CESYNT ADVANCED SOLUTIONS S.P.A.

VIA GUIDO DE RUGGIERO 71 - 142 - ROME (RM)

Share Capital: Euro 67,703.00, paid-up for Euro 58,396.19

Companies' Register of Rome no. 10945931003

REGISTRATION OF SHARES FOR NEGOTIATIONS ON EURONEXT ACCESS+ PARIS THROUGH TECHNICAL ADMISSION

18 November 2020

LISTING SPONSOR

PAIRSTECH CAPITAL MANAGEMENT LLP

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The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71.

CONTENTS

DEFINITIONS

"**Cesynt**" or the "**Company**" or the "**Issuer**"	Cesynt Advanced Solutions S.p.A., a company limited by shares incorporated under the laws of the Republic of Italy, with registered office in Rome (RM), via Guido de Ruggiero, 71 – 00142, Italy, registered within the Companies' Register of Rome under no. 10945931003, REA – RM1266481;
"**By-Laws**"	the By-Laws of the Issuer in force as at the date of the Information Document, as last amended on 24 October 2019;
"**Bonus Class-B Shares**"	the Class-B Shares to be assigned to the subscribers of the Second Crowdfunding Campaign;
"**CONSOB**"	the Italian Authority for the supervision of financial markets (*Commissione Nazionale per le Società e la Borsa*"), with registered office in Rome (RM), via G.B. Martini no. 3 – 00198, Italy;
"**CONSOB Regulation on Online Crowdfunding Platforms"**	The regulation approved by CONSOB with its resolution no. 18592 of 26 June 2013, as subsequently amended and in force as at the date of this Information Document, on the collection of capital through online crowdfunding platforms (*Regolamento sulla raccolta di capitali tramite portali on-line*);
"**Class-A Shares**"	the no. 3,751,066 (three million and seven hundred and fifty-one thousand and sixty-six) Class-A Shares representing 64.24% (sixty four point twenty four per cent.) of the share capital of the Company (trading symbol MLCSA);
"**Class-B Shares**"	the no. 2,088,553 (two million and eighty-eight thousand and five hundred and fifty-three) Class-B Shares representing 35.76% (thirty five point seventy six per cent.) of the share capital of the Company (trading symbol MLCSB);
"**Crowdfunding Campaigns**"	collectively, the First Crowdfunding Campaign and the Second Crowdfunding Campaign;
"**Euronext**"	Euronext Paris S.A.;
"**Euronext Access**"	the commercial name under which the MTF operated by Euronext is run;
"**Euronext Access+"**	a dedicated segment within Euronext Access;
"**Euronext Access Rule Book**"	the rule book titled "Euronext Access Rule Book" applicable to the MTF operated by Euronext, as in force as at the date of this Information Document;
"**First Crowdfunding Campaign**"	the crowdfunding campaign carried out by the Company in 2018, through Opstart's crowdfunding platform;
"**Information Document**"	the present document and its contents and annexes;

"**iRfK**"	Innovative-RFK S.p.A., a company limited by shares incorporated under the laws of the Republic of Italy, with registered office in Milan (MI), via F. Sforza, 14 – 20122, Italy, registered within the Companies' Register of Milan, Monza Brianza and Lodi under no. 10095350962, REA – MI - 2504797, whose shares are listed on Euronext Access;
"**Italian Civil Code**"	Italian Royal Decree no. 262 of 16 March 1942;
"**GDPR**"	EU Regulation 679/2016 of the European Parliament and the Council of 27th April 2016, as amended from time to time;
"**Legislative Decree no. 39**"	Legislative Decree no. 39 of 27 January 2010, "*Implementation of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts*";
"**Legislative Decree no. 231**"	Legislative Decree no. 231 of 21 November 2007, "*Implementation of Directive 2005/60/EC on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing*";
"**Listing**"	admission of the issued share capital of the Company to trading on the Euronext Access+ in accordance with the Euronext Access Rule Book;
"**Listing Price**"	Euro 1,80 (one/80) per Share;
"**Listing Sponsor**"	Pairstech Capital Management LLP, a company incorporated under the laws of England and Wales, authorized to conduct its activities by the Financial Conduct Authority, authorisation no. 477155, with registered office in 1/1a Telegraph Street, London, England, EC2R 7AR;
"**MTF**" or "**Multilateral Trading Facility**"	any multilateral trading facility within the scope of Article 4(1)(15) of Directive 2004/39/EC;
"**Opstart**"	Opstart S.r.l., a limited liability company, incorporated under the laws of the Republic of Italy, with registered office in Bergamo (BG), Largo Adua 1 – 24128, Italy, registered within the Companies' Register of Bergamo under no. 04067590168, REA – BG - 432364, authorized by CONSOB pursuant to CONSOB Regulation on Online Crowdfunding Platforms, to manage the crowdfunding platform available on the website www.opstart.it;
"**Regulated Market**"	any regulated market for financial instruments within the scope of Article 4(1)(14) of Directive 2004/39/EC, as amended and replaced;
"**Second Crowdfunding Campaign**"	the crowdfunding campaign carried out by the Company in 2019, through Opstart's crowdfunding platform;
"**Shares**"	collectively, Class-A Shares and Class-B Shares;
"**Shareholders**"	the persons who are registered as the holders of Shares from time to time;

"**Warrants**"	the no. 971,689 (nine hundred and seventy-one thousand and six hundred and eighty-nine) warrants assigned to each holder of Class-B Shares, as regulated by the Warrant Regulation;
"**Warrants Regulation**"	the Warrants' regulation named "*Warrant azioni privilegiate Cesynt Advanced Solutions 2020-2023*".

1. RESPONSIBLE PERSONS

1.1 PERSON RESPONSIBLE FOR THE INFORMATION DOCUMENT

Cesynt Advanced Solutions S.p.A., a company limited by shares incorporated under the laws of the Republic of Italy, with registered office in Rome (RM), via Guido de Ruggiero, 71 – 00142, Italy, registered within the Companies' Register of Rome under no. 10945931003, REA – RM1266481, duly represented by Mr. Armando Miele, Chairman, Managing Director and legal representative of Cesynt Advanced Solutions S.p.A.

1.2 LIABILITY STATEMENT

Pursuant to as provided for by the Euronext Access Rule Book, Cesynt Advanced Solutions S.p.A.'s Board of Directors declares the following:

"*We declare that, to the best of our knowledge, the information provided in the Information Document is fair and accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document*".

Armando Miele – Chairman, Managing Director and legal representative of Cesynt Advanced Solutions S.p.A.

2. AUDIT OF THE ISSUER

2.1 AUDITOR OF THE ISSUER

The Company is not required by mandatory provisions of Italian law to appoint an external statutory auditor.

That said, the Company has appointed Mr. Giuseppe Quatela – an external auditor registered within the Italian Register of Chartered Accountants and Auditors under no. 169515 – to voluntarily audit the Issuer's financial statements relating to the financial year ended on 31 December 2019, which English translation is included in Paragraph 18 (*Financial Statements for the financial year ended on 31 December 2019*).

2.2 INFORMATION ON THE RELATIONSHIP WITH THE AUDITOR

In order to comply with the disclosure requirements requested by the Euronext Access Rule Book, before approving the financial statements related to the financial year ending on 31 December 2020, the Issuer will appoint an external auditor "on a voluntary basis".

Pursuant to Article 13 of Legislative Decree no. 39, the appointment shall be for a 3 (three)-year term, expiring on the date of the shareholders' meeting convened to resolve upon the approval of the financial statements related to the financial year ending on 31 December 2023.

3. KEY FINANCIAL INFORMATION

3.1 RESUME

This section provides selected financial information on the Company for the financial years ended on 31 December 2018 and 31 December 2019.

The selected financial information has been extracted and / or processed on the basis of the financial statements for the financial year ended on 31 December 2019, drawn up in accordance with the legislative provisions and accounting standards issued by the Italian Accounting Council, and reviewed by the statutory auditors who issued their report, without remarks, on 31 August 2020.

The selected financial information presented below should be read in conjunction with the aforementioned financial statements of the Company, whose English translation is included in Paragraph 17 (*Financial Statements for the financial year ended on 31 December 2018*) and in Paragraph 18 (*Financial Statements for the financial year ended on 31 December 2019*) of this Information Document.

3.2 SELECTED FINANCIAL INFORMATION FOR THE FINANCIAL YEARS ENDED ON 31 DECEMBER 2018 AND 31 DECEMBER 2019

The main economic data of the Company for the financial years ended on 31 December 2018 and 31 December 2019 are represented below.

	2019	2018
Revenues from the sale of goods and services	766,665	1,862,654
Change in Inventories of finished products, semi-finished products	235,000	0
Other revenues	815	406,206
Total Revenues	**1,002,480**	**2,268,860**
Raw materials	2,357	4,141
Total direct costs	**2,357**	**4,141**
First margin	**1,000,123**	**2,264,719**
Cost for services	410,606	1,486,945
Rents and leases	24,527	14,880
Other costs	16,689	53,234
Total external costs	451,822	1,555,060
Gross profit	**548,301**	**709,659**
Personnel cost	397,857	260,124
EBITDA	**150,444**	**449,534**
D&A	10,873	145,518
EBIT	**139,571**	**304,017**
Interest cost / (expenses)	9,311	11,421
Non-recurrent gains	0	26
EBT	**130,260**	**292,622**
Tax expenses	47,185	18,007

Net Income	**83,075**	**274,615**

3.2.1 **Revenues**

The breakdown of the "*Revenue from sales of goods and services*" for the years ended on 31 December 2018 and 31 December 2019, carried out by business sector, is represented below.

	2019	%	2018	%
Sale of e-learning courses	613,340	80%	440,060	24%
Thereof Formazioneprofessionista.it	*582,673*	*76%*	*418,057*	*22%*
Thereof Banex.it	*30,667*	*4%*	*22,003*	*1%*
iSkilled® Software licencing	46,000	6%	9,000	0%
Consulting projects	76,667	10%	1,391,605	75%
Other software revenues	30,658	4%	21,989	1%
Total revenues	**766,665**	100%	**1,862,654**	100%

As of 31 December 2019, "*Revenue from sales of goods and services*" amounted to Euro 766,665, with a 58.9% decrease compared to 31 December 2018. The reduction was exclusively due to the discontinuation of some consulting activities.

During the financial year 2019, the consulting activities still contributed to 10% of the revenues, as the last commissioned projects have been completed. In addition, during 2018 the consulting activities benefited from an atypical large consulting project, which alone generated revenues for approximately Euro 1 million. All other core businesses showed a sustained growth, in particular the sale of e-learning courses. As with regard to iSkilled® software licensing activity, 2019 was the real first year of operations.

3.2.2 **Costs**

As far as costs are concerned, variable costs represent the purchase of external services, mainly purchase of third-party professional services relating to product development and marketing costs. Fixed costs are almost entirely due to staff costs.

The costs relating to external services were Euro 410,606 for the financial year ended on 31 December 2019, with a large reduction compared to the financial year ended on 31 December 2018, where such costs amounted to Euro 1,486,945. The majority of the decrease is due to the large reduction of the consulting business, which greatly employed external resources. During the financial year ended on 31 December 2019, the Company employed an average of 11 employees, of which 4 were employed in administrative services, 4 in technical services and 3 in commercial services. For the financial year ended on 31 December 2019, the cost relating to employees therefore amounted to a total amount of Euro 397,857.

3.2.3 **Operating result (EBITDA)**

Operating result (EBITDA) decreased from Euro 449,534 as of 31 December 2018 to Euro 150,444 as of 31 December 2019. This was primarily due to the Company's discontinuation of the consulting business.

3.2.4 **Profit for the year**

Net income decreased from a profit of Euro 274,615 as of 31 December 2018 to a profit before tax of EUR 83,075 as of 31 December 2019.

3.3 BALANCE SHEET INFORMATION FOR THE YEARS ENDED ON 31 DECEMBER 2018 AND 31 DECEMBER 2019

The following table shows the main balance sheet items for the financial years closed on 31 December 2019 and 31 December 2018.

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	783,678	410,867
Other current assets	932,090	508,989
Assts held for sale	38,831	26,948
Work in progress	235,000	0
TOTAL CURRENT ASSETS	**1,989,599**	**946,803**
NON-CURRENT ASSETS		
Plant, property and equipement	5,967	5,681
Intangible assets	540,894	404,526
Financial assets	7,850	7,850
TOTAL NON-CURRENT ASSETS	**554,711**	**418,056**
Receivables from shareholders	309,509	0
TOTAL ASSETS	**2,853,819**	**1,364,860**

	2019	2018
OTHER LIABILITIES	1,043,492	623,863
Trade and other payables	417,173	67,642
Tax liabilities	553,608	504,270
Other liabilities	72,711	51,951
FINANCIAL LIABILITIES	41,383	74,024
SHAREHOLDERS EQUITY	1,768,944	666,969
TOTAL LIABILITIES	**2,853,819**	**1,364,856**

Current assets have shown a substantial increase, following the successful completion of the equity capital raise through the Second Crowdfunding Campaign.

Other current assets were Euro 932,090 on 31 December 2019 with an increase of Euro 423,101 compared to the previous year, mostly due to a large increase in trade receivables, that went from Euro 20,639 as of 31 December 2018 to Euro 319,786 as of 31 December 2019. This is balanced by an increase of Euro 250,292 in trade payables that went from Euro 18,248 as of 31 December 2018 to Euro 268,540 as of 31 December 2019.

3.3.1 Net financial indebtedness

The net financial position as of 31 December 2019 and 31 December 2018 is represented in the table below:

	2019	2018
Financial indebtedness	**41,383**	**74,024**
Long term borrowings	31,194	64,578
Short term borrowings	10,189	9,446
Cash and cash equivalents	**-783,678**	**-410,867**
Net financial indebtedness	**-742,295**	**-336.842**

On the basis of the financial information, the Company's net cash position increased from Euro 336,867 as of 31 December 2018 to Euro 742,295 as of 31 December 2019. The increase is mainly due to the successful completion of the Second Crowdfunding Campaign.

The Company's strategy is to continue to fund its growth mainly through the use of equity capital, with limited recourse of financial debt and borrowing.

3.3.2 Equity

On the basis of the financial information and the financial statements:

- total equity increased from Euro 666,969 as of 31 December 2018 to Euro 1,768,944 as of 31 December 2019;
- share capital amounted to EUR 56,944.44 as of December 31, 2019 and consisted of 5,694,444 shares that were issued and fully paid up.

3.4 SELECTED CASH FLOW INFORMATION FOR THE FINANCIAL YEARS ENDED AT 31 DECEMBER 2018 AND 31 DECEMBER 2019

The following table presents cash flow for the periods indicated:

	2019	2018
Cash and cash equivalent at the beginning of the year	**410,867**	**220,831**

Net cash generated from operating activities	-165,866	403,253
Net cash used in investing activities	-138,072	-318,922
Net cash generated from financing activities	676,749	105,705
Cash and cash equivalent at the end of year	**783,678**	**410,867**

Net operating cash flow decreased from a cash inflow in the amount of Euro 403,253 for the financial year ended on 31 December 2018 to a cash outflow in the amount of Euro 165,866 for the financial year ended on 31 December 2019. This decrease has been due to a negative impact of working capital, which contributed a positive cash flow of Euro 179,704 for the financial year ended on 31 December 2018 and contributed a negative cash flow of Euro 54,220 for the financial year ended on 31 December 2019.

In 2019, the Company successfully concluded an equity capital raise which provided the resources to cover the financial needs for the year.

4. RISK FACTORS

This section provides an overview of the material risks factors relating to the Issuer.

Prospective investors should carefully review and consider the following risks as well as other information contained in this Information Document.

The order in which the following risks are presented is not an indication of the likelihood of such risk actually materializing, its potential significance or the scope of its potential harm to the Company's business, results of operations, cash flows, financial condition and prospects. The risks mentioned herein may materialize individually or cumulatively.

The transaction described in the Information Document entails the typical risk elements of an investment in equity financial instruments of companies admitted to trading on an MTF.

Investors, prior to any decision to make an investment in financial instruments issued by the Issuer, are therefore invited to assess the specific risk factors relating to the Issuer, the business and industry in which it operates, the applicable legal and regulatory framework and the Shares.

The risk factors are based on assumptions that may prove to be incorrect. The occurrence of any of the events or circumstances described in these risk factors, individually or cumulatively with other circumstances, uncertainties not currently known to the Issuer or that the Issuer may currently deem immaterial, could have a material adverse effect on the business, results of operations, cash flows and financial condition of the Company.

The market price of the shares of Cesynt could fall if any of these risks were to materialize, in which case investors could lose a part or all of their investment.

The Company considers that as of the date of this Information Document, there are no significant risks other than those presented in this section. Investors should note, however, that the list of risks and uncertainties described below is not exhaustive. Risks or uncertainties that are unknown or whose realization is not considered likely to have a material adverse effect on the Group, its business, results of operations, cash flows, financial condition or prospects, as of the date of this Information Document, may exist or become significant factors that could have such a material adverse effect.

4.1 RISKS RELATED TO THE COMPANY BUSINESS AND INDUSTRY

Market adoption of cloud-based learning solutions is relatively new and unproven and may not grow as the Company expects, which may harm its business and results of operations and even if market demand increases, the demand for the Company's platform may not increase.

The future success of the Company depends on the increase in demand for cloud-based learning management solutions.

The increase in the use of the Company's services depends not only on the demand for new forms of learning management solutions, but also on the appetite for learning management solutions delivered via Software-as-a-Service or SaaS solutions.

The market for cloud-based learning solutions is less mature than the market for in-person learning solutions, which many businesses currently use, and these businesses may be slow or unwilling to migrate from their consolidated approach. As such, it is difficult to predict (i) new customers' demand for the Company's services, (ii) the rate at which existing customers intend to increase their use of the Company's services and (iii) the size and growth rate of the market for learning management services. Furthermore, even if businesses are willing to adopt a cloud-based technology learning solution, it may take them a long time to realize a full transition to this type of learning solution or such transition may be delayed due to budget constraints, weakening economic conditions or other factors. Some businesses may also have long-term contracts with existing providers and are therefore prohibited or discouraged from terminating or ceasing them in the short term. Even if market demand for cloud-based technology learning solutions should increase, the Company cannot assure that the use of its services will also increase. If the market for cloud-based technology learning solutions does not grow as expected or the Company's services are not widely adopted, this may result in reduced customer spending, customer attrition, and decreased revenue, any of which would adversely affect the Company's business and results of operations.

If the Company is not able to develop new services' features that respond to the needs of its customers, the business and results of operations would be adversely affected.

The Company cannot assure that any future features or enhancements that it develops will be successful. The success of any enhancement or new feature depends on several factors, including its understanding of market demand, timely execution, successful introduction and marketing as well as market acceptance. The Company may not successfully develop new features or enhance existing services to meet customers' needs or such new features and enhancements may not achieve adequate acceptance in the market. Additionally, the Company may not sufficiently increase its revenue to offset the upfront technology, sales and marketing costs as well as other expenses the Company incurs in connection with the development of new services or with the enhancement of existing ones. Any of the foregoing may adversely affect the Company's business and results of operations.

