

Press Release

APPROVAL OF THE DRAFT BUDGET AS AT 31 DECEMBER 2020

FARMAÈ'S GROWTH CONTINUES: REVENUES UP 74%, EBITDA ADJ. AT €1.5 MILLION

APPROVAL OF THE MERGER PROJECT WITH SANORT S.R.L.

ADAPTATION OF THE BYLAWS TO THE NEW PROVISIONS OF THE AIM ITALIA ISSUERS' REGULATION

- The number of web visitors grows by 77% to almost 41 million compared to 23 million in 2019;
- Orders up 78% to 1.5 million;
- REVENUES of €65.5 million, up 74% compared to 2019 thanks to a positive performance of all business lines;
- EBITDA¹ of around €1 million compared to €1.7 million in 2019, after costs related to the healthcare emergency estimated² at around €1.2 million;
- EBITDA adj equal to €1.5 million;
- Net result negative €0.5 million compared to negative €0.064 million in 2019;
- Positive Net Financial Position of €3.4 million compared to €2.2 million as at 31 December 2019.

Viareggio, 30 March 2021 - Farmaè S.p.A. - a company listed on the AIM Italia market of Borsa Italiana, leader in Italy in the e-retailing of health and wellness products - announces that today, the Board of Directors, under the chairmanship of Riccardo Iacometti, approved the draft financial statements as at 31 December 2020, prepared in accordance with Italian accounting standards and in compliance with the provisions of the AIM Italia Issuers' Regulations.

*"Last year we recorded very positive results" - says **Riccardo Iacometti**, Founder and CEO of **Farmaè S.p.A.** - "which allowed us to continue, despite the particular economic situation, in our growth process, which has been constant year after year since the first financial year. Today, even more than yesterday, we feel a strong sense of responsibility towards our stakeholders and we are determined to implement any strategy to further improve the strong growth we have enjoyed in recent years. We are determined to consolidate the strategic pillars of our company, such as customer proximity, shopping experience, expansion of our cross-channel positioning, and technological development, which have given us a solid competitive advantage both last year and in the near future. E-commerce is part of our daily life and we are certain that it will continue to take an ever greater share of the purchasing process: an important challenge that we will face with confidence,*

¹ EBITDA is the result before financial expenses, taxes, depreciation of fixed assets and non-recurring income and expenses.

² Management estimates not audited by the auditors.

on the strength of our unique business model, thanks also to our partnerships with the industry and our desire to put the customer 'at the centre', which has enabled us to become a benchmark in the Health, Wellness and Beauty sector. Our strong desire to increasingly enhance our role as a Media Platform capable of generating value for all our strategic partners is increasingly oriented towards the logic of enhancing our Data Economy, which is the concrete prerequisite for ensuring that our distribution vectors, both physical and online, are increasingly seen and appreciated as media channels capable of generating content of interest to users from an omnichannel perspective. Despite the fact that it has been a complex year for us, at least from an organisational and managerial point of view, the results achieved bear witness to the great work carried out so far, with passion and sacrifice, by all our professionals in this year full of difficulties and uncertainties. We are, however, only at the beginning of our journey and in the future we intend to continue our careful investment programme, from personnel to organisational structure, to become an increasingly cross-channel company able to provide a complete range of solutions for the whole family".

MAIN ECONOMIC AND FINANCIAL RESULTS AS AT 31 DECEMBER 2020

(Figures in Euro)	31/12/2020	31/12/2019	Absolut Var.	Var. %
Online Sales	61,011,813	34,214,235	26,797,577	78%
Offline Sales	2,419,832	1,994,860	424,972	21%
Co-marketing	1,970,309	1,199,250	771,059	64%
Total Sales Revenues	65,401,954	37,408,345	27,993,609	75%
Other Revenues	99,404	226,378	-126,974	-56%
Total Revenues	65,501,357	37,634,723	27,866,635	74%

In 2020, Farmaè achieved excellent growth in **Revenues** of €65.5 million, an increase of 74% compared to €37.6 million in 2019.

The analysis by line of business confirms the strong growth of all segments and in particular of the Online and Co-marketing segments, confirming the validity of the Company's development strategy. The Online channel recorded a turnover of €61.0 million, up 78% compared to the same period of the previous year, thanks to the expansion of the range of products offered and the expansion in terms of customers.

