adoption of the IAS / IFRS accounting principles on the consolidated income statement at 30 June 2019

General principle

The directors of Relatech S.p.A. have exercised the right to voluntarily adopt the International Accounting Standards (hereinafter also "IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Commission for the preparation of the consolidated financial statements of the Group headed by it starting from the financial year ending 31 December 2019. IFRS means the new International Financial Reporting Standards, the revised International Accounting Standards ("IAS"), all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

This option was adopted for the Group Consolidated Financial Statements drawn up on a voluntary basis on the basis of art. 19, Part One, of the AIM Italia Issuers' Regulation, since the requisites required by Legislative Decree 127/1991.

The date of transition to IFRS, as defined by IFRS no. 1 "First adoption of the IFRS", is January 1, 2018 and the financial statements at December 31, 2019 presented a comparative year (the year 2018). The consolidated financial statements as at 31 December 2019 are therefore the first financial statements drawn up in compliance with the International Accounting Standards approved by the European Commission.

This Appendix provides a description of the significant adjustments made to the Income Statement, together with the related explanatory notes, as required by IFRS no. 1 First adoption of the IFRS which was used in order to restate the income statement data to the consolidated interim financial report at 30 June 2019, already approved according to the Italian accounting principles (OIC).

Effects of the adoption of the IAS / IFRS accounting principles on the consolidated income statement at 30 June 2019

Consolidated Income Statement	Consolidated Income Statement AT 30 June 2019 prepared with Italian Accounting Standards and presented according to the IFRS format	IAS 38	IFRS 16	IAS 19 R	NOTE	06/30/2019 IAS
Revenues	9.009.931					9.009.931
Increases in fixed assets for internal work		981.157			(1)	981.157
Other income	719.066	(342.470)			(1)	376.596
Total revenues and other income	9.728.997	638.687	-	-		10.367.684
Costs for materials	25.197					25.197
Costs for services	3.154.229					3.154.229
Costs for the use of third-party assets	265.908		(107.155)		(2)	158.753
Staff costs	5.238.387					5.238.387
Various management charges	11.853					11.853

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

Consolidated Income Statement	Consolidated Income Statement AT 30 June 2019 prepared with Italian Accounting Standards and presented according to the IFRS format					NOTE	06/30/2019 IAS
	IAS 38	IFRS 16	IAS 19 R				
Total costs	8.695.573	-	(107.155)	-			8.588.418
EBITDA	1.033.424	638.687	(107.155)	-			1.779.265
Depreciation							
Depreciation of intangible fixed assets	108.881	75.385	207.034		(2)		240.530
Depreciation of tangible fixed assets	31.423						31.423
Provisions and write-downs	288.000						288.000
Depreciation and provisions	428.305	75.385	207.034	-			559.954
EBIT	605.119	714.072	99.879	-			1.219.312
Financial income	9						9
Financial charges	(20.526)		(6.936)		(3)		(27.461)
Exchange gains / (losses)	(2.140)						(2.140)
Financial management	(22.658)		(6.936)				(29.593)
Adjustments to financial assets	-	-	-	-			
EBT	582.462	714.072	(106.815)				1.189.719
Current taxes	208.040	0	0	0			208.040
Deferred / prepaid taxes	(8.247)	294.904	0	0			286.657
Profit (Loss) for the year	382.669	419.168	(106.815)	0			695.022
Profit (loss) for the year of third parties	48.423	15.792	0	0			64.215
Group profit (loss) for the year	334.246	403.376	(106.815)	0			630.807
Profit per share							
base	0,05						0,09
diluted	0,05						0,09

1 Intangible fixed assets (IAS 38)

The adjustment considers the different treatment and exposure adopted by the group for:

- Start-up and expansion costs
- Development costs

Gruppo Relatech –Consolidated half-yearly financial report at 30 June 2020

**The English version of the document is a translation of the original in Italian for information purposes only. In case of a discrepancy, the Italian original will prevail.*

2 Rights of use (IFRS 16)

In accordance with the IFRS 16 Accounting Principle, the assets owned by the entity are considered tangible fixed assets and are used in production, sale, for administrative purposes or for long-term use. It should therefore be noted that what qualifies the tangible asset as a fixed asset, to be included in the assets of the balance sheet, is not the mere possession of the asset but, vice versa, it is the use of the asset that makes it qualify as a fixed asset. For this reason, there are no costs for third party assets in the income statement but depreciation and financial component.

3 Severance indemnity fund and other benefits (IAS 19R)

The provision for severance indemnities and other employee benefits have been recalculated according to the actuarial methods envisaged by IFRS 19R.

For a description of the main components of the overall reduction in shareholders' equity, reference should be made to the comments on the individual items in the previous paragraphs.

Milano, September 23, 2020

The Chairman of the Board of Directors

Ing. Pasquale Lambardi