The market in which Cesynt participates is competitive, and if the Company does not compete effectively, results of operations could be harmed.

The market for professional skill development is highly competitive, rapidly evolving and fragmented, and competition is expected to continue to increase in the future. A significant number of companies have developed, or are developing, products and services that currently, or in the future may, compete with the Company's offerings or be of better quality. This competition could result in decreased revenue, increased pricing pressure, increased sales and marketing expenses and loss of market share, any of which could adversely affect the Company's business and results of operations.

Many of the Company's competitors and potential competitors are larger and have greater brand and/or name recognition, longer operating histories, larger marketing budgets and established customer relationships, access to larger customer bases, and significantly greater resources for the development of their solutions. In addition, the Company faces potential competition from participants in adjacent markets that may enter Cesynt's markets by leveraging related technologies and partnering with or acquiring other companies, or providing alternative approaches to provide similar results. The Company may also face competition from companies entering the market, including large technology companies that could expand their offerings or acquire one of Cesynt's competitors. While these companies may not currently focus on the e-learning market, they may have significantly greater financial resources and longer operating histories than Cesynt does. As a result, competitors and potential competitors may be able to respond more quickly and effectively than Cesynt can to new or changing opportunities, technologies or customer requirements. Further, some potential customers, particularly large corporates, may elect to develop their own internal solutions that address their learning management needs. The ability to compete is also subject to the risk of future disruptive technologies. If new technologies that emerge are able to deliver skill development solutions at lower prices, with greater feature sets, more efficiently, or more conveniently, such technologies could adversely impact the Company's ability to compete. With the introduction of new technologies and market entrants, competition is expected to intensify in the future. Some of the Company's principal competitors offer their solutions at a lower price or for free, which may result in pricing pressures on Cesynt. If the Company is unable to maintain pricing levels and competitive differentiation in the market, the Company's business and results of operations would be negatively impacted.

4.2 RISKS RELATED TO THE ISSUER

If for any reason the Company is not able to develop enhanced and new features, keep pace with technological developments or respond to future disruptive technologies, Cesynt business will be harmed.

The Company's future success will depend on its ability to adapt and innovate. To attract new customers and increase revenue from existing customers, the Company will need to continuously enhance and improve its services and introduce new features. The success of any enhancement or new feature depends on several factors, including completion, introduction and market acceptance. If Cesynt is unable to successfully develop or acquire new features or enhance existing services to meet customers' needs, the Company's business and results of operations could be adversely affected.

In addition, since the Company's products are designed to operate on a variety of network, hardware and software platforms using internet tools and protocols, the Company will need to continuously modify and enhance products to keep pace with changes in internet related hardware, software, communication, browser and database technologies. If Cesynt is unable to respond in a timely and cost-effective manner to these rapid technological developments, Cesynt's services may become less marketable and less competitive or obsolete and operating results may be negatively impacted. Finally, the Company's ability to grow is subject to the risk of future disruptive technologies. If new technologies emerge that are able to deliver LMS products and services at lower prices, more efficiently or more conveniently, such technologies could adversely impact the Company's ability to compete.

<u>Failure to effectively expand Company's sales and marketing capabilities or to select appropriate marketing channels could harm Company's ability to increase customer base and achieve broader market acceptance of its services.</u>

The Company's ability to enlarge its customer base and achieve a broader market acceptance of its services will depend, to a significant extent, on the ability of its sale and marketing departments to work together and efficiently and effectively promote and stimulate customers' and partners' relationships as well as the sale of the Company's products. The Company has invested in, and plans to continue in expanding, its sales and marketing departments. Identifying, recruiting and training sales and marketing personnel will require significant time, expenses and attention. If the Company is unable to hire, develop and retain talented sales or marketing personnel, if new sales or marketing personnel are unable to achieve desired productivity levels in a reasonable period of time, or if the Company fails to select appropriate marketing channels and its sales and marketing programs are not effective, the Company's ability to broaden its customer base and achieve broader market acceptance of its services could be harmed.

<u>If the Company fails to effectively manage its growth, business and results of operations could be harmed.</u>

The Company has experienced, and may continue to experience, rapid growth and organizational change, which has placed, and may continue to place, significant demands on management and administrative, operational and financial resources. Cesynt plans to expand operations into other countries in the future, which will place additional demands on resources and operations. To support this growth, and to manage any future growth effectively, the Company must continue to improve IT and financial infrastructures, operating and administrative systems, and ability to manage headcount, capital, and internal processes in an efficient manner. As the Company continues to grow, so does the size of its customers. The increased resources required to service these relatively large customers may cause Cesynt to divert resources away from existing customers, which may have an adverse impact on ability to maintain existing customers and results of operations. The Company's organizational structure is also becoming more complex as operational, financial, and management infrastructure is growing and the Company must continue to improve its internal controls as well as reporting systems and procedures. Cesynt intends to invest to expand its business, including investing in technology and sales and marketing operations, hiring additional personnel, improving internal controls, reporting systems and procedures, and upgrading its infrastructure. These investments will require significant capital expenditures and the allocation of management resources, and any investments the Company makes will occur in advance of experiencing the benefits from such investments, making it difficult to determine in a timely manner if the Company is efficiently allocating its resources. If Cesynt does not achieve the benefits anticipated from these investments, or if the achievement of these benefits is delayed, results of operations may be adversely affected.

If the Company fails to retain key employees or to recruit qualified technical and sales personnel, its business could be harmed.

Cesynt believes that its success depends on the continued employment of senior management and other key employees. In addition, because the Company's future success is dependent on its ability to continue to enhance its existing services and introduce new services' features, the Company is heavily dependent on its ability to attract and retain qualified personnel with the requisite education, background, and industry experience. As Cesynt expands its business, the Company's continued success will also depend, in part, on the ability to attract and retain qualified sales, marketing, and operational personnel capable of supporting a larger and more diverse customer base. The termination of the employment relationships with a significant number of Company's technology or sales personnel could be disruptive to the Company's development efforts or customer relationships. In addition, if any of the key employees joins a competitor or decides to otherwise compete with the Company, Cesynt may experience a material disruption of operations and business strategy, which may cause Cesynt to lose customers or increase operating expenses and may divert Company's attention as it will be necessary to recruit replacements for the departed employees.

The Company management team has limited experience in managing a listed company.

No members of Cesynt management team have experience in managing a publicly-traded company, interacting with public company investors, and complying with the increasingly complex laws and regulations pertaining to public companies. Cesynt management team may not successfully or efficiently manage the transition to a public company status that is subject to significant regulatory oversight and reporting obligations as set forth under the applicable securities laws and the continuous scrutiny of investors. These new obligations will require significant attention from Cesynt senior management and could divert their attention away from the day-to-day management of business, which could harm Company's business, financial conditions and results of operations.

The recent rapid growth makes it difficult to evaluate future prospects and may increase the risk that the Company will not continue to grow at or near historical rates.

Cesynt has grown rapidly over the last years, and as a result, its ability to forecast future results of operations is subject to a number of uncertainties. Any predictions about the Company's future revenues and expenses may not be as accurate as they would be if Cesynt had a longer history of high sales or operated in a more predictable market. The Company has encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If management assumptions regarding these risks and uncertainties, which the Company uses to plan and operate its business, are incorrect or change, or if the Company does not address these risks successfully, results of operations could differ materially from expectations, growth rates may slow, and business would suffer.

If the Company fails to meet the expectations of investors, stock price and the value of the investment could decline.

The Company's financial results in any one year should not be relied upon as indicative of future performance. The Company may not be able to accurately predict future billings, revenues or results of operations. Factors that may cause fluctuations in results of operations include, but are not limited to, those listed below:

- fluctuations in the demand for services, and the timing of sales;
- ability to attract new customers or retain existing customers;
- the budgeting cycles and internal purchasing priorities of customers;
- ability to anticipate or respond to changes in the competitive landscape, including consolidation among competitors;
- the timing of expenses and recognition of revenue;
- the amount and timing of operating expenses related to the maintenance and expansion of the business, operations, and infrastructure;
- the timing and success of new product feature and service introductions by the Company or competitors;
- network outages or actual or perceived security breaches;
- changes in laws and regulations that impact the Company's business; and
- general economic and market conditions.

If the Company's billings, revenue or results of operations fall below the expectations of investors in a particular year, or below any guidance that the Company may provide, the price of the shares could decline.

If Cesynt's security measures are breached or unauthorized access to customer data is otherwise obtained, its services may be perceived as insecure, and the Company may lose existing customers or fail to attract new customers, reputation may be harmed, and the Company may incur significant liabilities.

Unauthorized access to, or other security breaches of (including malware attacks), systems or networks used in the Company business, including those of the Company's vendors, contractors, or those with which the Company has strategic relationships, could result in the loss, compromise or corruption of data, loss of business, reputational damage adversely affecting customer or investor confidence, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws or regulations, significant costs for remediation, and other liabilities. Further, an actual or perceived security breach affecting one of the Company's competitors or any other company that provides hosting services or delivers applications similar to the Company's one, even if no confidential information of Cesynt's customers is compromised, may adversely affect the market perception of the Company's security measures and the Company could lose potential sales and existing customers.

4.3 RISKS RELATED TO THE SHARES

There has been no prior public trading market for the Shares, and an active trading market may not develop or be sustained following the Listing.

Cesynt has applied to list its Shares on Euronext Access+.

Prior to the admission to trading on Euronext Access+, there has been no public market for the Shares and, after the Listing, there can be no guarantee that an active trading market will develop or, if such market develops, that it will persist. The Listing Price has been determined on the basis of an evaluation report prepared by the Listing Sponsor and is not an indication of the market price of the Shares following their admission to trading on Euronext Access+, which may vary substantially from such price.

If a liquid trading market does not develop or, if developed, is not maintained, the liquidity and the price of the Shares may be adversely affected.

The Company's management is not able to predict at what price the Shares will trade and there can be no assurance that an active trading market will develop after the Listing or, if developed, that such a market will be sustained at the price level of the Listing. The Company is not in the position to guarantee to the investors that the market price of its Shares will trade at or above the price level of the Listing. Accordingly, an investment in the Shares is suitable solely for investors able to bear risk.

The price of the Shares may be volatile and may decline regardless of Cesynt's operating performance.

The market price of the Shares may be affected by high level of volatility.

As a result of this potential volatility, Shareholders may not be able to sell their Shares at or above the initial Listing Price. The market price of the Shares may fluctuate significantly in response to several factors, many of which are beyond the Company's control, including, among others:

- actual or anticipated fluctuations in Company's revenue and other results of operations, including as a result of the addition or loss of any number of customers;
- announcements by the Company or its competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- the financial projections that the Company may provide to the public, any changes in these projections, or Company's failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of the Company, changes in ratings and financial estimates and the publication of other news by any securities analysts who follow the Company, or Company's failure to meet these estimates or the expectations of investors;
- the size of Cesynt's free-float;
- price and volume fluctuations in the trading of the Shares and in the overall stock market, including as a result of trends in the economy as a whole;
- new laws or regulations or new interpretations of existing laws or regulations applicable to the Company's business or industry, including data privacy, data protection, and information security;

- lawsuits threatened or filed against the Company for claims relating to intellectual property, employment issues, or otherwise;
- changes in the Company's Board of Directors or key management;
- other events or factors, including changes in general economic, industry, and market conditions, and trends, as well as any natural disasters, which may affect Company's operations.

<u>Future sales of Shares by existing Shareholders could cause the price of Shares to decline.</u>

The sale of a substantial number of Shares by existing Shareholders in the public market could occur at any time with reference to Class-B Shares and following the expiry of the lock-up period described under Paragraph 13.2.3 (*Description of rights, privileges and restrictions attached to each class of Shares*) with reference to Class-A Shares. If Shareholders sell, or the market perceives that Shareholders intend to sell, substantial amounts of Shares in the public market following the Listing, the market price of Shares could decline.

<u>The issuance of additional Shares in connection with financings, acquisitions, investments, our equity incentive plans, or otherwise will dilute the current Shareholders. The acquisition of debt financing may impose restrictive covenants and will result in interest payment obligations.</u>

The Company may seek to raise financing to fund future acquisitions or other growth opportunities by issuing additional equity or convertible equity securities. As part of its business strategy, the Company may acquire or make investments in companies, products or technologies and issue equity or convertible securities to pay for any such acquisition or investment.

Any such issuances of additional Shares may cause Shareholders to experience significant dilution of their ownership interests and the per share value of our Shares to decline.

The Company may also raise capital through equity financings in the future. Any additional capital raised through the sale of equity or convertible securities may dilute the then existing Shareholders' ownership in the Company and Shareholders could be asked in the future to approve the creation of new equity securities which could have rights, preferences and privileges superior to those of the Shareholders.

Conversely, capital raised through debt financing would require the Company to make periodic interest payments and may impose restrictive covenants on the conduct of the business. Furthermore, additional financings may not be available on terms favourable to the Company, or at all. A failure to obtain additional funding could prevent Cesynt from making expenditures that may be required to implement the Company's growth strategy and grow or maintain the Company's operations.

<u>There are no guarantees the Company will pay dividends following the Listing.</u>

The Company's ability to pay dividends on Shares may be restricted by the terms of any future debt incurred or preferred securities issued by the Company or law. Payments of future dividends, if any, may be proposed by the Company's Board of Directors to the approval by the Shareholders' meetings after taking into account various factors, including Cesynt's business, financial conditions, results of operations, current and anticipated cash needs, plans for expansion and any legal or contractual limitation on the Company ability to pay dividends. There can be no assurance that, in the future, the Company will be in a position to make dividend payments.

Shareholders will have limited control over Company's operations.

Shareholders will have limited control over changes in Company's policies and operations, which increases the uncertainty and risks of an investment in the Company. The Board of Directors and the Company's management will determine major policies, including policies regarding financing, growth and debt capitalization. Generally, the Board of Directors may amend or revise these and other policies without a vote of the Shareholders. Shareholders will only have a right to vote in the circumstances described under Paragraph 13.2.5 (*Description of the conditions for convening annual general meetings and extraordinary meetings, including the conditions of admission*) of this Information Document. The Board of Directors' broad discretion in introducing or amending policies and the limited ability of holders of Shares to exert control over those policies increases the uncertainty and risks of an investment in the Company.

In addition to the above, Ms. Donatella Miele owns and controls 54.58% (fifty four point fifty eight) of the voting power attached to the outstanding voting Shares (please see Paragraph 11.1 (*Main Shareholders*) of this Information Document). Therefore, Ms. Donatella Miele retains significant influence with respect to each matter submitted to the ordinary and extraordinary Shareholders' meetings, including, *inter alia*, the election and removal of directors and certain amendments to the By-Laws.

4.4 RISKS RELATED TO LEGAL AND REGULATORY FRAMEWORK

Privacy, data protection, and information security concerns, and data collection and transfer restrictions and related domestic or foreign regulations, may limit the use and adoption of Company's services and adversely affect its business.

Company's services involves the storage, transmission and processing of data from customers, including certain personal data or individually identifying information. Personal privacy, information security and data protection are therefore significant issues. The regulatory framework governing the collection, processing, storage and use of business and private information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations and/or contractual obligations may adversely affect the Company's business.

The GDPR took effect on 25 May 2018. The GDPR enhances data protection obligations of businesses and provides direct legal obligations for service providers processing personal data on behalf of customers, including the implementation of security measures and the record-keeping of personal data processing activities. Non-compliance with the GDPR can trigger fines of up to Euro 20 million or 4% of global annual revenues, whichever is higher. New laws, regulations and industry standards concerning privacy, data protection, and information security in the European Union are expected to be proposed and enacted. Cesynt cannot determine the impact such future laws, regulations and standards may have on its business. Such laws and regulations are often subject to differing interpretations and may be inconsistent among jurisdictions. These and other requirements could reduce demand for Cesynt's services, increase costs, impair ability to grow business, or restrict ability to store and process data or, in some cases, impact ability to offer services in some locations and may subject the Company to liability. Further, in light of new or modified laws and regulations, industry standards, contractual obligations, and other legal obligations, or any changes in their interpretation, the Company may find it necessary or desirable to fundamentally change business activities and practices or to expend significant resources to modify its services and otherwise adapt to these changes. The Company may be unable to make such changes and modifications in a commercially reasonable manner, or at all, and ability to develop new features could be limited. The costs of compliance with, and other burdens imposed, by laws, regulations, and standards may limit the use and adoption of, and reduce overall demand for, the Company's services, or lead to significant fines, penalties, or liabilities for any non-compliance.

Regulatory requirements placed on the Company's services could impose increased costs on the Company, delay or prevent introduction of new products and services, and impair the function or value of existing products and services.

The Company's services are currently subject to various regulatory requirements. For example, the Company may be subject to anti-spam laws, regulations and policies. The Company's business may become subject to increasing regulatory requirements, and as these requirements proliferate, the Company may be required to change or adapt its products and services to comply. Changing regulatory requirements might render Cesynt's products and services obsolete or might block the Company from developing new products and services. This might in turn impose additional costs upon the Company to comply or to further develop products and services. It might also make introduction of new products and services more costly or more time-consuming than the Company currently anticipates and could even prevent the introduction of new products or services or cause the continuation of existing products or services to become more costly. Accordingly, such regulatory requirements could have a material adverse effect on the Company business, financial condition, and results of operations.

An assertion by a third-party that the Company is infringing its intellectual property could subject the Company to costly and time consuming litigation which could harm its business.

The Company's success depends in part upon not infringing the third-parties' intellectual property rights. However, Cesynt's competitors, as well as a number of other entities and individuals, may own or claim to own intellectual property relating to the Company's industry or, in some cases, technology.

The Company may actually be found in breach of any such rights. Any claims or litigation could cause Cesynt to incur significant expenses, and if successfully asserted against the Company, could require that Cesynt pays substantial damages, indemnifies its customers, obtains licenses, modifies products, or refund fees, any of which would deplete the Company's resources and adversely impact its business.

<u>From time to time, Cesynt may become defendant in legal proceedings for which the Company is unable to assess its exposure and which could result in significant liabilities in the event of an adverse judgment.</u>

From time to time in the ordinary course of its business, Cesynt may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on Company's business, results of operations or financial conditions.

<u>The Company's business could be adversely affected by changes in internet access for learners or laws specifically governing the internet.</u>

Cesynt's services depend on the quality of users' access to the internet. Certain features of Company's services require significant bandwidth to work effectively. Internet access is frequently provided by companies that have significant market power and could take actions that degrade, disrupt, or increase the access costs to the Company's services, which would negatively impact its business. Cesynt could incur greater operating expenses and ability to acquire and retain customers could be negatively impacted if network operators:

- implement usage-based pricing;
- materially change their pricing rates or schemes;
- charge Cesynt to deliver traffic at certain levels or at all;
- throttle traffic based on its source or type;
- implement bandwidth caps or other usage restrictions; or
- otherwise try to monetize or control access to their networks.