Offline sales amounted to over €2.4 million (+21%) thanks to the improved Like for Like performance of the Stores and despite the partial limitations of the Stores in the Farma channel and the closures of the Beautyè Store, dictated by the lockdown periods relating to the pandemic.

The growth in Co-marketing turnover, amounting to approximately €2.0 million, or +64% compared to the same period in 2019, can be attributed to the increasingly close partnership with sector industries that see Farmaè as the main interlocutor within the online health and wellness market.

In 2020, the web portal reached over 40.5 million visitors compared to 22.8 million in 2019 and a conversion rate to purchase higher than the national average, mainly thanks to innovative digital strategies.

During the year, Farmaè recorded 1.5 million orders (+78%) for 7.5 million products sold (4.2 million in 2019).

EBITDA amounted to approximately €1.0 million, a decrease of approximately 45% compared to €1.7 million in 2019. EBITDA was affected by the increase in direct and indirect costs related to the

business lines, mainly by the increase in costs incurred for the use of third party assets, and specifically to lease payments and the maxi rent of the two leasing contracts that entered into income at the beginning of 2020 amounting to €0.5 million, and the unexpected and non-recurring costs incurred as a result of the national health emergency and estimated by Management at approximately €1.2 million.

Adjusted EBITDA amounted to €1.5 million. It is deemed appropriate to highlight this indicator as a function of the technical forms used to procure financial sources to cover recent production investments. As is known, during the period in question, the Company strengthened its logistics structure with the purchase of a building and an initial automation system. Both investments were financed through the stipulation of financial leasing contracts that, in 2020, affected the income statement and "nominal" EBITDA with the recognition of leasing instalments and the accrual of maxi-rentals for a total of €502,236.

The different technical form of raising financial means, through the signing of a loan contract, would have led to the recognition in the income statement of depreciation charges for €107,490 (estimated useful life of the asset of 33 years instead of the lease term of 10 years) and interest expense for the loan estimated at €77,354.

EBIT for the 2020 financial year was €958,000, an increase of 17% compared to the previous financial year. EBIT is equal to EBITDA as the Company took advantage of the possibility of suspending depreciation and amortisation as provided for by Law Decree no. 104/2020 art. 60, converted by Law n. 126/2020.

During the year, bank commissions and collection fees related to online collections were reclassified as financial expenses. This classification is consistent with the tax treatment of these charges, which are considered to all intents and purposes as financial in nature, as required by the tax authorities. The reclassification has also been made to the comparative year 31.12.2019 for comparative purposes. The value of these charges amounted to €1.1 million compared to €0.8 million in 2019.

The **Net Result** was a loss of €548 thousand compared to a loss of €64 thousand in 2019, after recognising current, deferred and prepaid taxes.

(thousand Euro)	31/12/2020	31/12/2019	Var. %
Balance Sheet Indicators			
Net Working Capital	(782,616)	2,697,387	(129%)
Net Invested Capital	8,418,569	10,015,691	(16%)
Net Financial Position	(3,355,160)	(2,171,312)	55%

Net Working Capital was negative €783 thousand compared to positive €2.7 million as at 31 December 2019. This performance comes to €33.2 million of current assets reflecting an increase of 57% compared to the previous year, due to the increase in immediate cash (a sign that the Company does not show cash problems) and the increase in inventories, which went from €10.8 million at 31 December 2019 to €14.6 million at the end of 2020 with an increase of 36%, due to the higher purchase of goods made at the end of the year. Current liabilities, amounting to €22.7 million, increased by €8.5 million mainly due to the increase in the item "Payables to suppliers" related to the development of the business and the continuous growth of volumes purchased for subsequent resale.

Net Invested Capital amounted to €8.4 million compared to €10.0 million at 31 December 2019. The trend reflects the growth from €7.5 million to €9.9 million in fixed assets, mainly due to the investments in the period in machinery, leasehold improvements and the purchase of the investments in the companies Valnan S.r.l and Sanort S.r.l., as well as the increase from €2.3 million

to €8.6 million in non-current liabilities, mainly due to the loans/mortgages taken out by the Company during 2020 at very favourable market conditions and rates.

The **Net Financial Position** was positive and improved significantly reaching €3.4 million compared to €2.2 million recorded at 31 December 2019. The Company's total cash and cash equivalents at 31 December 2020 amounted to €13.9 million, an increase of 116% compared to the cash and cash equivalents at 31 December 2019.

(Figures in Euro)	31/12/2020	31/12/2019
A. Cash and cash equivalents	8,983,968	3,503,685
B. Other cash and cash equivalents		
C. Securities held for trading	4,922,131	2,919,929
D. Cash A + B + C	13,906,099	6,423,614
E. Current financial receivables		
F. Current bank debt		
G. Current portion of non-current Debt	2,646,054	2,151,187
H. Other current financial liabilities		
I. Current Financial Debt F + G + H	2,646,054	2,151,187
J. Net current Financial Debt I - E - D	(11,260,045)	(4,272,427)
K. Non-current bank debt	7,904,885	2,101,115
L. Bonds issued		
M. Other non-current financial liabilities		
N. Non-current Financial Debt K + L + M	7,904,885	2,101,115
O. Net Financial Debt J + N	(3,355,160)	(2,171,312)

COVID-19 DISCLOSURE

The national and international scenario of the year 2020 was characterised by the spread of the COVID-19 global pandemic and the consequent restrictive measures for its containment, such as long lockdown periods and the consequent closure of many commercial and production activities. In this context and with a view to dealing with the emergency, Farmaè's management has put in place a series of actions and measures to ensure constant monitoring of the effects of the pandemic, seeking the most appropriate solutions to manage the related problems. In particular, the Company has taken steps to inform employees, suppliers, customers and all stakeholders of the initiatives undertaken to minimise the risk of contagion and the management of any risk situations or situations of infection. In addition, the Company has taken the necessary precautionary measures, also with regard to the safety and health protection of workers, in compliance with the provisions of the Prime Minister's Decrees, ministerial circulars, the orders of the Civil Protection, as well as the indications issued by other Authorities in the area following the progressive spread of the virus.

Considering that the Company's activity was included among those authorised to continue operations under the emergency regulations issued and that the Company promptly activated the described healthcare protocols during the 2020 financial year, no problems were encountered in the organisation of work in the various organisational units. Despite the lockdown and the critical period due to the pandemic - which caused a sharp slowdown in all economic activities worldwide - the

results achieved during the year tended to be positive. During this period, the Company was able to guarantee full operations and meet the increased demand for its products from customers (thanks to the new logistics centre) and despite the restrictions on the transport of non-perishable/urgent goods, which in some cases limited and/or slowed down product deliveries or made them more onerous from a logistics point of view.

Given the nature of the Company's business related to the marketing of parapharmaceuticals, over-the-counter medicines, orthopaedic products and beauty products, mainly through the e-commerce channel and secondarily through the retail channel through ten points of sale, the Covid-19 pandemic did not have any negative effects on sales linked to the Online channel, while the impact of Covid-19 was felt in the Retail channel in the parapharmacies located near the hospitals and in the "Beautyè" shop in Viareggio, which was penalised by the various lockdowns.

The particular situation of the health emergency also resulted in the incurrence of non-recurring costs, which would not have occurred if the pandemic had not occurred, and further negative repercussions in economic terms, such as higher advertising costs that extended the investment mix to more transversal media channels, such as our entry into the television channel (Rai and Mediaset).

All this, even if partially neutralised by the benefit - of an insignificant entity - deriving from the tax credit provided for by the relevant legislation, contributed to the economic result of the year. At present, the Company believes that there are no reasons to believe that the prospects of continuing as a going concern may be materially affected by the impact of the Covid-19 epidemic and that the impact of the epidemic may hinder the future plans and strategy that the Company intends to pursue.

SIGNIFICANT EVENTS DURING THE PERIOD

On February 6, 2020, a real estate leasing contract was signed for the building located in Migliarino Pisano (PI) intended for the storage, warehousing and shipment of goods. In a subsequent sequence, this property was equipped with a first automation system, already definitively installed in the first half of the year, and a second automation system under installation.