As the internet continues to experience growth in the number of learners, frequency of use, and amount of data transmitted, the internet infrastructure that the Company and users rely upon may be unable to support the demands placed upon it. The failure of the internet infrastructure that the Company or users rely upon, even for a short period of time, could undermine the Company's operations and harm its results of operations.

In the future, providers of internet browsers could introduce new features that would make it difficult for customers to use Cesynt's services. In addition, internet browsers for desktop, tablets or mobile devices could introduce new features, change existing browser specifications such that they would be incompatible with Cesynt services. Any changes to technologies used in Cesynt's services, to existing features that the Company relies on, or to operating systems or internet browsers that make it difficult for customers to access the services may make it more difficult for the Company to maintain or increase revenues and could adversely impact business and prospects.

In addition, there are various laws and regulations that could impede the growth of the internet or other online services, and new laws and regulations may be adopted in the future. These laws and regulations could, in addition to limiting internet neutrality, involve taxation, tariffs, privacy, data protection, information security, content, copyrights, distribution, electronic contracts and other communications, consumer protection, and the characteristics and quality of services, any of which could decrease the demand for, or the usage of, Cesynt's services. Legislators and regulators may make legal and regulatory changes, or interpret and apply existing laws, in ways that require the Company to incur substantial costs, expose to unanticipated civil or criminal liability, or cause to change business practices. These changes or increased costs could materially harm the Company's business, results of operations, and financial conditions.

5. INFORMATION ON THE ISSUER

5.1 HISTORY AND DEVELOPMENT OF THE ISSUER'S ACTIVITY

5.1.1 Company legal name

The Company's legal name is Cesynt Advanced Solutions S.p.A. or, in short form, C.A. Esse S.p.A.

5.1.2 Company's business register and registration number

The Company is registered within the Companies' Register of Rome (*Registro delle Imprese di Roma*) under no. 10945931003, REA – RM1266481. The updated extract from Companies' Register of Rome is hereby attached under Annex 1.

The LEI Code of the Company is 815600848F7C25869F28.

5.1.3 Company's date of incorporation

The Company was incorporated on 14 April 2010.

The duration of the Company is set until 31 December 2100 and may be extended or reduced if so resolved upon by way of a Shareholders' resolution.

5.1.4 Domicile and legal form, legislation applicable to the Issuer, country of incorporation and registered office

Cesynt's registered office and operative headquarter is located in Rome (RM), via Guido de Ruggiero, 71 – 00142, Italy. The Company has a second office located in Oria (BR), Vico Latiano, 7 – 72024, Italy.

The Issuer is a company limited by shares incorporated under the laws of the Republic of Italy.

The contact details of the Company are the following:

Phone no.: +39 06 92937611

Fax no.: +39 06 8928 1019

Website: https://www.cesyntas.com/

Email: info@cesynt.it

Certified Email: ciaesse@pec.it

5.1.5 Development of the Issuer's activity

The Company was established in 2010 and, in its first years of activities, has operated in the consultancy services' industry, with a particular focus on the banking sector.

Due to the changing regulation in the financial sectors and the consequent impacts on banks and regulated financial entities, the consultancy services in the banking sector have gradually become a negligible percentage of the entire business of the Company.

Anticipating this market trend, Cesynt has amended its business model, moving from being a company that generated 90% of its revenues from consultancy services and 10% of its revenues from software products, to a company that generates 90% of its revenues by selling software and related services and just 10% of its revenues providing consultancy services.

During the first years of its activities, the Company developed MelaBank, a software which analyses, on an automated basis, bank accounts costs, and MelaMutui, a software which analyses, on an automated basis, loans costs. The experience gained in the development of such software solutions allowed Cesynt to implement the necessary R&D activities for the development of iSkilled®, the commercial brand related to the learning products and services for companies, professionals, individuals and educational bodies, currently marketed by Cesynt.

Today, Cesynt is an innovative SME, leader in the field of the professional training (e-learning) and continuous professional development (CPD).

5.2 INVESTMENTS

The following table presents an overview of certain of the Company's non-current assets at net book value as of 31 December 2018 and 31 December 2019:

	2019	2018
Intangible assets	**540,894**	**404,526**
Software	371,356	371,356
Other intangible assets	169,539	33,170
Property, Plant and Equipment	**5,967**	**5,681**
Other properties	5,967	5,681
Other non-current assets	**7,850**	**7,850**
Total non current assets	**554,711**	**418,056**

On the basis of the financial statements:

- Non-current assets increased from Euro 418,056 as of 31 December 2018 to Euro 554,711 as of December 31, 2019;
- Other intangible assets increased from Euro 33,170 as of 31 December 2018 to Euro 169,539 as of 31 December 2019 and represent prepaid costs with impacts over several years;
- Properties, plant and equipment remained stable with an amount of Euro 5,681 as of 31 December 2018 as compared to Euro 5,967 as of 31 December 2019 and mainly includes IT and other office equipment;
- Other non-current assets remained unchanged with an amount of Euro 7,850 and mainly includes guarantee deposits.

The following table presents an overview of the Company's investments in non- current assets as of 31 December 2019 and 31 December 2018:

	2019	2018
Investments in Property, Plant and Equipment	1,703	0
Investments in Intangible Assets	136,369	313,922
Investments in other non-current assets	0	5,000

As of 31 December 2019, only limited investments were made and related to prepayment of costs for Euro 136,369 and to IT and office equipment for Euro 1,702.

As of the date of this Information Document, the Company has not committed to any significant future investments.

6. DESCRIPTION OF ACTIVITIES

6.1 MARKET OVERVIEW AND COMPETITIVE POSITIONING

6.1.1 **Markets' overview**

The Company mainly operates in the market of training courses and, in particular, in the offer of e-learning solutions for professionals, workers and for general use.

As the labour market continues to evolve and gaps in the skills of the workforce increase, professional bodies and companies are increasingly looking to adopt innovative and non-traditional learning technologies and tools, to narrow such gaps and mitigate the operational risks associated with an underperforming, disengaged and uninformed workforce.

E-learning market can be divided into 2 (two) main business lines:

(i) e-learning courses that may be (a) broadcasted "live" or (b) registered and then made available upon demand 24/h. Such courses may be either of (1) general nature and accessible by the general public or (2) tailor-made and bespoke to satisfy the continuous professional development's requirements ("**CPD**") for professionals. CPD refers to the process of developing, tracking and documenting the skills, knowledge and experience that professionals gain during their work activities. The CPD process helps professionals to manage their continuous education on an ongoing basis;

(ii) learning management systems ("**LMS**"), which are software that allow to create, centralize, implement and manage platforms that provide training programmes. More precisely, programs for:

- **Staff training**: an LMS can be applied to support internal staff training and educational growth. Indeed, it is possible to create an *ad-hoc* and tailor-made educational pathway, by assigning individual courses to the workforce in order to, *inter alia*, build new skills, gain information on new products and receive updates on compliance training;
- **Customer training**: an LMS can also be used to provide training to external clients and customers;
- **Partner training**: an LMS can foster and facilitate the creation and effective application of a common background and cultural environment within partnerships or retailers' structures and channels.

The Company also operates in additional and less relevant markets like the provision of consultancy services mainly in relation to banking agreements and related economic conditions. In particular, these services relate to the assessment of banking customers ongoing contracts and their economic conditions, in order to propose corrective actions to reduce costs for the customers. In order to carry out the cost assessment for the customers of the consulting business, the Company has developed the following software: MelaBank and MelaMutui which allow the analysis and comparison of the economic conditions and related costs applied to bank accounts and loan agreements by banks and other credit institutions. As additional activity, the Company also licence this software to third-party customers.

6.1.2 Market trends

Cesynt mainly focuses on e-learning solutions, to be exclusively offered via internet. According to Gartner Research and Technavio, 37% (thirty-seven per cent.) of education and new skills acquired by professionals and employees has been learnt and acquired through online, on-demand and self-direct services and products.

E-learning and CPD's market

From a recent Reuters' research, CPD's e-learning market accounts, on a global scale, for a global income of USD 680 billion, having recorded a compound annual growth rate of 7.6% (seven point six per cent.) since 2011.

In Italy, Cesynt's main market, the CPD's target market counts over 2,200,000.00 (two million and two hundred thousand) experts which need continuous education and training, according to the Italian mainstream newspaper "*La Repubblica*":

- 973,000.00 (nine hundred and seventy-three thousand) people part of the healthcare sector (*e.g.* doctors, biologists, pharmacists, etc.);
- 745,000.00 (seven hundred and forty-five thousand) people part of the technology sector (*e.g.* engineers, architects, surveyors, etc.); and
- 490,000.00 (four hundred and ninety thousand) people part of the economic-social-legal sectors (*e.g.* lawyers, accountants, career counsellors, etc.).

LMS' market

According to Reports Monitor (2018) ([1]), the LMS worldwide market accounts for USD 5 (five) billion, a number that still represents a relatively small fraction of the overall e-learning market but that shows a higher growth rate compared to other segments of the same market. Indeed, the expected compound annual growth rate for the LMS market is in the region of 21% (twenty-one per cent.) and is due to reach an overall value of USD 15 (fifteen) billion.

Management field studies ([2]) estimate a potential market of 210 (two hundred and ten) million users in Europe, of which more than 30 (thirty) million in Italy, 500 (five hundred) million in Spanish speaking countries and 1 (one) billion users in English speaking countries.

6.1.3 Competitive positioning

E-learning and CPD's market

[1] Source: Reuters, 2018.

[2] Source: Reuters and Gartner, 2018.

The e-learning market is very fragmented in Italy. Moreover, the CPD's segment is closely linked and tied to local professional bodies. Currently, the Company's operations are exclusively concentrated in the Italian market and the main competitors of the Issuer are:

- Euroconference, which exclusively focuses on training courses for chartered accountants;
- Il Sole24Ore, which offers an extensive catalogue of different educational areas but very few training courses available for each of them;
- Unione Professionisti, which adopts a generalist approach but has a much smaller offering. The Company has a strategic partnership with Unione Professionisti through which they exchange training courses to be offered on the relevant platforms.

Cesynt's key competitive advantages are the high level of efficiency and performance in developing, creating and producing training courses. In particular, the Company is able to produce a 1 (one)-hour course with a 2 (two)-hour work, while the competitors typically require 2 (two)-3 (three) days of work to produce similar courses. This efficiency allows Cesynt, on one side, to grow and enlarge its catalogue faster and at a lesser cost and, on the other side, to be able to price its courses well below the competitors'.

Cesynt is registered within the Italian Ministry of Justice and with several Italian professional associations as an accredited supplier for the recognition of CPDs. Such registration has no termination date provided that the Company continues to satisfy and maintains all the necessary requirements.

LMS' market

The LMS market is mainly directed to corporate clients.

There are currently over 700 (seven hundred) online training software on the market, but only a few of them are platforms capable of adapting to the specific needs of their clients' organizations.

Cesynt main global competitor are Ilias, Chamilo, Sakai, Claroline, Atutor, Moodle and Docebo. However, as indicated in the table below, all the main competitors lack certain features that are, on the contrary, available on the Company platform (iSkilled®).

	ILIAS	CHAMILO	SAKAI	CLAROLINE	ATUTOR	MOODLE (open source)	DOCEBO (SAAS)	ISKILLED (SAAS)
Facial recognition	no	no	no	no	no	no	no	yes
Multiplatform	yes	yes	yes	yes	yes	yes	yes	yes
Multilanguage	yes	yes	yes	yes	yes	yes	yes	yes
Full Responsive	no	yes	no	no	yes	no	yes	yes
User Experience	no	no	no	no	no	no	no	yes

Website guided creation	no	no	no	no	no	no	yes	yes
Course creation wizard	no	no	no	no	no	no	no	yes
Automatic video compression on server side	no	no	no	no	no	no	no	yes
HPS streaming	no	no	no	no	no	no	no	yes
Editor WYSIWYG quiz	no	yes	no	no	yes	yes	yes	yes

Cesynt's iSkilled® is currently the most advanced and innovative LMS on the Italian market, where the main competitor is Docebo, enabling Cesynt to have a unique competitive advantage and positioning vis-à-vis its competitors.

A clear example of this technology advantage, in comparison to iSkilled® competitors, is the Biometrics feature (*i.e.* users' facial recognition). This feature has a double completive advantage:

a) certainty of user identification and, therefore, confirmation that the specific person is actually attending the lesson;

b) impossibility of fraudulent use of the courses. While "traditional" e-learning courses can be used by anyone, just by logging-in with the related user ID, biometric technology is able to track if the registered user is effectively attending the lesson; in case of absence of the user, the lesson will not continue.

Other types of competitive advantages to iSkilled® are:

- the immediate activation of the service: iSkilled® software allows users to create and activate an e-learning platform very fast (about half working day);
- no need for trained personnel: to activate and manage the service/courses, users need only to know how to navigate on the internet;
- high performance streaming capability: through this feature, videos' uploading timing and bugs are eliminated;
- the possibility to provide both live and on-demand learning courses.

6.2 BUSINESS DESCRIPTION

The Company's business model is focussed on 2 (two) main pillars: (i) the creation, promotion and offer of on-line training courses, especially in relation to the continuous professional development (*i.e.* CPD) as well as (ii) the development and offer of learning management systems (*i.e.* LMS).

Additional residual activities include (a) consultancy services and (b) the licencing of MelaBank's and MelaMutui's on-line applications.

The distribution model for both the abovementioned pillars is based on the use of software, accessible via internet, on a broad range of different devices: personal computers, smartphones, tablets (*i.e.* IOS, Android).

More precisely, the on-line training courses' business is carried out through the development and management of *ad-hoc* training websites, namely *formazioneprofessionista.it* and *banex.it*.

The LMS' business is carried out through the development and licencing of iSkilled® to business customers.

Cesynt's products and services are designed to meet and satisfy the needs of a broad range of customers: (i) companies or organisations that need to have internal training for employees and staff; (ii) private e-learning operators, interested in offering training courses at a reduced cost; and (iii) professionals that need to continuously update their professional qualifications and education.

6.2.1 **Products and Services**

As described above, the products and services offered by Cesynt can be summarized as follows:

- on-line training courses, with a specific focus on CPD courses, offered via the websites formazioneprofessionista.it and banex.it;
- LMS, offered through the software named iSkilled®;
- consultancy services and the on-line applications MelaBank and MelaMutui that represent a residual and less important part of the Company's business.

	2019	**%**
Sale of e-learning courses	613,340	80%
Thereof Formazioneprofessionista.it	*582,673*	*76%*
Thereof Banex.it	*30,667*	*4%*
iSkilled® Software licencing	46,000	6%
Consulting projects	76,667	10%
Other software revenues	30,658	4%
Total revenues	**766,665**	100%

On-line training courses

Cesynt offers 2 (two) different types of e-learning courses:

1. courses internally and directly created and developed by the Company, also through the support of well-known external speakers with a high-level of expertise in the different topics of the courses, such as university professors or academics. The external speakers record the

courses and then Cesynt's team takes care of the editing and distribution activities through its websites. On average, internally created courses account for 70-80% (seventy-eighty per cent.) of the sale of the Company in the on-line training courses' business;

2. courses created and developed by third parties, with which appropriate distribution agreements are in place, and then distributed by Cesynt through its websites.

As anticipated, on-line training course can be of general nature or can be tailored-made for the CPD of professionals.

More precisely, through the website formazioneprofessionista.it, Cesynt distributes CPD's e-learning courses dedicated to professionals who need to satisfy their mandatory CPD (*e.g.* lawyers, engineers, surveyors, architects, accountants, etc.). On the contrary, on banex.it, generalist courses are offered for users who do not need to satisfy any CPD requirement.

The courses are registered by experienced and well-known speakers. The Company then acquires the relevant copyrights and "creates", assembles and promotes the courses through its own internal staff according to quality criteria certified by the Ministry of Justice and professional associations.

E-learning courses created by the Company are valid for 1(one) year and are produced using the proprietary iSkilled® software.

The revenues coming from formazioneprofessionista.it are highly recurring in nature as, once accredited with a professional association, the Company is free to propose updated courses from year to year. The business relationships with the different professional associations are mainly based on trust for the professional competences of Cesynt in selecting and instructing the different professional speakers. Indeed, once a new course has been created, the Company proposes the scoring to be assigned to such course (based on its length) and the professional association validates the course and assign the relevant professional credits.

Trough banex.it, the Company offers multi-purpose training courses for general users.

LMS

iSkilled® is an online multiplatform that streamlines, and increases the efficiency of, training management activities offered by companies, organizations and institutions. iSkilled® products are able to satisfy the needs of a broad range of customers, as descried in the table below.

iSkilled® software is composed of 4 (four) different modules, suitable for every type of client's needs:

- iSkilled-pro®: a complete e-learning platform with the following features: site creation, user management with personal area(s) and e-learning lessons' management. This product is specifically designed for companies, organizations and institutions intending to provide internal training;
- iSkilled-creator®: a complete software for editing e-learning lessons with the following features: video, slides synchronized with video, texts and biometrics (facial recognition) and HPS (High Performance Streaming). This product is particularly suitable for companies, organisations or institutions wishing to create e-learning training events;
- iSkilled-modular®: the relevant modules allow to increase the functionalities of other LMS used by clients. The relevant modules, which can be sold individually or in bundles, are as follows: discount coupons, course deadline alerts, video format converting, slides converting and synchronization, teaching material management, payment management, automatic invoicing, certificate and diploma management. This product is particularly suitable for companies, organisations and institutions that already use a basic LMS;
- iSkilled-affiliate®: a complete software for editing e-learning lessons with the following features: site creation, user management with personal account area(s), e-learning lessons' management, e-commerce, smart cart, billing and all the iSkilled-modular® functions. This product is dedicated to companies, organisations and institutions that intend to produce and sell their own produced training. More precisely, the Company firstly provides the software that allows the creation of e-learning courses and the technical assistance necessary for affiliate companies to deliver the product on their own websites. If the affiliate companies produce or intend to produce their own courses and lessons, the software allows the distribution of the created courses and lessons on Cesynt's websites and marketplaces on a revenue share basis.

	iSkilled pro	iSkilled Affiliate	iSkilled Creator	iSkilled Modular
No entry-fee	√	√	√	√
No setup fee	√	√	√	√
Monthly fee	√ (Proportional to the number of released courses and active users)	√ (in percentage on sales)	√ (fixed)	√ (fixed)

iSkilled® software and modules are licenced out to customers who pay a monthly fee.

Generally the monthly fee is fixed, with the exceptions of (i) the iSkilled-affiliate® module, where Cesynt's revenues are based on a revenue share the content creator (*i.e.* Cesynt's client) generates on the platform selling its content to users interested in subscribing to them and (ii) the iSkilled-pro® module, where Cesynt's revenues are based on a monthly fee proportionate to the number of users and courses managed by the software.

Other ancillary products

Cesynt also promotes 2 (two) additional software and applications, named Mela-Bank and Mela-Mutui, which represent a residual source of income for the Company.

Such applications allow the analysis and comparison of the economic conditions applied, by banks and other credit institutions, to bank accounts and loan agreements.