On April 23, 2020, the acquisition by Farmaè of 100% of the share capital of Valnan S.r.l was completed (for more information, please refer to the press release of 23 April 2020 available on the website www.farmaegroup.it, "Investor Relations" section).

On April 27, 2020, the Company approved the "2021-2025 Phantom Stock Option Plan" as well as the related regulations, identified the beneficiaries of the first cycle of assignment and assigned them the objectives to be achieved.

On June 1, 2020, Farmaè communicated that the director Maurizio Paganini, who also acted as Chief Financial Officer, resigned from his position as director on May 26, with effect from May 31, 2020. Following the resignation of director Paganini, the Company appointed Giuseppe Cannarozzi, already a director of the Company, as the new Chief Financial Officer of Farmaè.

On June 17, 2020, in exchange for the sale of the related business unit to Farmaè, a new shop was opened in the municipality of Sarzana.

On July 6, 2020, Farmaè appointed a new director - as an addition to the Board of Directors, replacing the resigning director Maurizio Paganini - in the person of Giovanni Bulckaen (who until this appointment held the position of Statutory Auditor of the Company) and also appointed the new Statutory Auditor, Marco Guidi.



The Company has set itself the objective of embarking on a path of Sustainability in the definition of its strategy, in the declination of its policies and in its daily management behaviour, taking into consideration the impact that its actions may have on an economic, social and environmental level. To this end, on August 4, 2020, the Company mandated Deloitte to start internal and benchmark analyses to support the Company.

Farmaè has carried out an internal reorganisation, to improve performance according to the definition of a precise corporate culture to be shared at all levels on the basis of a new and more functional definition of roles and functions. This reorganisation envisages the introduction of new professional figures to join the existing staff as part of a growth process aimed at supporting the important development of Farmaè's business.

In August 2020, the second automation system in the Migliarino Pisano logistics hub was released.

As part of the Beautyè channel, a commercial agreement was signed in the summer with the LVMH group for the introduction of new prestigious prestige beauty brands into the catalogue.

On October 26, 2020, the opening of a new shop in the municipality of Livorno was finalised; the opening of the shop in Livorno and the consequent closure of the shop in Cecina in early October 2020 is strategic to the diffusion of the brand and a better positioning on the market.

On November 6, 2020, Farmaè acquired a 100% stake in the share capital of Sanort S.r.l., owner of the www.sanort.it platform focused on the marketing of aids for the disabled, orthopaedic and healthcare items.

In December 2020, the Company created an internal Corporate Social Responsibility department and appointed an internal contact person. Company's Corporate Social Responsibility (CSR) is a set of policies, practices and behaviours adopted in favour of the community in which it operates as well as the company itself. It is a form of voluntary responsibility that the Company assumes towards its social interlocutors: the stakeholders.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

In February 2021, Farmaè launched a Corporate Training programme for first and second levels and for some high potentials. The programme also includes the use of psycho-aptitude tests to help in the personal and professional growth of each person involved.

In February 2021, the Company decided to develop a Corporate Welfare insurance programme for its employees that includes several areas such as: Medical Expense Reimbursement, Accident and Long Term Care. Specifically, the Company has subscribed to a Gold health plan for personnel belonging to any level of the Company and a Platinum plan for members of Top Management only.

On 16 February 2021, the Company entered into a lease agreement for a portion of a building intended for office use located in the municipality of Viareggio (LU). The property is intended for exclusive management use and to represent the Company's main and executive offices.

On 28 February 2021, the Company entered into a lease agreement for nonresidential use for a building located in the municipality of Vecchiano Frazione Migliarino Pisano. The property is used for the storage of goods.

FORESEEABLE EVOLUTION OF OPERATIONS

The projections for the year 2021, which are based on assumptions relating to future events that are by their very nature subject to uncertainty and therefore beyond the control of the directors, take into account the current macroeconomic and healthcare context in Europe, which remains highly uncertain, although, as already noted and communicated in 2020, the nature of the Company's business, its reference sector and business model have proved resilient to the effects of the Covid-19 pandemic.