In particular, the software compares the disclosed expenses and costs of a contract with those actually applied, highlighting any discrepancy and verifying compliance of such expenses and costs with the limits set forth by the applicable laws and regulations.

It is important to note that this is an ancillary and less-relevant business. In particular, the Company only serves its already existing clients and is considering winding the business down.

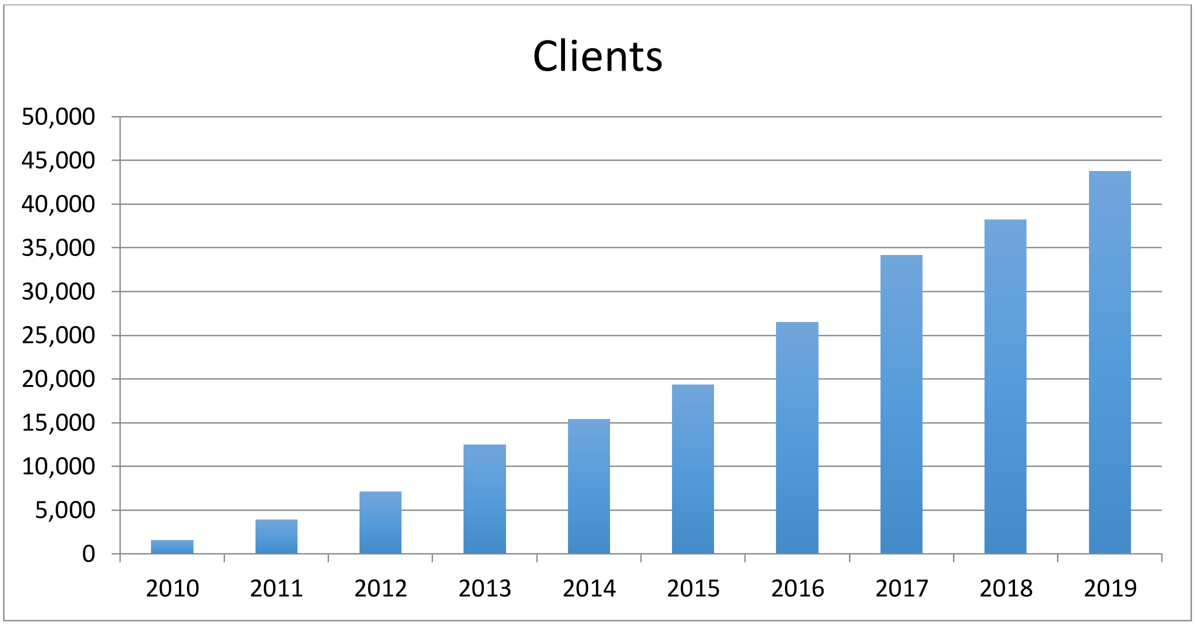
As per the consulting business, the business is being wound down with the last ongoing projects being concluded in the next 12 months. These projects are expected to post a negligible contribution to the future revenues of the Company.

6.2.2 **Business Model**

The services and products of the Company are designed for 2 (two) different categories of customers and, in particular:

- Business-to-customer ("**B2C**"): this line of business mainly relates to the offer of on-line training courses, and CPD's courses in particular, to (i) professionals and/or companies, organizations and institutions that need to comply with their mandatory continuous education obligations as well as (ii) other individuals for their own personal culture.
- Business-to-business ("**B2B**"): this line of business relates to the offer of LMS to organizations, companies and institutions that intend to create online training programmes for both internal use and external sale.

B2C clients represent the core customers' base of the Company, which currently has an active user base of more than 45,000 (forty-five thousand) users, who obtained more than 150,000 (one hundred and fifty thousand) certificates and related compulsory training credits.



The largest users' categories are represented by lawyers, engineers and architects. Each user pays a fee to access the online training courses needed: average revenue per user (ARPU) was equal to EUR 25 (twenty-five) in 2019.

The key factors to increase the Company's user base in this market are (i) the increase in the training courses' catalogue with the same professional associations, of which the Company is already a partner; and (ii) the increase in the number of partnerships with other professional associations (*e.g.* in 2020, the Company has commenced a partnership with the Chartered Accountants' association).

The B2B business line is based on the licensing of the LMS software and is the most recent focus of the company strategy.

As at 31 December 2019, the Company only had 5 (five) active iSkilled-pro® licenses and 15 (fifteen) clients of the iSkilled-affiliate® program.

As at the date of this Information Document, the number of iSkilled-pro® licenses has increased to 25 (twenty-five) whereas the number of iSkilled-affiliate®'s clients has increased to 50 (fifty).

The Company intends to dedicate substantial resources to grow the B2B business even if the B2C line of business will remain the main pillar of the business.

6.2.3 Strategy

The corporate development strategy aims to benefit from the significant expected growth of the e-learning industry that is expected to take place over the coming years, with specific reference to the LMS segment. In 2020, Cesynt started its expansion in the Spanish market as a first step to reach all Spanish speaking countries. Following the set-up of its operations in Spain, the Company's ambition is to expand its business across continental Europe and the United Kingdom.

The expected growth is underpinned by, and based on, the following strategies:

- *B2C market*: development of courses/contents for new professional categories to be achieved either through the self-production of contents or through external partnerships with dedicated content-creating companies. The development strategy is mainly linked to the conclusion of commercial agreements with organizations that have a top-notch expertise in specific training sectors. The Company's commercial proposition would be that Cesynt will provide the iSkilled® software to its partners for free, which will create and produce the contents at their own expenses. Once created, the contents will be converted by the partners into e-learning courses, which will be distributed jointly by the relevant partner(s) and Cesynt;
- *B2B market*: increase in the number of new customers, especially for the iSkilled-affiliate® and iSkilled-pro® modules. In this regard, a potential boost to the Company's business may be represented by the move to e-learning training courses by several organizations due to the so-called COVID-19 emergency. In the first six months of 2020, several new contracts were signed with private schools implementing e-learning tools for remote classes.

As a recent Harvard Business Review[3] article observed, COVID-19 is likely to result in a "changed world," that will create more demand for digital services (including online educational services). Such changes can be already noticed in the Company's positive sales results during the first part of the current year vis-à-vis the same period in 2019.

The COVID-19 lockdown measures have resulted in:

- a large increase in Cesynt's B2C turnover;
- a large increase in Cesynt's B2B contracts that will begin to generate turnover in the coming months.

Such positive results can be explained by the lockdown measures that have forced (i) people to remain at home for a long period of time, thus facilitating the access to online contents and (ii) companies and organisations to restructure their education programmes shifting towards online modalities.

[3] http://coronanepal.org/Areas/Report/Uploads/Files/c8c0a674-41f8-4774-bcb8-b90e05747499.pdf

Cesynt recognizes the importance of technological developments as one of its business's drivers and is therefore undertaking major efforts to develop new and advanced features for its LMS platform.

Recognizing the importance of technologic developments as a driver of the business Cesynt is undertaking a major effort to develop unique advanced features for its LMS platform.

The Company has planned to expand the features of its software to augmented reality, learning gamification, social learning, web radio services, web TV services, marketplace for associated companies.

The rationale in expanding in the learning gamification, augmented reality, web TV and radio is based on the idea of providing the users with the technologies and platforms needed to create their own contents in a very user friendly and cost-effective way.

For example, the development of technology for the gaming and the augmented reality services means:

- *Gamification:* the courses can be developed by using a gamification approach to content creation. Through gamification, users will be able to experience different and more engaging lessons;
- *Augmented Reality:* the courses are developed by inserting augmented reality contents. Users will be able to follow lessons with an advanced level of practical engagement, which is the current limit of e-learning courses.

6.3 EXCEPTIONAL EVENTS AFFECTING THE ISSUER'S BUSINESS OR THE MARKET IN WHICH IT OPERATES

As of the Date of the Information Document, no exceptional event has occurred that is likely to have affected or to affect the business of the Company.

6.4 CESYNT'S PATENTS AND TRADEMARKS

Cesynt protects its intellectual property rights through a combination of trademarks and trade secret laws as well as contractual provisions.

In 2015, the Company registered iSkilled® as a European trademark and in 2016 registered the ownership of the source code related to iSkilled® with the Italian Author and Editor Company (SIAE).

As described under Paragraph 6.3.2 (*Strategy*) above, the Company is focused on continuous improvement in existing learning platform (iSkilled®), as well as developing new product modules and features. In order to do so, the Company carries out a massive R&D activity whose costs are related to research and development team, consulting and professional fees and web hosting and software developing fees. Therefore, intangible fixed costs showed in the balance sheet are referred to software development costs.

7. GROUP STRUCTURE

7.1 DESCRIPTION OF THE GROUP TO WHICH THE ISSUER BELONGS

The Company is not part of a group.

For information concerning the composition of the Issuer's share capital, please refer to Paragraph 11.1 (*Main Shareholders*) of this Information Document.

7.2 SUBSIDIARIES AND INTERESTS OF THE ISSUER

As at the date of this Information Document, the Issuer does not hold equity interest.

8. ADMINISTRATION, MANAGEMENT AND SUPERVISION OF THE ISSUER

8.1 CORPORATE BODIES AND KEY MANAGEMENT PEOPLE

8.1.1 **Board of Directors**

As at the date of this Information Document, the Issuer is managed by a Board of Directors composed of 3 (three) members, appointed by way of a resolution of the ordinary Shareholders' meeting of the Company adopted on 9 March 2020. The Directors shall remain in office until the date of the Shareholders' meeting that shall be convened to resolve upon the approval of the financial statements related to the financial year ending on 31 December 2022.

NAME, SURNAME AND NATIONALITY	POSITION	PLACE OF BIRTH	DATE OF BIRTH
ARMANDO MIELE ITALIAN CITIZEN	CHAIRMAN AND MANAGING DIRECTOR	TARANTO (TA)	3 JANUARY 1955
MASSIMO LACCISAGLIA ITALIAN CITIZEN	MANAGING DIRECTOR	MILANO (MI)	26 DECEMBER 1947
GERARDA MILONE ITALIAN CITIZEN	DIRECTOR	FRANCAVILLA FONTANA (BR)	21 MARCH 1961

Furthermore, the ordinary Shareholders' meeting held on 9 March 2020 resolved upon the attribution of a monthly-fee remuneration of (i) Euro 2,000.00 (two thousand) to the member of the Board of Directors appointed as Chairman of the Company; (ii) Euro 1,000.00 (one thousand) to members of the Board of Directors granted with specific powers; and (iii) Euro 500.00 (five hundred) to members of the Board of Directors without specific powers. The Directors are also entitled to the reimbursement of the out-of-pocket expenses incurred during the performance of their duties.

Please find below a short *curriculum vitae* of each Director:

Armando Miele

Founder and Manager. He has worked for international companies operating in financial and banking fields and, in 2010, he founded Cesynt Advanced Solution S.r.l.

Armando has served as a contract professor at the University of Lecce and is author of several publications in the IT and financial fields. He has graduated in science of information (*scienze dell'informazione*) at the University of Pisa and holds a Master Degree in Business Management from Bocconi University in Milan.

Massimo Laccisaglia

Manager and Entrepreneur.

He has worked for international consulting companies, such as Mc Kinsey (from 1979 to 1981) and Arthur D. Little (from 1994 to 1998). During his career, he held top management positions in several Italian and international companies operating in different commercial sectors (Johnson Wax, Wisconsin (USA) from 1976 to 1978; R.J. Reynolds Tobacco International, Milan (Italy) from 1982 to 1988; Misal Arexons S.p.A., Milan (Italy) from 2001 to 2005).

He graduated in Business Economics at the Bocconi University in Milan (in 1972) and he holds a Master Degree in Business Administration from the University of Michigan, Ann Arbor, Michigan – USA (1976). He is also the Chairman of iRFK.

Gerarda Milone

After several work experiences in the planning and organization of activities of commercial entities operating in the Italian territory, in 2001, Gerarda started her consulting activity in the banking sector. She joined Cesynt in 2010 as an expert in banking advisory and, later, she became responsible for the Company's consultancy sector, coordinating marketing and production activities of Cesynt. She regularly attends as a speaker conferences and seminars on banking regulation.

In 2020, Gerarda was appointed as member of the Board of Directors of the Company.

Powers granted to the Board of Directors

The administrative body has the responsibility of the management of the Company and – within the limits provided for by the By-Laws and the applicable laws and regulations – is entitled to carry out the necessary activities and actions in order to achieve the Company's purposes. The administrative body is also responsible for the following matters:

a) the adoption of merger resolution in the cases referred to in Articles 2505 and 2505-*bis,* last paragraph, of the Italian Civil Code (such as merger of fully controlled companies or merger of ninety-percent controlled companies);

b) the establishment and cessation of secondary offices of the Company;

c) the attribution of the Company's legal representation to the members of the Board of Directors;

d) the adoption of resolution regarding the reduction of the share capital in the event of withdrawal of the Shareholders;

e) amendments to the By-Laws in order to comply with regulatory provisions enacted from time to time;

f) the transfer of the registered office to another municipality within the same province; and

g) the reduction of capital, if the capital is lost for more than a third of the total amount and the Company has issued Shares without nominal value.

According to Article 35 of the By-Laws, the Board of Directors may delegate part of its powers to one or more of its members, determining their powers and the relevant remuneration.

That said, the Board of Directors held on 9 March 2020, appointed (i) Mr. Armando Miele as Chairman and Managing Director of the Company, granting him, without any limitation, with the powers related to the ordinary and extraordinary administration of the Company and (ii) Mr. Massimo Laccisaglia as Managing Director of the Company, granting him with the powers necessary to develop the business strategy and coordinate the strategic advice provided by iRFK.

8.1.2 **Board of Statutory Auditors**

As at the date of this Information Document, the Board of Statutory Auditors of the Issuer is composed of 5 (five) members (3 (three) effective and 2 (two) alternate), appointed by way of a resolution of the ordinary Shareholders' meeting of the Company adopted on 24 October 2019. The Statutory Auditors shall remain in office until the date of the Shareholders' meeting that shall be convened to resolve upon the approval of the financial statements related to the financial year ending on 31 December 2021.

NAME, SURNAME AND NATIONALITY	POSITION	PLACE OF BIRTH	DATE OF BIRTH
GIOVANNI DELL'ABBATE ITALIAN CITIZEN	CHAIRMAN	BRINDISI (BR)	7 DECEMBER 1957
ORESTE PEPE MILIZIA ITALIAN CITIZEN	STATUTORY AUDITOR	BRINDISI (BR)	5 APRIL 1977
RITA SARACINO ITALIAN CITIZEN	STATUTORY AUDITOR	FRANCAVILLA FONTANA (BR)	8 MAY 1957
GAETANO CASO ITALIAN CITIZEN	ALTERNATE STATUTORY AUDITOR	BARI (BA)	23 SEPTEMBER 1964
ANTONIO CAROLI ITALIAN CITIZEN	ALTERNATE STATUTORY AUDITOR	MARTINA FRANCA (TA)	5 OCTOBER 1959

Furthermore, the ordinary Shareholders' meeting held on 24 October 2019 resolved upon the attribution of an annual compensation of (i) Euro 5,250.00 (five thousand two hundred and fifty) to the Chairman and (ii) Euro 3,500.00 (three thousand five hundred) to each Statutory Auditor.

8.1.3 **Key executives**

In addition to the members of the Board of Directors, directly involved in the operational activity of the Company, the Issuer can rely on a solid and highly qualified management team:

NELLO GALIANO

Chief Technology Officer, Technical Manager and Project Coordinator, he has been following the development of advanced software applications for years. In the last years, he has carried out several studies aimed at finding innovative and technologically advanced learning solutions.

MARIO MIELE

He is the Head of the Training courses sector and coordinates and manages relations with teachers, professional bodies and partner companies. He is responsible for the production of courses for professionals and for the granting of the relevant authorizations by the competent Authorities.

iRFK support to the management

The Company benefits from the collaboration with iRFK, which invests and holds investments in several companies operating in different business sectors with the aim to create entrepreneurial strategies contributing to increase the value of such companies over the mid-long term (to be intended as a five-to-eight-year period).

The Issuer is directly supported by Mr. Paolo Pescetto, who coordinates and manages the Company's strategies and the listing process for Euronext and by Mr. Massimo Laccisaglia, who has been appointed as member of the Board of Directors of the Company, with the duty to develop the business strategy and coordinate the strategic advice provided by iRFK.

At this stage, iRFK is coaching the management of the Company by sharing strategic methodologies and action plans, normally on commercial issues; this coaching activity aims to accelerate the business plan of the Company by transferring to the management all the necessary skills to speed-up the Company's growth.

8.1.4 Certain information regarding the members of Board of Directors, Board of Statutory Auditors and Key executives

In the last 5 (five) years, no members of the Board of Directors, Board of Statutory Auditors or Key executives were convicted of fraudulent offenses.

In the same period, none of the members of the Board of Directors, Board of Statutory Auditors nor Key executives were associated with any bankruptcy, receivership or liquidation procedure.

8.1.5 Founding partners

The Company was founded by Mr. Armando Miele, Mr. Donatella Miele and Mr. Nello Galiano in 2010 by way of a notarial deed executed by Public Notary, Ms. Vittoria Calvi (Ref. No. 123.846/14.849)

8.1.6 Relationship between the persons referred to in the preceding paragraphs

As of the date of the Information Document, there are no family relationships within the meaning of Book I, Title V of the Italian Civil Code between members of the Board of Directors and/or members of the Board of Statutory Auditors of the Company.

With reference to the key executives, it should be noted that Mr. Mario Miele and Mr. Armando Miele are brothers.

8.2 CONFLICTS OF INTEREST OF THE MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS AND KEY MANAGEMENT PEOPLE

To the Issuer's knowledge, except as described below, as at the date of this Information Document, none of the members of the Board of Directors, the Board of Statutory Auditors and/or the Company's key management is aware of any conflict of interest regarding the respective duties to the Company and their private interests and/or any other obligations.

However, it is not excluded that the following circumstances may give rise to conflicts of interest:

a) Mr. Armando Miele, Chairman and Managing Director, holds no. 163,762 (one hundred and sixty-three thousand and seven hundred and sixty-two) Class-B Shares, equal to 2.80% (two point eighty per cent.) of the share capital of the Company;

b) Mr. Nello Galiano holds no. 563,560 (five hundred and sixty-three thousand and five hundred and sixty) Class-A Shares and no. 364 (tree hundred sixty-four) Class-B Shares, equal to 9.66% (nine point sixty-six per cent.) of the share capital of the Company;

c) Mr. Mario Miele, a company employee, holds no. 56,575 (fifty-six thousand and five hundred and seventy-five) Class-B Shares, equal to 0.97% (zero point ninety seven per cent.) of the share capital of the Company;

d) Ms. Gerarda Milone, Senior Manager and member of the Board of Directors, holds no. 1,424 (one thousand and four hundred and twenty-four) Class-B Shares, equal to 0.02% (zero point zero two per cent.) of the share capital of the Company; and

e) Ms. Donatella Miele, daughter of Mr. Armando Miele, Chairman and Managing Director of the Company, holds no. 3,187,506 (three million and one hundred and eighty-seven thousand and five hundred and six) Class-A Shares equal to 54.58% (fifty-four point fifty-eight per cent.) of the share capital of the Company.

9. BOARD OF DIRECTORS PRACTICES

9.1 EXPIRY TERM OF THE OFFICE

The Board of Directors has been appointed by way of a resolution of the ordinary Shareholders' meeting of the Company adopted on 9 March 2020 and shall remain in office until the date of the Shareholders' meeting that shall be convened to resolve upon the approval of the financial statements of the Company for the financial year ending on 31 December 2022.

9.2 INFORMATION RELATING TO EMPLOYMENT CONTRACTS ENTERED INTO BY MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES WITH THE ISSUER OR ITS SUBSIDIARIES PROVIDING FOR SEVERANCE PAYMENTS

As at the date of this Information Document, no employment contracts have been entered into between the members of the administrative, management or supervisory bodies with the Issuer providing for severance payments.

9.3 DECLARATION OF COMPLIANCE BY THE ISSUER WITH THE PROVISIONS IN FORCE IN THE COUNTRY IN WHICH IT OPERATES WITH REGARD TO CORPORATE GOVERNANCE

On 24 October 2019, the Shareholders' meeting of the Company resolved upon the transformation of the Company from a limited liability company (*società a responsabilità limitata*) to a company limited by shares (*società per azioni*) and the subsequent amendment to the By-Laws in order to comply with the relevant corporate rules provided for by the Italian Civil Code (among which, the mandatory appointment of the Board of Statutory Auditors). The certified English translation of the By-Laws is hereby attached under Annex 2.

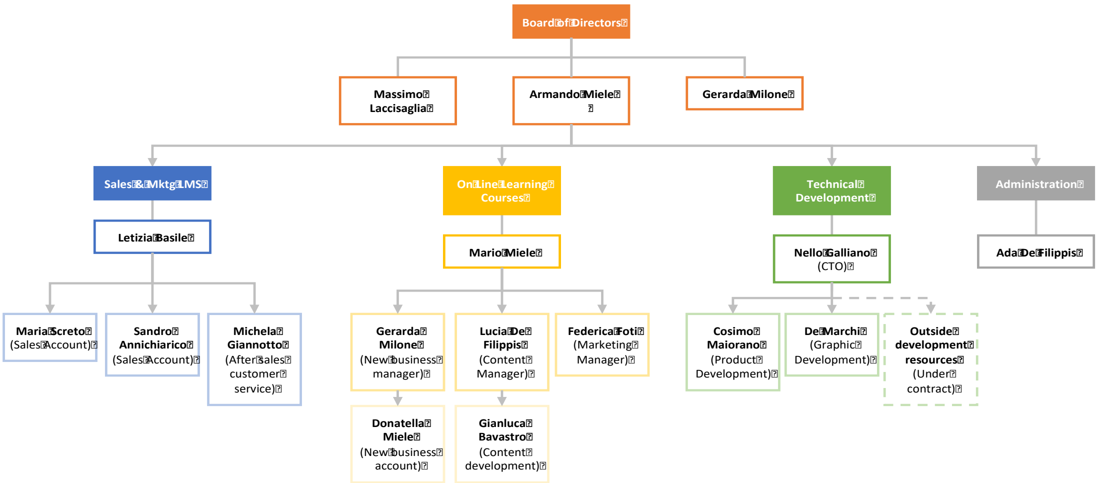
As stated by Euronext Access Rule Book, being Euronext Access+ a Multilateral Trading Facility, the Issuer is not required to apply the corporate governance requirements that are applicable to companies admitted to trading on a Regulated Market. In any case, Cesynt places attention on, and promotes the importance of, good corporate governance practices and standard.

10. EMPLOYEES

10.1 EMPLOYEES

As at the date of the Information Document, the Company employs a total staff of 17 (seventeen) people, 13 (thirteen) employeed directly, 2 (two) as Directors of the Board (Armando Miele and Massimo Laccisaglia) and 1 (one) as external consultant (De Marchi).

The chart below represents the Company current organizational structure:



No. 2 (two) additional resources are expected to be hired in the near future: no.1 (one) to be included in the costumer care and post-sale division and no.1 (one) in the marketing division.

In addition, the company is in the process to complete the set-up of its Spanish branch. This branch will employ 3 (three) resources, one sales and marketing manager and two product engineers. These resources are already collaborating with the company as external consultant, in order to fast track market penetration.

These new hirings will be financed through (i) the capital raised by the Company during the Second Crowdfunding Campaign and (ii) the cash flow generated by the Company as a result of its regular activities.

10.2 SHAREHOLDINGS AND STOCK OPTION PLANS

10.2.1 Board of Directors

The following members of the Board of Directors hold an equity interest in the share capital of the Company:

a) Mr. Armando Miele, Chairman and Managing Director, holds no. 163,762 (one hundred and sixty-three thousand and seven hundred and sixty-two) Class-B Shares, equal to 2.80% (two point eighty per cent.) of the share capital of the Company;

b) Ms. Gerarda Milone, Senior Manager and member of the Board of Directors, holds no. 1,424 (one thousand and four hundred and twenty-four) Class-B Shares, equal to 0.02% (zero point zero two per cent.) of the share capital of the Company.

10.2.2 Board of Statutory Auditors

None of the members of the Board of Statutory Auditors holds, directly or indirectly, an equity interest in the share capital of the Company or any option rights to acquire or subscribe for shares issued by the Company.

10.2.3 Key executives

Mr. Nello Galiano holds an equity interest in the Company (*i.e.* no. 563,560 (five hundred and sixty-three thousand and five hundred and sixty) Class-A Shares and no. 364 (tree hundred sixty-four) Class-B Shares, equal to 9.66% (nine point sixty-six per cent.) of the share capital of the Company). None of the other executives of the Company holds an equity interest in the share capital of the Company or option rights to acquire or subscribe for shares issued by the Company.

10.3 DESCRIPTION OF ANY AGREEMENTS FOR THE PARTICIPATION OF EMPLOYEES IN THE CAPITAL OF THE ISSUER

As at the date of the Information Document, there are no agreements or By-Laws' provisions or Company's resolutions providing for employees' participation schemes in the share capital or profits of the Issuer.

However, each employee benefits from a production bonus, calculated on the basis of the turnover arising from the sales of e-learning courses of each financial year. In particular, with reference to the financial year ending on 31 December 2020, the production bonus shall be assigned to each employee as follow:

Turnover target to be achieved	**Amount of the production bonus**
Euro 800,000.00 (eight hundred thousand)	An amount equal to the half of the monthly wage.
Euro 1,000,000.00 (one million)	An amount equal to the entire monthly wage.
Euro 1,500,000.00 (one million and five hundred thousand)	An amount equal to the double of the monthly wage.

10.4 FEES AND OTHER BENEFITS

Not applicable.

11. MAIN SHAREHOLDERS

11.1 MAIN SHAREHOLDERS

The table below represents the shareholding structure of the Company:

SHAREHOLDER	NUMBER OF SHARES	% OF THE SHARE CAPITAL AND VOTING RIGHTS
Miele Donatella	3,187,506	54.58%
Zambelli Paolo	765,751	13.11%
Galiano Nello	563,925	9.66%
Other Shareholders	241,957	4.15%
Free Float[4]	1,080,480	18,50%
Total	5,839,619	100%

As shown in the table above, as at the date of the Information Document, the Company is controlled by Ms. Donatella Miele, who owns and controls 54.58% (fifty four point fifty eight per cent.) of the voting power attached to the outstanding voting Shares and qualifies as the beneficial owner of the Company pursuant to Legislative Decree no. 231.

11.2 DIFFERENT VOTING RIGHTS OF THE PRINCIPAL SHAREHOLDERS OF THE ISSUER

As at the date of the Information Document, the Company has issued only Class-A Shares and Class-B Shares and no shares of any nature or bearing voting rights other than Shares (considered that both Class-A Shares and Class-B Shares have the same voting rights) have been issued. For the difference between Class-A Shares and Class-B Shares please refer to Paragraph 13.2.3 (*Description of rights, privileges and restrictions attached to each class of Shares*) of this Information Document.

11.3 INDICATION OF ANY CONTROLLING ENTITY ACCORDING TO ARTICLE 2359 OF THE ITALIAN CIVIL CODE

As at the date of the Information Document, the Issuer is not controlled, directly or indirectly, by any entity according to Article 2359 of the Italian Civil Code.

11.4 SHAREHOLDERS AGREEMENTS

[4] As provided for by Euronext Access Rule Book, the free float has been calculated following the Euronext index rules and, therefore, excluding: (i) insider holdings (*e.g.* shares held by directors, employees, founders and family of such subjects); (ii) government holdings; (iii) holdings of the Company itself (including subsidiaries); and (iv) shareholdings exceeding 5% of the outstanding capital, except where such interests are held by: a) collective investment schemes or; b) pension funds; or c) mutual funds.

As at the date of the Information Document, the Issuer is not aware of any Shareholders' agreement or of any other agreement, the execution of which could result in a change in the control structure of the Issuer.

12. TRANSACTIONS WITH RELATED PARTIES

12.1 INTRA-GROUP TRANSACTIONS

As at the date of the Information Document, the Company is not part of a companies group.

12.2 TRANSACTIONS WITH RELATED PARTIES

As at the date of the Information Document, the Company has not carried out any transaction *vis-à-vis* related parties.

12.3 LOANS AND GUARANTEES GRANTED TO DIRECTORS AND STATUTORY AUDITORS

As at the date of the Information Document, the Company has not granted any loans and/or guarantee *vis-à-vis* members of the Board of Directors or members of the Board of Statutory Auditors.

13. ADDITIONAL INFORMATION

13.1 SHARE CAPITAL

13.1.1 **Subscribed share capital**

As at the date of the Information Document, the Company has an authorized share capital equal to Euro 67,703.00 (sixty-seven thousand and seven hundred and three), paid-up for Euro 58,396.19 (fifty-eight thousand and three hundred and ninety-six/19).

The issued share capital of the Company is composed of no. 5,839,619 (five million and eight hundred and thirty-nine thousand and six hundred and nineteen) Shares, divided into no. 3,751,066 (three million and seven hundred and fifty-one thousand and sixty-six) Class-A Shares and no. 2,088,553 (two million and eighty-eight thousand and five hundred and fifty-three) Class-B Shares.

13.1.2 **Shares not representative of the share capital**

As at the date of the Information Document, the Issuer has not issued shares other than Shares or shares that are not representative of the share capital.

13.1.3 **Treasury shares**

As at the date of the Information Document, the Issuer held no 6,169 (six thousand one hundred sixty nine) Class-B Shares equal to 0.44% (zero point forty four per cent.) of the share capital of the Company.

13.1.4 **Amount of convertible bonds, exchangeable bonds or bonds with warrants attached**

As at the date of the Information Document, the Issuer has not issued convertible bonds, exchangeable bonds or bonds with warrants attached.

13.1.5 **Existence of purchase rights and/or obligations on authorised but not issued capital or of a constraint on the capital increase**

Please refer to Paragraph 13.1.7 (*Description of changes in share capital for the period covered by the historical financial information*) of this Information Document.

13.1.6 **Information regarding the capital of any Shareholder of the Company offered as options**

As at the date of the Information Document, there is no interest in the share capital of the Issuer of any Shareholder which has been offered as options or that has been decided to be offered conditionally or unconditionally as options.

13.1.7 **Description of changes in share capital for the period covered by the historical financial information**

The Company was incorporated in 2010 as a limited liability company with the minimum corporate capital required by the Italian Civil Code, equal to Euro 10,000.00 (ten thousand).

The First Crowdfunding Campaign

On 2 February 2018, the Shareholders' meeting resolved upon a capital increase from Euro 10.000,00 (ten thousand/00) to Euro 13,333.00 (thirteen thousand three hundred thirty-three), with a share premium of Euro 246,666.67 (two hundred forty-six thousand six hundred sixty-six/67), through the issuance of Class-B Quotas of the Company.

Such capital increase has been funded through the First Crowdfunding Campaign which has been successfully closed in 2018, by raising Euro 250,000.00 (two hundred fifty thousand).

The transformation of Cesynt into a company limited by shares and the Second Crowdfunding Campaign

On 24 October 2019, the Shareholders' meeting resolved upon:

a) a capital increase aimed to the transformation of the Company from a limited liability company (*società a responsabilità limitata*) to a company limited by shares (*società per azioni*), increasing the corporate capital from a nominal amount of Euro 13,333.00 (thirteen thousand three hundred thirty-three) to a nominal amount Euro 50,000.00 (fifty thousand), through the use of the share premium reserve;

b) the split of the existing share capital into Class-A Shares and Class-B Shares;

c) a further capital increase, increasing the share capital from a nominal amount of Euro 50,000.00 (fifty thousand) to a maximum nominal amount of Euro 57,986.11 (fifty-seven thousand nine hundred eighty-six/11), through the issuance of maximum no. 798,611 (seven hundred and ninety-eight thousand and six hundred and eleven) Class-B Shares. In particular, such capital increase has been divided into 2 (two) different *tranches*: 1) a first *tranche* for a maximum nominal amount of Euro 6,944.44 (six thousand nine hundred forty-four/44), through the issuance of no. 694,444 (six hundred ninety-four thousand four hundred forty-four) Class-B Shares (the "**Crowdfunding *Tranche***"); and 2) a second *tranche* for a maximum nominal amount of Euro 1,041.67 (one thousand forty-one/67), through the issuance of no. 104,167 (one hundred four thousand one hundred sixty-seven) Class-B Shares to be offered, as Bonus Class-B Shares (see Paragraph below), exclusively to Shareholders who subscribed the Crowdfunding Tranche;

d) the issuance of the Warrants, regulated by the Warrants Regulation (see Paragraph below), and a further capital increase for a maximum nominal amount of Euro 9,716.89 (nine thousand seven hundred sixteen/89), through the issuance of no. 971,689 (nine hundred seventy-one thousand six hundred eighty-nine) Class-B Shares, reserved to the exercise of the Warrants.

The Crowdfunding *Tranche* has been placed through the Second Crowdfunding Campaign.

The subscription price of the Class-B Shares related to the Crowdfunding *Tranche* varied from Euro 1.44 (one/44) - of which Euro 1.43 (one/43) as premium price - to Euro 1.80 (one/80) - of which Euro 1.79 (one/79) as premium price - per share, depending on the time of the subscription by the relevant investor.

The Second Crowdfunding Campaign has been successfully closed during 2019, by raising Euro 1,044,830 (one million forty-four thousand eight hundred thirty).

The Bonus Class-B Shares

The Bonus Class-B Shares shall be freely assigned only to the subscribers of the Crowdfunding *Tranche*, upon request by the latter, upon the following conditions:

1. the continuous holding of Class-B Shares for 1 (one) year following the execution of the share capital increase related to the Crowdfunding *Tranche* will entitle the relevant Shareholder to receive 1 (one) Bonus Class-B Share for every 20 (twenty) Class-B Shares held;
2. the continuous holding of the Class-B Shares for 2 (two) years following the execution of the share capital increase related to the Crowdfunding *Tranche* will entitle the relevant Shareholder to receive 2 (two) Bonus Class-B Shares for every 20 (twenty) Class-B Shares held;
3. the continuous holding of the Class-B Shares for 3 (three) years following the execution of share capital increase related to the Crowdfunding *Tranche* will entitle the relevant Shareholder to receive 3 (three) Bonus Class-B Shares for every 20 (twenty) Class-B Shares held.

The right to be assigned with the Bonus Class-B Shares can be exercised by each entitled Shareholder only once (therefore, for the sake of clarity, any Shareholder who has requested the attribution of the Bonus Class-B Shares following the first year after the execution of share capital increase funded through the Second Crowdfunding Campaign, shall not be allowed to request further assignment of Bonus Class-B Shares for the second and third year).

The Warrants

The Warrants have been assigned to each holder of Class-B Shares – therefore, also to the Shareholders who did not subscribe the share capital increase placed through the Second Crowdfunding Campaign - at a ratio of 1 (one) Warrant for 2 (two) Class-B Shares held.

Each Warrant grant the right to subscribe 1 (one) Class-B Share in the following exercise period and at the following exercise prices:

Exercise period	**Exercise Price**
1 January 2021 – 31 January 2021	Euro 1.98 (one/98) for each Class-B Share
1 January 2022 – 31 January 2022	Euro 2.16 (two/16) for each Class-B Share
1 January 2023 – 31 January 2023	Euro 2.34 (two/34) for each Class-B Share

In addition to the above, the Warrants Regulation provides for other triggering events pursuant to which the Company shall allow the Warrants holders to exercise their Warrants.

In this respect, following the decision of the Company to apply for the listing of its Shares, an exercise period was opened by the Company on 9 April 2020 (with an exercise price equal to Euro 1.98 (one point ninety eight for each Class-B Share) and was closed on 4 May 2020.

In the aforementioned period, no. 145,175 (one hundred forty-five thousand one hundred seventy-five) Warrants have been exercised, with the consequent attribution of no. 145,175 (one hundred forty-five thousand one hundred seventy-five) Class-B Shares.

13.2 MEMORANDUM OF ASSOCIATION AND BY-LAWS

13.2.1 **Description of the corporate purpose and objectives of the Issuer**

According to Article 3 of the By-Laws, the Company's main activities are the following:

- the supply of services of any kind and type including, but not limited to, data processing services on behalf of third parties, development of web-services and internet web-sites, development, supply and marketing of software, implementation and supply of marketing and advertising services, both traditional and using advanced technological tools, the organization, implementation, supply and dissemination of training courses of any kind and type and/or educational material, including e-learning courses;
- the supply of continuous training services in the field of health care and in every professional and non-professional sectors, also for the benefit of members of professional associations required by law to collect mandatory professional credits;
- the supply of sales services on behalf of third parties, the provision of promotional and advertising services.

In particular, the Company may:

- procure public and private orders and contracts, also through the participation in tender procedures (*procedure di gara*) on domestic and foreign markets;
- promote and market its activity, also through the creation of a distribution network; participate in trade fairs, carry out advertising, studies and market research, develop strategies for corporate communication;
- distribute products and/or services of its customers also through distributors, agents, representatives, business agents and franchising networks;
- provide press office services and organise press conferences, congresses, trade fairs and public events.

The Company may also perform any complementary and similar activity, or activity in any case related to those mentioned above, carry out all the operations necessary or useful to achieve the Company's business purpose including the purchase of shareholdings in other entities, already incorporated or to be incorporated, whose business purpose is similar or complementary on in any way useful for the achievement of the business purpose.

13.2.2 **Summary of the Issuer's statutory provisions regarding the administrative, management and supervisory bodies**

Board of Directors

Pursuant to Article 32 of the By-Laws, the Company may be managed by a Sole Director or by a Board of Directors consisting of 2 (two) to 15 (fifteen) members.