In light of the above, the Company intends to pursue its strategy of growth and development, pursuing well-defined strategic lines:

1. consolidate its presence in the online channel;
2. expand the product offering, particularly in the pet categories, professional lines for hairdressers and wellness and leading products in the Health and Wellness sector;
3. strengthen relations with strategic partners;
4. further enhance the "Farmaè" and "Beautyè" brands;
5. grow through external lines;
6. pursue social sustainability objectives;
7. consolidate its presence in Italy and Europe.

The Company's objective, during 2021, is to further increase the user base, thanks to the implementation of spot initiatives and ongoing incentives, while maintaining the conversion rate and average receipt substantially in line with the results obtained to date. In order to support the growth in users, Farmaè plans to expand the range of its products into new product categories relating to pet care products, new professional (hair) and wellness products as well as products that are not currently sold in the "farma" channel, but in the mass market channel or in perfume shops as they relate to the luxury and/or prestige beauty sector.

APPROVAL OF THE PLAN FOR THE MERGER BY INCORPORATION OF SANORT S.R.L.

The Board of Directors of Farmaè and the directors of Sanort S.r.l. ("**Sanort**") have approved the merger by incorporation of Sanort into Farmaè (the "**Merger**").

The purpose of the Merger is to reorganise the structure of the shareholding chain, allowing greater flexibility in internal processes and consequently optimising the management of resources and intercompany economic and financial flows.

The Merger will be resolved using the draft financial statements of Farmaè and Sanort as at December 31, 2020, approved by their administrative bodies today, as the merger balance sheets pursuant to and for the purposes of Article 2501-quater of the Italian Civil Code.

Given that 100% of Sanort's share capital is currently held by Farmaè, for the purposes of the Merger, it finds simplifications in Article 2505 of the Italian Civil Code apply.

The Merger will result, on its effective date, in the extinction of Sanort and therefore the cancellation of its shareholdings and share capital. The share capital of Farmaè will remain unchanged with respect to that existing as of today, as will the shareholding structure and the interests held by the shareholders in the share capital of Farmaè, since the Merger will not result in any assignment of shares pursuant to article 2501-ter, paragraph 1, numbers 4) and 5) of the Italian Civil Code or,



consequently, in any exchange ratio or cash adjustment pursuant to article 2501-ter, paragraph 1, number 3) of the Italian Civil Code.

The Merger does not give Farmaè's shareholders who did not take part in the approval of the Merger the right to withdraw from the Company, as it does not fall within the scope of any of the mandatory withdrawal clauses set forth in Article 2437 of the Italian Civil Code.

For civil law purposes, the Merger will be effective (subject to the fulfilment of legal obligations) as of the date to be indicated in the Merger deed, in accordance with the provisions of Article 2504-bis, paragraph 2 of the Italian Civil Code. Pursuant to Article 2504-bis, paragraph 3 of the Italian Civil Code, for accounting and tax purposes, the Merger will be effective as of 1 January of the year in which the Merger becomes effective for statutory purposes.

The Merger plan, the relevant balance sheets and the documentation relating to the Merger of Farmaè and Sanort will be made available to the public in the manner and within the timeframe required by applicable laws and regulations.

ADAPTATION OF THE BYLAWS TO THE NEW PROVISIONS OF THE AIM ITALIA ISSUERS' REGULATION

The Board of Directors has approved the amendments to the Articles of Association required to bring the text into line with the new provisions of the AIM Italia Issuers' Regulations with regard to the takeover bid and the withdrawal of admission to trading.

The text of the amended bylaws will be made available to the public, following its registration with the Companies' Register, on the Company's website www.farmaegroup.it, in the section "Governance / Corporate documents and procedures".

CONVOCAZIONE OF ORDINARY MEETING

The Board of Directors resolved to convene the Company's Shareholders' Meeting in ordinary session, in a single call, on 30 April 2021, at 11.00 a.m., at the Company's administrative offices in Via Marco Polo n. 139, in order to deliberate on the following agenda:

Financial Statements as at 31 December 2020: 1.1) approval of the Company's Financial Statements as at 31 December 2020; 1.2) allocation of the result for the year; related and consequent resolutions.

The notice of call, with details on how to participate, as well as the documentation relating to the Shareholders' Meeting required by current legislation - including the illustrative report approved by today's Board of Directors on the aforementioned item on the Shareholders' Meeting agenda - will be published on the Company's website www.farmaegroup.it. (section "Governance" - "Shareholders' Meetings") within the terms of the law.