The administrative body shall be appointed by way of an ordinary Shareholders' meeting resolution, which shall determine the number of the members of the Board of Directors. The appointed Directors shall remain in office for the period established by the ordinary Shareholders' meeting at their appointment and in any case not more than 3 (three) financial years. Directors can be re-elected and their term expires on the date of the Shareholders' meeting convened to resolve upon the approval of the financial statements relating to the last year of their office.

In the event that, during the term, 1 (one) (or more) member of the Board of Directors ceases (for any reason) to hold office, as long as the majority is still represented by Directors appointed by the Shareholders' meeting, the remaining members shall replace him (or them) by way of a resolution adopted by the Board of Directors and approved by the Board of Statutory Auditors.

In the event that the majority of the members of the Board of Directors appointed by the Shareholders' meeting ceases (for any reason) to hold office, the Directors still in office shall promptly convene a Shareholders' meeting in order to replace them. Should the Sole Director or each members of the Board of Directors cease to hold office, the Shareholders' meeting must be convened urgently by the Board of Statutory Auditors for the appointment of the new administrative body.

Each Director is bound to comply with the non-competition obligations set out under Article 2390 of the Italian Civil Code.

Board of Statutory Auditors

Pursuant to Article 39 of the By-Laws, the supervision on the Company's management is carried out by a Board of Statutory Auditors, composed of no. 3 (three) Statutory Auditors and no. 2 (two) Alternate Auditors.

In particular, the Board of Statutory Auditors oversees compliance with the law and the By-Laws, as well as with the principles of proper administration and exercises supervision powers on the adequacy of the administrative and accounting organisational structure adopted by the Company.

The Board of Statutory Auditors and its Chairman are appointed by the Shareholders' meeting, which resolves also upon the remuneration of the each Statutory Auditor.

The Board of Auditors remains in office for 3 (three) financial years, and its term of office expires on the date of the Shareholders' meeting convened to resolve upon the approval of the financial statements relating to the last year of its office.

The Board of Statutory Auditors shall meet at least every 90 (ninety) days or upon request of any of its members; it is validly constituted with the presence of the majority of Statutory Auditors and resolves with the favourable vote of the absolute majority of the Statutory Auditors.

13.2.3 **Description of rights, privileges and restrictions attached to each class of Shares**

As at the date of the Information Document, the Issuer has issued Class-A Shares and Class-B Shares.

The Class-A Shares are ordinary shares in terms of voting and economic rights and are (i) held by Ms. Donatella Miele and Mr. Nello Galiano and (ii) subject to a lockup period of 24 (twenty four) months, starting from 24 October 2019.

The Class-B Shares are preferred shares and have the same voting rights as Class-A Shares, entitling their holders to (i) exercise voting rights in the ordinary and extraordinary Shareholders' meetings; and (ii) a special right to dividends, equal to 50% (fifty per cent.) of the profits of the Company for 5 (five) financial years - independently of Shareholders' meeting resolution resolving upon the distribution of profits - starting from the financial year ending on 31 December 2020 until the financial year ending on 31 December 2024 (included).

On 1 July 2025, each Class-B Share shall be automatically converted in Class-A Share, at a ratio of 1 (one) Class-A Share for 1 (one) Class-B Share.

Pursuant to the Company's By-Laws, both Class-A Shares and Class-B Shares are freely transferable, except for the lockup period provided for Class-A Shares, as described above.

Furthermore, please consider that, pursuant to the CONSOB Regulation on Online Crowdfunding Platforms, the By-Laws of the Company grant to certain categories of subscribers of the share capital increases carried-out through the Crowdfunding Campaigns (please see Paragraph 13.1.7 (*Description of changes in share capital for the period covered by the historical financial information*) of this Information Document) the right to withdraw from the Company or, alternately, the right to co-sell their Shares in the event that the controlling Shareholder, during the 3 (three)-year period following the conclusion of the Crowdfunding Campaigns (in particular, the Second Crowdfunding Campaign), directly or indirectly, transfers the control of the Company to third parties. In particular, such rights apply in favour of investors other than professional investors or other categories of investors indicated in the abovementioned CONSOB Regulation on Online Crowdfunding Platforms.

Finally, the By-Laws provide for a drag-along right in favour of any Shareholder who, either individually or jointly, intends to transfer a shareholding equity interest, amounting to more than 50% (fifty per cent.) of the share capital, to a third party and receives from such third party a purchase offer also for the equity interests held by other (minority) Shareholders. This right is subject to the condition that the purchase price offered to the minority Shareholders shall be at least equal to the price to be paid to a Shareholder in the event of exercise of the withdrawal right from the Company pursuant to the Italian Civil Code.

13.2.4 **Provisions of the By-Laws and regulations on amending Shareholders' rights**

In accordance with Article 14 of the By-Laws, Shareholders who have not taken part in resolutions regarding the following matters shall have the withdrawal right:

- the amendment of the relevant By-Laws' clauses relating to the company purposes, when causing a significant change in the Company's operations;

- the transformation of the Company;
- the transfer of the Company's offices abroad;
- the cancellation of a winding-up status;
- the amendment of the criteria for determining the share value in the event of withdrawal;
- any amendments to the By-Laws concerning the voting or participation rights.

On the contrary, Shareholders not taking part in resolutions resolving upon the extension of the duration of the Company and/or the introduction, amendment or removal of constraints/limits in the transferability of the Shares, shall not have the right to withdraw.

13.2.5 **Description of the conditions for convening annual general meetings and extraordinary meetings, including the conditions of admission**

The ordinary Shareholders' meeting shall be convened at least once a year, within 120 (one hundred twenty) days from the end of the previous financial year. The mentioned deadline may be extended up to a maximum of 180 (one hundred eighty) days, in the event that (i) the Company is required to prepare consolidated financial statements or (ii) special needs regarding the structure or the purpose of the Company so requires.

The Shareholders' meetings shall be convened in the manner and within the time limits provided for by the then applicable law and regulation. The notice of call shall indicate:

- the place where the meeting is to be held;
- the date and time of the Shareholders' meeting;
- the items on the agenda;
- any other information required by the applicable law.

The notice of call of the Shareholders' meeting shall include a second and/or further calls in case the first call has remained unattended.

The Shareholders' meetings shall be convened at the Company's registered office or outside the Municipality in which the registered office of the Company is located, provided that the place where the Shareholders' meeting is to be held is located in Italy.

Even in the absence of a formal notice, the Shareholders' meeting is deemed to be duly constituted when (i) the entire share capital is represented and (ii) the majority of the members of the administrative body and the members of the Board of the Statutory Auditors attends the meeting. In this case, each of the attendees may oppose the discussion (and vote) on the items on the agenda for which they do not consider themselves to be adequately informed.

Shareholders' meeting organisation

The Shareholders' meeting is chaired by the Sole Director or by the Chairman of the Board of Directors or by the person appointed by the attendees. The Shareholders' meeting appoints a secretary pursuant to the law. The presence of a secretary is not necessary if the relevant minutes are drafted by a Notary.

The Shareholders' meetings may be held by teleconference, as well as by videoconference systems, provided that the collegial method and the principles of good faith and equal treatment between Shareholders are complied with. More precisely, (i) the Chairman of the Shareholders' meeting shall be able (1) to ascertain the identity and the entitlement of those in attendance; (2) to manage the proper execution of the meeting; and (3) to verify, confirm and announce the results of the voting procedures; (ii) the secretary or the Notary (as the case may be) shall be able to adequately follow the discussions and draft the minutes; (iii) the attendees shall be able to take part in the discussions and to vote on the topics included in the agenda and (iv) the notice convening the Shareholders' meeting shall indicate the audio/video connection procedures.

The Shareholders' meeting shall be considered to be held in the place where the Chairman and the person acting as Secretary are present. Secret voting is not admitted. A vote that cannot be traced back to a Shareholder is considered as a vote that has not been expressed.

Right to attend and to vote in Shareholders' meetings

All those entitled to vote have the right to attend the Shareholders' meetings.

Such persons may appoint a representative, by way of attribution of a proxy, to act in their behalf in the Shareholders' Meetings according to the provisions of law. Proxies cannot be issued to employees or members of the Company.

The same person is not allowed to represent more than 20 (twenty) Shareholders.

Ordinary Shareholders' meeting

The ordinary Shareholders' meeting is duly convened, in first call, when Shareholders representing at least half of the issued share capital are present, while, in second call, whatever the part of the share capital is represented. The ordinary Shareholders' meeting, in the first, second and any subsequent call, resolves with the favourable vote of the absolute majority of those in attendance.

The ordinary Shareholders' meeting resolves upon the matters provided for by the law and the By-Laws. In particular, pursuant to Article 2364 of the Italian Civil Code, the following matters are reserved to the competence of the ordinary Shareholders' meeting:

a) approval of the financial statements;

b) appointment and dismissal of the Directors;

c) appointment of the Board of the Statutory Auditors and its Chairman; appointment of the auditing company or of the auditor;

d) determination of the remuneration of the Directors and the Statutory Auditors; and

e) resolution on the liability of Directors and Statutory Auditors.

Extraordinary Shareholders' meeting

The extraordinary Shareholders' meeting in first call is duly constituted and resolves with the favourable vote of the absolute majority of the share capital. In second call, the extraordinary

Shareholders' meeting is validly constituted when Shareholders representing at least 1/3 (one third) of the share capital are represented and resolves with the favourable vote of at least 2/3 (two thirds) of the share capital in attendance. However, the favourable vote of shareholders representing more than 1/3 (one third) of the share capital is always required in order to resolve upon the following matters:

a) change in the business purpose;

b) transformation of the Company;

c) early winding-up of the Company;

d) extension of the duration of the Company;

e) revocation of the state of winding-up of the Company;

f) transfer of the Company's registered office abroad; and

g) issue of special categories of shares as provided by for Article 2351, second paragraph, of the Italian Civil Code.

Furthermore, the introduction and deletion of arbitration clauses in the By-Laws shall always be approved with the favourable vote of Shareholders representing at least 2/3 (two thirds) of the share capital.

13.2.6 Description of any statutory provisions that could have the effect of delaying, deferring or preventing a change in the control structure of the Issuer

The By-Laws do not provide for any particular rules that could have the effect of delaying, deferring or preventing a change in the control structure of the Issuer.

13.2.7 Disclosure obligations relating to significant holdings

The By-Laws do not provide for any particular rules relating to disclosure obligations concerning shareholdings in the share capital of the Issuer.

13.2.8 Description of the conditions provided for in By-Laws for the modification of the share capital

The By-Laws do not contain provisions setting out conditions more restrictive than those provided for by the law regarding the amendments to the share capital and to the rights related to the Shares.

14. MAIN CONTRACTS

Not applicable.

15. INFORMATION RELATING TO THE FINANCIAL INSTRUMENTS ADMITTED TO TRADING AND TO THE LISTING

15.1 NATURE OF FINANCIAL INSTRUMENTS ADMITTED TO TRADING

The financial instruments admitted to trading are represented by no. 5,839,619 (five million and eight hundred and thirty-nine thousand and six hundred and nineteen) Shares, which constitute the Company's entire share capital as at the date of this Information Document, divided into no. 3,751,066 (three million and seven hundred and fifty-one thousand and sixty-six) Class-A Shares and no. 2,088,553 (two million and eighty-eight thousand and five hundred and fifty-three) Class-B Shares.

The Class-A Shares are represented by the ISIN Code no. IT0005402034 (trading symbol MLCSA) whereas the Class-B Shares (trading symbol MLCSB) are represented by the ISIN Code no. IT0005398877.

15.2 LAW APPLICABLE TO FINANCIAL INSTRUMENTS ADMITTED TO NEGOTIATION

The Shares are issued under the laws of the Republic of Italy.

15.3 CHARACTERISTICS OF FINANCIAL INSTRUMENTS ADMITTED TO NEGOTIATION

The Shares are denominated in Euro, without nominal value, and have been issued in the form of registered shares.

For Class-A Shares and Class-B Shares' description, please refer to Paragraph 13.2.3 (*Description of rights, privileges and restrictions attached to each class of Shares*) of this Information Document.

15.4 RESTRICTIONS ON THE FREE TRADING OF SHARES

Except as described in Paragraph 13.2.3 (*Description of rights, privileges and restrictions attached to each class of Shares*) of this Information Document with reference to Class-A Shares, the Shares are freely transferable both in Italy and abroad.

15.5 LISTING SPONSOR

Pairstech Capital Management LLP, a company incorporated under the laws of England and Wales, authorized to conduct its activities by the Financial Conduct Authority.

Authorisation no. 477155

1/1a Telegraph Street, London, England, EC2R 7AR

E-mail: listings@pairstech.com

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On 5 February 2020, the Company and the Listing Sponsor entered into a listing sponsor agreement pursuant to which the Listing Sponsor has agreed to assist the Company as its listing sponsor in connection with the Listing of the Shares on Euronext Access+, including due diligence, organization, drafting of required documentation and the listing sponsor declaration.

On 5 May 2020, the Company and the Listing Sponsor entered into a further listing sponsor agreement, according to which, pursuant to Euronext Access Rule Book requirements, the Listing Sponsor shall assist the Company as its listing sponsor after the Listing date and shall assist the Company with reporting and other post-listing obligations.

16. OTHER INFORMATION

16.1 PURPOSE OF THE LISTING OF THE SHARES

The admission to trading described in this Information Document will allow the Company to:

- correctly reflect its nature of "public company" due to the highly fragmented ownership structure as resulting following the Crowdfunding Campaigns;
- maximize the investment of its Shareholders, who invested in the Company through the Crowdfunding Campaigns, increasing the liquidity of their investments;
- increase its international recognition;
- to benefit from better and more convenient conditions for accessing capital markets, thus facilitating further capital raisings.

16.2 APPROVAL OF THE LISTING

On 19 June 2020, the Company's Board of Directors resolved upon the approval of (i) the project related to the listing of the Shares on Euronext Access+ and (ii) the documentation to be filed with Euronext.

The certified translation of the above mentioned resolution is hereby attached under Annex 3.

16.3 ONGOING LISTING OBLIGATIONS

In accordance with Euronext Access Rule Book, the first Shareholders' meeting following the Listing will be held by the end of the month of April 2021, in order to resolve upon the approval of the financial statements for the financial year ending on 31 December 2020.

In addition to the above, due to the Listing on Euronext Access+, the Company shall, *inter alia,* (i) publish, within 31 October 2020 (if already listed at this date), the half-year financial statements and the operations report in respect of the half-year unaudited financial statements; (ii) publish, within 4 (four) months after the end of its financial year, its annual report, which will comprise the annual audited financial statements, the management discussion and analysis and the auditor's report in respect of the annual financial statements; (iii) publish, within 4 (four) months after the end of the second quarter of its financial year, a semi-annual report, which will comprise the half-year financial statements and an operations report in respect of the half-year financial statements; and (iv) permanently have a listing sponsor.

16.4 FIRST TRADING PRICE OF THE SHARES

The price per Share on the date of admission for trading on Euronext Access+ is Euro 1.80 (one/80), for both Class-A and Class-B shares. Thus, at the date of the Listing, the market capitalization of the

Company will be Euro 10,511,314.20 (ten million five hundred eleven thousand three hundred fourteen point twenty).

17. FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2018

CESYNT ADVANCED SOLUTIONS S.R.L.

Financial statements at 31-12-2018

Name and ID code	
Registered Office	VIA GUIDO DE RUGGIERO 71 - 00142 - ROME - RM
Taxpayer's code	10945931003
Registration number	RM 1266481
VAT number	10945931003
Share capital Euro	13.333 f.p.
Legal status	LIMITED LIABILITY COMPANY
Activity Code (ATECO)	620909
Company being wound up	no
Company with a single shareholder	no
Company subject to the management and coordination of others	no
Member of a group	no

Abbreviated balance sheet

	31-12-2018	31-12-2017
Balance sheet (mandatory lay-out)		
Assets		
A) receivables due from shareholders	0	0
B) Fixed assets		
I - Intangible fixed assets	404,526	119,184
II - Tangible fixed assets	5,681	3,067
III - Financial fixed assets	7,850	2,850
Total fixed assets (B)	418,057	125,101
C) Current assets		
II - Receivables		
due within the following year	508,988	245,490
Total receivables	508,988	245,490
III - Current financial assets	26,948	26,948
IV - Liquid funds	410,867	220,831
Total current assets (C)	946,803	493,269
D) Accrued income and prepayments	0	75
Total assets	1,364,860	618,445
Liabilities and shareholders' equity		
A) Shareholders' equity		
I - Share capital	13,333	10,000
II - Share premium reserve	246,667	0
IV - Legal reserve	2,000	2,000
VI - Other reserves	130,353	38,573
IX - Net profit (loss) for the year	274,617	91,778
Total shareholders' equity	666,970	142,351
B) Reserves for contingencies and other charges	0	59,893
Total reserve for severance indemnities (TFR)	51,878	38,185
D) Payables		
due within the following year	581,431	280,714
due beyond the following year	64,578	97,302
Total payables (D)	646,009	378,016
E) Accrued liabilities and deferred income	3	0
Total liabilities and shareholders' equity	1,364,860	618,445

Abbreviated profit and loss account

	31-12-2018	31-12-2017
Profit and loss account (value and cost of production)		
A) Value of production		
1) Revenue from sales and services	1,862,654	805,287
5) Other revenue and income		
other	406,206	112,795
Total other revenue and income	406,206	112,795
Total value of production	2,268,860	918,082
B) Costs of production		
6) Raw, ancillary and consumable materials and goods for resale	4,141	4,228
7) Services	1,486,945	526,554
8) Use of third party assets	14,880	3,669
9) Personnel		
a) wages and salaries	191,034	156,191
b) related salaries	54,910	34,358
Severance indemnities, pensions and similar commitments and other costs	14,180	12,057
c) severance indemnity	14,180	12,057
Total payroll and related costs	260,124	202,606
10) depreciation, amortisation and write downs		
a, b, c) amortisation of intangible fixed assets, depreciation of tangible fixed assets and write-offs of fixed assets	145,517	57,647
a) amortisation of intangible fixed assets	144,057	54,657
b) depreciation of tangible fixed assets	1,460	2,990
Total amortisation, depreciation and write-downs	145,517	57,647
14) Other operating expenses	53,234	16,586
Total cost of production	1,964,841	811,290
Difference between value and cost of production (A - B)	304,019	106,792
C) Financial income and charges		
16) other financial income		
d) income other than the above		
other	26	2
Total income other than the above	26	2
Total other financial income	26	2
17) Interest and other financial expenses		
other	11,421	5,556
Total interest and other financial expense	11,421	5,556
Total financial income and expense (15 + 16 - 17 + - 17-bis)	(11,395)	(5,554)
Pre-tax result (A - B + - C + - D)	292,624	101,238
20) Income tax for the year, current, deferred and prepaid		
Current taxes	18,007	9,460
Total income tax of the year	18,007	9,460
21) Year's profit (loss)	274,617	91,778

Explanatory notes to the financial statements at 31-12-2018

Explanatory notes, part one

Shareholders,

these financial statements at 31/12/2018 record a net profit of € 274,617 compared to a net profit of € 91,778 last year.