The resolution of today's Board of Directors regarding the approval of the draft financial statements as at 31 December 2020 will be made available to the public, within the terms of applicable laws and regulations, on the website www.farmaegroup.it, section "Governance / Shareholders' Meetings".

FILING OF DOCUMENTATION

The documentation relating to the Financial Statements as at 31 December 2020, required by current legislation, will be made available to the public at the Company's registered office (Via Aurelia Nord 141 Viareggio) as well as through publication on the Company's website www.farmaegroup.it, in the section "Investor Relations/Financial Statements and Reports" within the terms of the law.

Finally, it should be noted that the income statement and balance sheet attached to this press release represent reclassified statements and as such are not subject to audit by the auditors.

This press release is available in the Investor Relations section of the Company's website www.farmaegroup.it.

Born in Viareggio in 2014 Farmaè is the first OnLife eRetailer of Health and Wellness in Italy. "OnLife" retail is a new economic paradigm, characterised by the integration of online, offline, logistics and data in a single value chain. Today the company operates mainly in eCommerce with more than 37,000 references in 10 different product categories marketed, but is also present on the national territory with 9 Farmaè and 1 Beautyè Store.

In sharing the new "OnLife" philosophy, Farmaè intends to put the customer at the centre of its circular activities, responding immediately, quickly and pragmatically to all their needs and ensuring a unique customer experience, regardless of the purchasing channel used.

For further information:

Nomad

Alantra Capital Markets
+39 02 63 67 16 01
Stefano Bellavita
stefano.bellavita@alantra.com

Specialist

Banca Profilo S.p.A.
+39 02 584081
Alessio Muretti
alessio.muretti@bancaprofilo.it

Investor Relation

Farmaè
Investor Relations Officer
Alberto Maglione
+39 0584 1660552
ir@farmaegroup.it

Media Relation

SEC Newgate – 02.624.999.1 – farmae@segrp.com
Laura Arghittu – arghittu@segrp.com
Federico Ferrari – 347 6456873 - ferrari@segrp.com
Daniele Pinosa – 335 7233872 – pinosa@segrp.com
Fabio Santilio – 339 8446521 santilio@segrp.com

CDR Communication srl
IR Advisor
Vincenza Colucci
Tel. +39 335 6909547
vincenza.colucci@cdr-communication.it

The reclassified Income Statement, Balance Sheet and Cash Flow Statement of Farmaè S.p.A. at 31 December 2020 are attached.

INCOME STATEMENT

INCOME STATEMENT (Figures in Euro)	31/12/2020	31/12/2019	Variation
Net Sales Revenues	65,401,954	37,408,245	27,993,609
Change in inventories	3,960,073	3,867,620	92,453
Other Revenues	99,404	226,378	(126,974)
VALUE OF PRODUCTION	69,461,431	41,502,343	27,959,088
Material consumption	(48,252,923)	(29,038,969)	(19,213,954)
Services (1)	(16,409,023)	(8,326,255)	(8,082,768)
Lease and rental costs	(1,009,787)	(327,448)	(682,339)
Other operating expenses	(266,433)	(177,416)	(89,017)
TOTAL OPERATING COSTS EXT.	(65,938,165)	(37,870,088)	(28,068,077)
V.A. VALUE ADDED	3,523,265	3,632,255	(108,990)
Personnel costs	(2,565,122)	(1,844,000)	(721,123)
GROSS OPERATING MARGIN (EBITDA) (2)	958,143	1,788,255	(830,112)
Depreciation and amortisation	-	(970,828)	970,828
OPERATING INCOME FROM ORD. ACT. (EBIT) (3)	958,143	817,427	140,716
Financial income	15,136	1,515	13,621
Financial expenses	(1,261,477)	(862,733)	(398,744)
EARNINGS BEFORE TAXES (EBT)	(288,198)	(43,791)	(244,407)
Income Taxes	(260,077)	(19,912)	(240,165)
NET PROFIT	(548,276)	(63,703)	(484,573)