First of all it should be noted that it was impossible for the Board of Directors to convene the Shareholders' Meeting to approve the financial statements within the ordinary deadline and thus made recourse to the longer deadline of 180 days established by Law and the Articles of Association for the purpose of obtaining the relevant information.

Structure and content of the financial statements

These financial statements have been drawn up in compliance with statutory and tax laws and consist of:

- the balance sheet (prepared in accordance with articles 2424 and 2424 bis of the Italian Civil Code);

- the profit and loss account (prepared in accordance with articles 2425 and 2425 bis of the Italian Civil Code);

- these explanatory notes (prepared in accordance with articles 2427 and 2427 bis of the Italian Civil Code).

As the assumptions exist, the financial statements have been prepared in abbreviated form pursuant to article 2435 bis of the Italian Civil Code; the Balance Sheet includes solely the items indicated in article 2424 with upper-case letters and Roman numerals, with the other separate indications, set forth for asset item C) II) and liability item D).

The express indication of the amortisation, depreciation and write-downs is no longer required for balance sheet items B.I - Intangible fixed assets and B.II -Tangible fixed assets.

The profit and loss account has been prepared in accordance with the scheme and criteria set forth in articles 2425 and 2425 bis of the Italian Civil Code.

The cash flow statement has not been included in these financial statements since article 2435-bis, sub-paragraph 2 of the Italian Civil Code establishes that this statement can be omitted in the abbreviated form.

These financial statements have been drawn up without the report on operations because the information required as of points 3 and 4 of article 2428 is contained in these explanatory notes.

Again, applying article 2435 bis of the Italian Civil Code, the explanatory notes provide the information required as of sub-paragraph 1, article 2427 of the Italian Civil Code, numbers 1), 2), 6), 8), 9), 13), 15), 16), 22-bis), 22-ter), 22-quater), 22-sexies) and article 2427-bis of the Italian Civil Code, number 1.

ITALIAN LEGISLATIVE DECREE 139/2015

Following implementation of Directive 2013/34/EU, adopted with Italian Legislative Decree no. 139 of 18 August 2015 and published in Official Gazette no. 205 of 4 September 2015, the evaluation criteria, the general principles of the financial statements and their constituent tables and documents have been aligned with EU standards.

The modifications introduced with Italian Legislative Decree no. 139/15, implementing Directive 34/13 regard:

- the documents forming the financial statements;

- the principles for the preparation of the financial statements;

- the content of the balance sheet and profit and loss account;

- the evaluation criteria

- the content of the explanatory notes.

Publishing principles

Principles for the preparation of the financial statements (theory of relevance)

For the preparation of these financial statements, in accordance with article 2423 of the Italian Civil Code, it is not necessary to comply with the obligations set forth regarding the recording, evaluation, presentation and provision of information about the financial statements when the effects of their non-observation are irrelevant for the purpose of truthful and correct representation.

Principles for the preparation of the financial statements (theory of economic substance)

Pursuant to the new article 2423-bis of the Italian Civil Code, the company's transactions have been entered based on their economic substance and not on merely formal aspects.

Comparability and adaptability

Financial statements representation

The amendments to articles 2424, 2424-bis, 2425 and 2425-bis of the Italian Civil Code have led to changes in the representation. The points affected are:

- Research and advertising costs: these are entered in full in the Profit and Loss Account in the year they are borne, with ensuing alignment in this case with the indications of the International Financial Reporting Standards (IFRS). Consequently, only "development costs" can be capitalised.

- Treasury shares: these are indicated as a direct reduction of the shareholders' equity through entry in item A.X of the shareholders' equity "Reserve for treasury shares in portfolio" (alignment with the International Financial Reporting Standards (IFRS)).

- Relations with companies subject to the control of parent companies: financial fixed assets (shareholdings and receivables), in cash and banks (receivables) and in payables, include items regarding shareholdings, receivables and payables from/to subsidiaries by the parent company that draws up the financial statements (so-called fellow enterprises).

- Cash reserve for expected financial flows: the shareholders' equity includes item VII - Cash reserve for expected financial flows.

- Premiums and discounts: it is no longer to necessary to include premiums and discounts among the accrued liabilities and deferred income. - Memorandum accounts: the details at the foot of the Balance Sheet are no longer given.

- Extraordinary area of the Profit and Loss Account: in the new wording of article 2425, following elimination of the entire macro-class E) (items 20 and 21), regarding the extraordinary area, extraordinary income and costs are indicated in items A5 and B14.

- Derivative financial instruments: Directive 34/13 sets forth fair value evaluation of financial instruments; Italian Legislative Decree no. 139/15 adopts this principle, transferring derivative instruments from “memorandum accounts” (where they were entered previously) to the asset and liability sections of the Balance Sheet and classifying these instruments depending on their economic function (derivatives for hedging and those for trading).

- Assets held for sale and obsolete assets: tangible fixed assets, at the moment they are held for sale, are reclassified in cash and banks and therefore valued at the lower value between the net accounting value and the sales value inferable from the market trend (article 2426, number 6, sub-paragraph 1 of the Italian Civil Code). Assets held for sale are not subject to depreciation (OIC - Italian Accounting Board - no. 16, point 75).

Reference should be made to the relative paragraph for more information.

Evaluation criteria applied

Exemption from application of the amortised cost criterion

This exemption has been applied by way of departure from article 2426 of the Italian Civil Code regarding evaluation criteria, so securities have been entered at their purchase cost, receivables at their assumed realisable value and payables at the nominal value.

Order of entry

The Balance Sheet and Profit and Loss Account items are entered in these Explanatory Notes in the order set forth in article 2427, sub-paragraph 2 of the Italian Civil Code and OIC no. 12. The text of these Explanatory Notes is prepared in accordance with the classification, as introduced with the new taxonomy.

The explanatory notes have the function of providing an overview, analysis and, in some cases, a supplement to the financial statement data and contain the information required as of article 2427 of the Italian Civil Code, other provisions of Italian Legislative Decree no. 127/1991 or other laws applicable to enterprises.

All the supplementary information needed to ensure truthful and correct representation is also provided even if not required by specific law provisions.

In this document, no grouping or omission of the items to be included in the obligatory tables as of articles 2424 and 2425 of the Italian Civil Code has been made, with the exception of those preceded by Arabic numerals or lower-case letters, omitted as the amount in both financial years covered by these financial statements has not changed and is in any case presumably irrelevant also in future years, with reference to the specific sector of activity and the Company's objective operating reality, in accordance also with the provisions of OIC 12, point 16).

The explanatory notes, balance sheet and profit and loss account have been prepared in units of Euro, without decimal numbers, as provided for by article 16, sub-paragraph 8 of Italian Legislative Decree no. 213/98 and article 2423, sub-paragraph 5 of the Italian Civil Code, in the following ways:

the Balance Sheet and Profit and Loss Account are prepared in units of Euro; the passage from the accounting data, expressed in euro cents, to the financial statement data, expressed in units, has been made by rounding up or down, in line with the provisions of the Regulation (EC), applied to items that did not already represent sums or difference of other financial statement items.

The balancing of the financial statement items, after the above transition, was performed by allocating the differentials of the Balance Sheet in the item called "Sundry reserves" entered in item "AVI) Sundry reserves", and those of the Profit and Loss Account, either in "A05) Other revenue and income" or in "B14) Sundry operating costs" without therefore affecting the result of the year and allowing balancing of the financial statement tables (as established also in the Circular of the Inland Revenue Service no. 106/E/2001).

The data in the Explanatory Notes are also expressed in units of Euro and, as regards the tables contained herein, considering the rounding off difference, special supplements have been included where required by the need to balance the initial and final balances with those in the Balance Sheet and Profit and Loss Account.

Evaluations

The annual financial statements have been prepared in accordance with applicable law provisions and supplemented by the reference Italian accounting standards issued by the OIC and, where lacking, by those issued by the International Accounting Standards Board (IASB).

The financial statement items have been evaluated bearing in mind general principles of prudence and accrual basis accounting on an ongoing concern basis.

The classification and evaluation criteria adopted in the financial statements at 31/12/2018 are the same as those adopted in previous years, as required by article 2423 bis of the Italian Civil Code.

The evaluation criteria adopted in the preparation of these financial statements comply with the provisions of article 2426 of the Italian Civil Code.

No asset and liability elements fall under more than one item of the statements.

The risks and accrued losses of the year are taken into account even if known after the end of the year.

No loans were granted and no guarantees were granted in favour of the director during the year and none exist at the end of it.

The evaluation criteria for the single items of the balance sheet and profit and loss account are indicated below, with tables showing the main variations in the year and the final amounts.

Other Information

Business activities

The company's activities consist in the sale of online training courses and surveys.

Explanatory notes, abbreviated, assets

Criteria for the conversion of values expressed in foreign currency

Assets in foreign currency, other than fixed assets, already entered in the books at the exchange rate applicable at the date of the transaction, have been entered at the end-of-year exchange rate.

This adjustment has resulted in the entry of the "differences" (Exchange rate gains and losses) in the profit and loss account in the item "C17-bis exchange rate gains and losses".

In accordance with the provisions of article 2426 no. 8-bis) of the Italian Civil Code, the profit of the year, for the amount referable to the net exchange rate gain, must be appropriated to a specific non-distributable reserve until its effective realisation.

The fixed assets in foreign currency are entered at the exchange rate applicable at the time of their purchase.

Finally, it is useful to note how the above-stated evaluations have been made on an ongoing concern basis and based on a homogeneous currency scenario by maturity with the assets and liabilities in question.

It is also noted that there are no receivables not originally expressed in money not of account "covered" by "futures", "domestic swaps", "options", etc.

Fixed assets

Variations in fixed assets

The amendments to article 2435-bis of the Italian Civil Code have led to the following changes in the method of presentation:

- for Balance Sheet items B.I (intangible fixed assets) and B.II (tangible fixed assets), express indication of amortisation, depreciation and write-downs is no longer required. Ensuing variations to the fixed assets:

	Intangible fixed assets	Tangible fixed assets	Financial fixed assets	Total fixed assets
Year opening balance				
Cost	119,184	22,568	2,850	144,602
Amortisation (amortisation fund)	-	19,501		19,501
Balance sheet value	119,184	3,067	2,850	125,101
Variations in the year				
Increases for purchases	313,922	-	5,000	318,922
Decreases for transfers and disposals (of the balance sheet value)	(144,057)	(3,868)	-	(147,925)
Depreciation/amortisation for the year	144,057	1,255		145,312
Write-downs during the year	28,580	-	-	28,580
Total variations	285,342	2,613	5,000	292,955

Year end balance				
Cost	433,106	16,117	7,850	457,073
Amortisation (amortisation fund)	-	10,436		10,436
depreciation	28,580	-	-	28,580
Balance sheet value	404,526	5,681	7,850	418,057

Intangible fixed assets

Evaluation criteria adopted

Intangible fixed assets are entered at purchase or realisation value, including incidental costs.

Multi-year costs have been capitalised provided only that they can be “recovered” thanks to the future profitability of the company and within the limits of same.

If this condition should no longer exist in years following that of capitalisation, the fixed asset will be written down.

Installation and expansion costs are entered adopting the criterion of the purchase cost effectively borne, including incidental costs and, depending on the favourable opinion of the board of auditors, are amortised over five years.

In accordance with Article 2426 of the Italian Civil Code, research and advertising costs are entered in full in the Profit and Loss Statement in the year they are borne, with ensuing alignment with the indications of the International Financial Reporting Standards (IFRS). Consequently, only “development costs” can be capitalised.

Asset item B.2 of the Balance Sheet "Research, development and advertising costs" has therefore been renamed "Development costs".

Development costs are valued at purchase cost and are amortised based on their useful life, estimated according to the following evaluations.

Amortisation of intangible fixed assets has been made systematically every year, in relation to the residual possibility of future economic use of each asset or expense.

Revaluation of assets

In accordance with the provisions of article 10, Law no. 72/1983 - article 7 of Law no.408/90 - article 27 of Law no. 413/91 and articles 10 to 16 of Law no. 342/2000, it is noted that there are no fixed assets among the company’s assets whose original purchase values have been subject to monetary revaluation.

Reduction in value of intangible fixed assets

Firstly, it is noted that the intangible fixed assets have been subject to amortisation.

As regards the “foreseeable economic life”, reference should be made to the section illustrating the evaluation criteria adopted.

Specifically, it is noted once again that the carrying value does not exceed the economically "recoverable" one, bearing in mind the future generation of economic results, the foreseeable life and, as far as pertinent, the market value.

Moreover, any differences compared to the write-downs made in previous years are noted, highlighting their effect on the year's economic result.

It is also noted how, for some intangible fixed assets with an indefinite economic life, it was possible to obtain a "market value" by applying some evaluation methods typically used for intangible fixed assets.

Tangible fixed assets

Evaluation criteria adopted

Tangible fixed assets are entered in the financial statements in accordance with the general criterion of the purchase cost, including incidental costs and any other costs borne to make same usable by the company, plus any indirect costs for an amount reasonably attributable to the asset.

Depreciation of tangible fixed assets

Tangible fixed assets are depreciated on a straight-line basis each year considering the economic-technical rates calculated on the basis of the residual possibility of use of the assets.

The rates applied are:

Depreciation rates applied

DESCRIPTION	COEFFICIENT %
Intangible fixed assets	20.00%
Tangible fixed assets	20.00%

Firstly, it is noted that all of the tangible fixed assets have been subject to depreciation.

As regards the "foreseeable economic life", reference should be made to the section illustrating the evaluation criteria adopted.

With reference to the depreciation method adopted to ensure rational and systematic attribution of the value of the asset over its economic life, the straight-line method was adopted and it was considered that the ordinary depreciation rates as of Ministerial Decree of 31 December 1988 effectively represent the criteria described above.

As considered acceptable by Italian accounting standard no. 16, instead of the "daily pro-rata basis" of the depreciation rate in the first year of useful life of the asset, the ordinary depreciation rate was halved,

considering the fact that the resulting deviation is not significant, and the structure of the depreciation process remains on a strictly straight-line basis.

Depreciation of tangible fixed assets characterised by a limited use over time is calculated based on the criterion of residual possibility of use, bearing in mind the physical deterioration and technological obsolescence of the assets, as well as the maintenance policies and asset replacement plans.

The depreciation plan could be re-adjusted only if a residual useful life other than the one originally estimated is ascertained.

Specifically, besides considerations regarding the physical life of the assets, all the other factors that affect the “economic” life, such as technical obsolescence, maintenance policies, any contractual conditions regarding the useful life, etc. have been, and will be, taken into consideration.

Maintenance costs of an ordinary nature are charged in full to the profit and loss account.

“Capital expenditure” has been calculated on the purchase cost only in the presence of a real and “measurable” increase in productivity, in the useful life of the asset or a tangible improvement in the quality of the products or services obtained, or, finally, an increase in the safety of use of the assets.

Instead, any other costs related to the assets in question have been charged in full to the profit and loss account.

Assets with a value of less than € 516.46 are depreciated in full in the year of purchase, considering their limited future use.

Contributions are entered in the financial statements according to the accrual basis of accounting at the time when there is a certainty of the grant by the granting institution.

Capital grants are entered with reduction of the cost of the fixed assets to which they refer. Grants for current expenses are entered in the profit and loss account.

Reduction in value of tangible fixed assets

In the case where, regardless of the depreciation already entered in the accounts, there is a permanent loss in value, the fixed asset is depreciated accordingly; if in future years the assumptions for the write-down no longer exist, the original value will be restored.

For the year in question, the need to make write-downs as of article 2426, sub-paragraph one, no. 3 of the Italian Civil Code, exceeding the pre-established depreciation, was not recorded.

Revaluation of assets

There has been no optional revaluation of some company assets.

Land and buildings

Land and buildings are entered at purchase costs, plus notary public expenses, registration tax for the preparation of the sales and purchase agreement and commissions granted to the brokers.

Machinery and equipment

Machinery and equipment, as well as furniture and furnishing, is entered based on the purchase cost, plus import duties, transport costs and fees for the assembly and installation of the assets.

Plants and systems

The plants and systems found on the market are entered at purchase cost, including the transport and installation costs borne to put the assets into operation.

Financial leasing operations, abbreviated

There are no assets subject to financial leasing agreements.

Financial fixed assets, abbreviated

Evaluation criteria adopted

Shareholdings in subsidiaries have been evaluated on the basis of the share of the net shareholders' equity held.

Shareholdings in associated companies are evaluated using the cost criterion. Their carrying value in the financial statements is determined based on the purchase or subscription price.

The cost is reduced for permanent losses of value in the case where the associated companies have recorded losses and no profits are foreseen in the immediate future for an amount that could absorb the losses; the original value is restored in subsequent year if the reasons for the write-down made no longer exist.

There are no significant positive differences between that value and the value of the share of shareholders' equity as of the last financial statements of the associated company.

Dividends are entered in the accounts in the year in which they are resolved.

Revaluation of assets

There has been no optional revaluation of some company assets.

Details of non-current investments in subsidiary companies, abbreviated

The company does not hold shareholdings in other companies that give rise to an unlimited liability.

Details of non-current investments in associated companies, abbreviated

The company does not hold shareholdings in other companies that give rise to an unlimited liability.

Value of financial assets, abbreviated

Information about the fair value of financial assets

The company has not entered financial assets in the financial statements that have a value that is higher than their fair value, with the exception of shareholdings in subsidiary and associated companies in accordance with article 2359 and of shareholdings in joint ventures.

Current assets, abbreviated

Inventory

Final inventories of raw materials - semi-finished products - expendables - goods

Final inventories of raw materials amount to Euro 0.

Final inventories of semi-finished products and materials in process amount to Euro 0.

Final inventories of expendables amount to Euro 0.

Final inventories of goods amount to Euro 0.

The above-stated categories of stock are evaluated based on the purchase cost actually borne, including incidental costs borne for transport and customs clearance and net of any trade discounts granted.

Final inventories of finished products

Final inventories of finished products amount to Euro 0.

Receivables entered in current assets

Receivables are entered based on their presumed realisable value obtained by adjusting the nominal value with the relative write-down provision (taxed and untaxed) considered adequate for the reasonably expected losses.

The write-down of receivables thus takes into consideration individual situations already existing or inferable from certain and precise elements that can give rise to losses.

By way of example, insolvencies and transactions on bad debts in litigation have been considered also if known after the end of the year and up to the date of preparation of the financial statements.

Receivables with a residual duration of more than five years are not entered in these financial statements.

Trade receivables

Trade receivables with clients, both in documentary and paper format, amount to Euro 20,639

and are entered in the financial statements at the presumed realisation value, obtained by adjusting the nominal value of Euro 20,639 with a specific write-down provision with a value of Euro 0.

In determining the appropriation to the relative provision, present and future situations of uncollectability have been taken into consideration through:

- analysis of each receivable and identification of losses recorded in the past;
- evaluation of presumable losses linked to each receivable;
- calculation of the global seniority indexes of receivables per class of overdue amount and comparison with previous years;
- evaluation of the specific conditions of the clients’ sector of activity.