BALANCE SHEET

BALANCE SHEET	31/12/2020	31/12/2019	Variation
Cash and Cash equivalents	8,983,968	3,503,685	5,480,283
Trade and other Receivables	9,555,359	6,905,829	2,649,530
Inventories	14,649,069	10,796,006	3,853,063
CURRENT ASSETS (C)	33,188,395	21,205,520	11,982,875
Tangible fixed assets	1,981,460	1,010,108	971,352
Intangible fixed assets	6,595,522	5,727,360	868,162
Financial fixed assets	1,304,993	768,808	536,185
NON-CURRENT ASSETS	9,881,974	7,506,276	2,375,698
ASSETS – INVESTED CAPITAL (K)	43,070,370	28,711,796	14,358,574
CURRENT LIABILITIES (P)	22,710,967	14,235,076	8,475,891
NON-CURRENT LIABILITIES	8,585,674	2,289,087	6,296,587
SHAREHOLDERS' EQUITY (N)	11,773,729	12,187,003	(413,274)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY - SOURCES	43,070,370	28,711,796	14,358,574

CASH FLOW STATEMENT

	31/12/2020	31/12/2019
Cash flow statement, indirect method		
A) Cash flow from operating activities (indirect method)		
Profit (loss) for the year	(548,276)	(63,703)
Income taxes	260,077	19,912
Interest expense/(income) and other financial expenses	1,233,308	861,218
(Gains)/Losses on disposal of assets	6,228	0
1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposal	951,337	817,427
Adjustments for non-monetary items that did not have a counterpart in net working capital		
Allocation to provisions	506,216	89,195
Depreciation of fixed assets	-	970,828
Value adjustments of financial assets and liabilities of derivative financial instruments not involving monetary movements	13,033	-
Other adjustments up/(down) for non-monetary items	(65,143)	
Total adjustments for non-monetary items not affecting net working capital	454,106	1,060,023
2) Cash flow before changes in net working capital	1,405,194	1,877,450
Changes in net working capital		
Decrease/(Increase) in inventories	(3,960,073)	(3,782,358)
Decrease/(Increase) in receivables from customers	(380,033)	(1,115,848)
Increase/(Decrease) in payables to suppliers and subsidiaries	7,836,950	3,910,880
Decrease/(Increase) in accrued income and prepaid expenses	(554,095)	(219,460)
Increase/(Decrease) in accrued expenses and deferred income	33,470	(3,542)
Other decreases/(Other increases) in net working capital	317,955	(1,610,880)
Total changes in net working capital	3,294,174	(2,821,208)
3) Cash flow after changes in net working capital	4,699,367	(943,758)
Other adjustments		
Interest and other financial charges received/(paid)	(1,233,308)	(861,218)
(Income taxes paid)	(11,947)	(173,370)
(Use of funds)	(13,400)	(27,298)
Other cash receipts/(payments)	-	-
Total other adjustments	(1,258,655)	(1,061,886)
Cash flow from operating activities (A)	3,440,713	(2,004,129)
B) Cash flow from investing activities		
Tangible fixed assets		
(Investments)	(971,351)	(713,424)
Divestments		
Intangible fixed assets		
(Investments)	(733,162)	(3,905,414)
Financial assets		
(Investments)	(1,285,000)	-
Divestments	740,846	
Non-current financial assets		
(Investments)	(2,902,202)	(2,721,313)
Divestments	900,000	
Cash flow from investing activities (B)	(4,250,868)	(7,340,151)
C) Cash flow from financing activities		
Third party funds		
Increase/(Decrease) in short-term bank borrowings	(318,346)	257,654
Increase in loans	8,750,000	4,350,000
(Repayment of loans)	(2,141,215)	(2,042,482)

Equity		
Paid-in capital increase	-	10,005,000
Cash flow from financing activities (C)	6,290,439	12,570,172
Increase (decrease) in cash and cash equivalents (A ± B ± C)	5,480,283	3,225,892
Cash and cash equivalents at the beginning of the year		
Bank and post office deposits	3,463,694	234,589
Cash and valuables on hand	39,991	43,204
Total cash and cash equivalents at beginning of year	3,503,685	277,793
Cash and cash equivalents at the end of the year		
Bank and post office deposits	8,964,798	3,463,694
Cash and valuables on hand	19,169	39,991
Total cash and cash equivalents at the end of year	8,983,968	3,503,685