Receivables in foreign currency

Short-term receivables in foreign currency, deriving exclusively from trade transactions, have been entered in the accounts in money of account based on the exchange rate on the date of the transaction.

Receivables from the remaining third party subjects, such as the Inland Revenue Service, employees and other debtors indicated in the financial statements, have been evaluated at nominal value. Research and development receivables accrued since 2015 and their related uses are shown in the table below: 2015 receivable accrued € 63,840, used in full; 2016 receivable accrued € 93,592, used in full; 2017 receivable accrued € 125,075 used in full; 2018 receivable accrued € 222,933, used for € 67,608, remaining usable amount € 155,325.

Receivables included among current assets for operations that envisage the obligation of retrocession at term, abbreviated

In accordance with the principle of the prevalence of substance over form, the assets as of purchase and sales agreements with obligation of retrocession at term, are entered in the seller's balance sheet.

<u>Financial assets not classified as fixed assets</u>

Changes in financial assets not classified as fixed assets

Final inventories of securities on hand amount to Euro 0.

Transactions in securities are entered in the accounts at the time of their payment.

Write-downs are entered in the profit and loss account on an accrual basis.

The original cost is restored if the reasons for the write-down made no longer exist in subsequent years.

Repurchase agreements regarding the purchase of securities with simultaneous commitment of forward resale, are treated as carry-over operations and, therefore, the amounts granted are considered as receivables entered in the item C II 5-quater.

The revenue from the above-stated operations, consisting of accrued interest of the coupons accrued on securities and the difference between the spot price and forward price of same, are entered on an accrual basis in the profit and loss account in the item C 16 d), "Total income other than the preceding".

<u>Liquid assets</u>

Liquid assets amount to € 410,867 and are represented by the active balances of the deposits and current accounts held in the company's name at the end of the financial year of € 400,045, cheques for € 0 and cash and cash equivalents of € 10,822 entered at their nominal value.

It is noted that the active balances of the deposits and current accounts mainly take into consideration the credit operations, cheques and bank transfers with a value at the balance sheet date that is not higher and are entered at their nominal value.

Interest accrued in the year has been entered.

Cash and cash equivalents also include bank cheques not yet deposited for which there is reasonable certainty of their collectability and are evaluated according to the nominal value criterion.

Accrued income and prepaid expenses

These items include shares of costs and revenue, common to two or more financial years, the entity of which varies over time, in accordance with the accrual basis of accounting principle.

As regards suspended costs, the expense of the provision of services related to positive income components that will manifest in the following year, net of the amounts recovered in the current year, is taken into consideration.

Capitalized financial assets, abbreviated

Financial charges have not been capitalised.

Explanatory notes, abbreviated, liabilities and net equity

Criteria for the conversion of values expressed in foreign currency

Liabilities in foreign currency already entered in the books at the exchange rate applicable at the date of the transaction, have been entered at the end-of-year exchange rate.

This adjustment has resulted in the entry of the “differences” (Exchange rate gains and losses) in the profit and loss account in the item “C17-bis exchange rate gains and losses”.

In accordance with the provisions of article 2426 no. 8-bis) of the Italian Civil Code, the profit of the year, for the amount referable to the net exchange rate gain, must be appropriated to a specific non-distributable reserve until its effective realisation.

Shareholders' equity, abbreviated

The share capital, amounting to € 13,333, can be broken down as follows:

Number of shares 13,333 for a nominal value of € 1 each.

There are no revaluation reserves.

Changes in shareholders' equity, abbreviated

On 02/02/2018, the Shareholders’ Meeting resolved on the increase in share capital as of article 2443 of the Italian Civil Code.

The increase from € 10,000 to € 13,333, fully subscribed, was made through issue of no. 3,333 new shares at a price of € 75 each, of which € 74 by way of share premium.

Use of shareholders’ equity, abbreviated

Information regarding the tax nature of the reserves at 31/12/2018

It is noted that there are no reserves that, in the case of distribution, contribute to forming the company's taxable income; a table that analyses the composition of the share capital has been prepared.

DESCRIPTION	Total	of which for reserves / capital payments (art. 47, sub-paragraph 5 TUIR)	of which for profit reserves	of which for deferred capital gain	of which for retained earnings
Share capital	13,333		13,333		
Share premium reserve	246,667		246,667		
Legal reserve	2,000		2,000		
Extraordinary reserve	130,352		130,352		
Sundry reserves	1		1		

Variations to the reserve for hedge operations on expected cash flows

The new item VII - Reserve for hedging transactions for expected financial flows in not included among the shareholders' equity.

Provisions for risks and charges, abbreviated

Provisions for risks and charges are appropriated to cover presumed costs, losses or debts, of a certain or probable nature of which, however, the amount or contingent date cannot be determined at the end of the year.

The appropriations reflect the most accurate estimate possible based on the elements available.

The evaluation of risks and charges whose actual manifestation is subordinate to the occurrence of future events also takes into consideration information that becomes available after the financial statement date and until the date of preparation of these financial statements.

Severance indemnity provision, abbreviated

Severance indemnity is appropriated to cover the liability accrued with employees in accordance with applicable law provisions and with the collective bargaining agreements and supplementary company agreements.

This liability is subject to revaluation based on indexes.

The severance indemnity provision amounts to €51,878 and is congruent according to the dictates of the accounting standards, as it corresponds to the total of the individual indemnities accrued with employees on the payroll at the balance sheet date.

This amount is entered net of the substitute tax on the revaluation of the TFR accrued, pursuant to article 2120 of the Italian Civil Code, after 1 January 2001, as set forth by article 11, sub-paragraph 4, of Italian Civil Code no. 47/2000.

	Severance indemnity provision
Initial balance	38,185
Variations in the year	
Operating accrual	13,693
Total variations	13,693
Closing balance	51,878

Payables, abbreviated

Payables due within one year are entered at their nominal value, corresponding to the presumed realisation value.

Payables to third parties

Trade payables are entered at their nominal value, net of discounts granted.

The same evaluation criteria are used for payables of the same nature with subsidiaries and associated companies.

Long-term loans and financing

Long-term loans are entered at their nominal value that corresponds to the estimated extinction value.

Long-term financing is entered at its nominal value that corresponds to the estimated extinction value.

Existing debenture debt

No items in the financial statements.

Loans in foreign currency

There are no loans in foreign currency.

Variations in exchange rates after the end of the year

There are no variations in exchange rates after the end of the year such as to have significant effects.

Payables due after five years and payables assisted by real guarantees on company assets, abbreviated

Debts with banks not backed by real security amount to € 74.024.

Long-term borrowings, guaranteed or not, are entered in the financial statements for the amount of the principal still to be repaid, valued at nominal value.

Payables for operations that envisage the obligation of retrocession at term, abbreviated

In accordance with the principle of the prevalence of substance over form, the assets as of purchase and sales agreements with obligation of retrocession at term, are entered in the seller's balance sheet.

Shareholders' loans, abbreviated

Being a limited liability company, all shareholders' loans are subordinate as of law provisions.

These are loans whose right of reimbursement is secondary compared to the satisfaction of other creditors. No loans have been received from shareholders.

Accrued liabilities and deferred income

These items include shares of costs and revenue, common to two or more financial years, the entity of which varies over time, in accordance with the accrual basis of accounting principle.

Accrued liabilities and deferred income are entered in the financial statements to comply with the need to report the costs of the year, due in the following year, and the revenue at the end of the year receivable in the following year.

Supplementary notes, abbreviated, income statement

Value of production, abbreviated

Revenue deriving from sales of finished products is recognised at the moment of transfer of ownership that is normally identified as the time of delivery or shipment of the goods.

Instead, revenue from the provision of services is entered when the services have been rendered, with the issue of the invoice or with "notification" sent to the client.

Details of the summary item "Other revenue and income" are provided in the table below:

Details of item A5 - Other revenue and income

DESCRIPTION	31/12/2018	31/12/2017
Compensation of claims	0	461
Ordinary capital gains	2,459	0
Sundry tax credits	398,440	107,000
Other revenue and income	140	2,102
Revenue of an exceptional nature or impact		
b) Other extraordinary revenue		
- supervening non-existence of expenses and/or liabilities	5,167	3,232
TOTAL	**406,206**	**112,795**

Cost of production, abbreviated

Details of the summary item "Sundry operating costs" are provided in the table below:

Detail of item B14 - Sundry operating costs

DESCRIPTION	31/12/2018	31/12/2017
Losses on receivables	2,073	0
Deductible taxes	1,029	1,961
Sundry costs and expenses	5,598	9,124
Other sundry costs	22,709	252
Costs of an exceptional nature or impact		
b) Donations	360	360
c) Other extraordinary costs		
- supervening non-existence of revenues and/or assets	21,465	4,889
TOTAL	**53,234**	**16,586**

Financial income and charges, abbreviated

Financial income and income from services are entered adopting the accrual basis of accounting method.

The payable interest of the year amounts to € 11,421.

Composition of share income, abbreviated

Revenue from sundry shareholdings other than dividends amounts to € 0.

Amount and nature of the single income/cost items of exceptional nature or impact

In the new formulation of article 2425 of the Italian Civil Code, following elimination of the entire macro-class E), regarding the extraordinary area, income of exceptional nature or impact is indicated in item A5.

In the new formulation of article 2425 of the Italian Civil Code, following elimination of the entire macro-class E), regarding the extraordinary area, costs of an exceptional nature or impact are indicated in items B14, as regards the previous years' taxes I20.

Income tax for the year, current, deferred and prepaid

In the preparation of the annual financial statements, the accrual basis of accounting principle was adopted, based on which income tax must be calculated and entered in such a way as to fully respect the correlation with the revenue and costs that contribute to the economic result of the period.

Therefore, “current” taxes, that is, taxes calculated according to tax laws, and “deferred” taxes, have been entered in the financial statements.

Year's income tax

This is entered based on the estimated taxable income in accordance with law provisions, taking into consideration the applicable exemptions and the tax credits due.

Deferred taxes

Deferred tax assets and liabilities are appropriated on the temporary differences between the carrying values in the balance sheet of the assets and liabilities and the related values acknowledged for tax purposes (capital gains, contributions and multi-year expenses deductible in future years), in accordance with the principle based on which provisions for risks and charges have to be appropriated solely for events whose existence is considered certain or probable.

Specifically, deferred tax assets are entered when there is a reasonable certainty of their existence in the years in which the temporary deductible differences, of a taxable income that is not less than the amount of the differences to be cancelled, will be carried over.

Instead, deferred tax liabilities are not entered if there is little probability that the related debt will arise.

As required by the accounting standards, deferred tax liabilities are entered in the related tax provision net of the advance tax assets.

As required by the accounting standards, deferred tax assets are entered in the related item deferred tax assets net of the advance tax liabilities.

At the end of each financial year, the Company will check if, and to what extent, the conditions still exist to maintain in the financial statements deferred tax assets and liabilities for deferred tax liabilities in previous financial statements, or if the conditions for recording assets and liabilities excluded in the past can be considered satisfied.

Abbreviated explanatory notes, other information

Employment data

	Average number
Office staff	11
Total employees	11

Remuneration, advances and credits granted to directors and auditors and commitments on their behalf

	Directors
Remuneration	37,20

Remuneration to external auditor or audit company abbreviated

The company is not subject to external auditing as two of the dimensional limits as of article 2435-bis of the Italian Civil Code have not been exceeded; it is not obliged to prepare consolidated financial statements and does not control any company subject to external auditing.

Details of other financial instruments

The company does not possess financial derivative instruments.

The company does not possess participating derivative instruments.

Commitments, guarantees and potential liabilities not entered in the balance sheet

Following elimination of the details at the foot of the Balance Sheet, the following information regarding these items is provided:

No items in the financial statements.

Information about assets and loans for specific transactions

Assets intended for a specific transaction - article 2427 no. 20 of the Italian Civil Code

The company has not established equity allocated exclusively to a specific transaction, pursuant to point a), sub-paragraph one of article 2447-bis of the Italian Civil Code.

Loans intended for a specific transaction - article 2427 no. 21 of the Italian Civil Code

The company has not signed any loan agreements exclusively for a specific transaction, pursuant to point b) sub-paragraph one of article 2447-bis of the Italian Civil Code.

Information on transactions with correlated parties

Transactions with related parties - article 2427 no. 22 -bis of the Italian Civil Code

The company has not concluded any transactions with related parties that are considered significant or that have not been concluded under normal market conditions.

Information on agreements not entered in the balance sheet

Agreements not entered in the balance sheet - article 2427 no. 22-ter of the Italian Civil Code
The company has not signed any agreements not entered in the balance sheet.

Information about significant events after the end of the year

The presentation of the company's situation makes reference to significant events after year end, until today's date.

We have also recruited 3 new employees, with the aim of further reinforcing the company's operating structure.

The aim is to provide a service that lives up to our traditions, despite the increased number of commitments undertaken.

To offset this reduction, we are investigating some foreign markets (above all Spain) where it is considered that there could be a significant demand for the products and services we supply.

Preliminary contacts have given encouraging results even if it is still not possible to have reliable and objective numbers to bring to your attention.

Treasury shares and shares of parent companies, abbreviated

In accordance with the provisions of article 2435 of the Italian Civil Code, the report on operations has not been prepared as the information required as of points 3) and 4) of article 2428 of the Italian Civil Code is given here:

- the Company has not recorded the possession, purchase or sale of shares of its share capital.

- the Company does not possess, also through trust companies or third parties, stock or shares of parent companies and same have not been purchased or sold during the year.

Proposed use of profits or hedging of losses

Allocation of the year's result

Shareholders,

We propose that you approve the financial statements of your company at 31/12/2018 comprising:

- Balance Sheet;

- Profit and Loss Account;

- Explanatory Notes

As regards the allocation of the year's profit, amounting, as indicated, to € 274,617, considering the noted need to reduce the impact of the financial charges of the company, the following proposal is made:

- allocation of the entire amount of € 274,617 to the extraordinary reserve.

The allocation of a significant amount to the optional or extraordinary reserve allows the company to proceed with a form of self-financing.

Communication as of article 1, Law 25.1.85, no. 6 and Italian Law Decree 556/86

The company has not purchased public obligations that have resulted in the generation of income exempt from tax.

Auditing

The company has been subject to tax audits in previous years and, at today's date, the ensuing irregularities have been settled.

Currently there are no violations and the tax years from 2014 are open for tax settlement.

Exemptions as of sub-paragraph 5, article 2423 of the Italian Civil Code

It is also noted that the attached financial statements have not made use of the exemptions as of sub-paragraph 5, article 2423 of the Italian Civil Code.

Explanatory notes, part two

These financial statements, consisting of the balance sheet, profit and loss account and explanatory notes truthfully and correctly represent the equity and financial situation and the economic result for the year and correspond to the book entries.

These financial statements, consisting of the balance sheet, profit and loss account, cash flow statement and explanatory notes truthfully and correctly represent the equity and financial situation and the economic result for the year and correspond to the book entries.

Stamp duty paid by electronic means through the Chamber of Commerce of Rome - Authorisation number 204354/01 of 06/12/2001.

Rome, 28 April 2019

Board of Directors

Sole Director

Signed MIELE ARMANDO LEUCIO

“Digital signature”

Balance sheet conformity statement

The undersigned director declares that this computerised document is compliant with the one transcribed and signed in the company's corporate books.

The undersigned Mr.Antonio Caroli, pursuant to article 31, paragraph 2-quinquies, of law 340/2000, declares that this document is compliant with the original deposited with the company.

The undersigned director declares that the computerised document in XBRL form, containing the balance sheet, profit and loss account and these explanatory notes are compliant with the corresponding original documents filed with the company.

The undersigned director declares that the computerised document in XBRL form, containing the balance sheet, profit and loss account, cash flow statement and these explanatory notes are compliant with the corresponding original documents filed with the company.

The appointed director

Signed (Antonio Caroli)

“Digital signature”

18. FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2019

CESYNT ADVANCED SOLUTIONS S.P.A.

Financial statements at 31-12-2019

Name and ID code	
Registered Office	VIA GUIDO DE RUGGIERO 71 - 00142 - ROME - RM
Taxpayer's code	10945931003
Registration number	RM 1266481
VAT number	10945931003
Share capital Euro	56,944 f.p.
Legal status	JOINT STOCK COMPANY
Activity Code (ATECO)	620909
Company being wound up	no
Company with a single shareholder	no
Company subject to the management and coordination of others	no
Member of a group	no

Balance sheet (mandatory lay-out)

	31-12-2019	31-12-2018
Balance sheet (mandatory format)		
Assets		
A) receivables due from shareholders		
Called	309.509	0
Total receivables due from shareholders (A)	309.509	0
B) Fixed assets		
I - Intangible fixed assets		
3) industrial patents and intellectual property rights	371,356	371,356
7) other	169,539	33,170
Total intangible fixed assets	540,895	404,526
II - Tangible fixed assets		
4) other assets	5,967	5,681
Total tangible fixed assets	5,967	5,681
III - Financial fixed assets		
2) receivables due from		
d-b) due from others		
due beyond the following year	7,850	7,850
Total receivables due from third parties	7,850	7,850
Total receivables	7,850	7,850
Total financial fixed assets	7,850	7,850
Total fixed assets (B)	554,712	418,057
C) Current assets		
I - Inventories		
2) work in progress and semi-finished products	235,000	0
Total inventories	235,000	0
II - Receivables		
1) trade accounts		
due within the following year	319,786	20,639
Total trade accounts	319,786	20,639
5-b) tax receivables		
due within the following year	24,809	223,804
Total receivables due from third parties	24,809	223,804
5-d) other receivables		
due within the following year	397,241	264,545
Total receivables due from third parties	397,241	264,545
Total receivables	741,836	508,988
III - Current financial assets		
1-) investments in subsidiary companies	38,831	26.948
Total financial current assets	38.831	26,948
IV - Liquid funds		
1) bank and post office deposits	778,900	400,045
3) cash and cash equivalents on hand	4,778	10,822
Total liquid funds	783,678	410,867
Total current assets (C)	1,799.345	946,803
D) Accrued income and prepayments	190,253	0
Total assets	2.853.819	1,364,860
Liabilities and shareholders' equity		

A) Shareholders' equity		
I - Share capital	56,944	13,333
II - Share premium reserve	1,221,955	246,667
IV - Legal reserve	2,000	2,000
VI - Other reserves, indicated separately		
Extraordinary reserve	404,969	130,352
Miscellaneous other reserves	1	1
Total other reserves	404,970	130,353
IX - Net profit (loss) for the year	83,075	274,617
Minimised loss for the year	0	0
Total shareholders' equity	1,768,944	666,970
B) Reserves for contingencies and other charges		
Total reserves for contingencies and other charges	0	0
Total reserve for severance indemnities (TFR)	72,638	51,878
D) Payables		
4) due to banks		
due within the following year	10,189	9,446
due beyond the following year	31,194	64,578
Total payables due to banks	41,383	74,024
6) advances		
due within the following year	73	73
Total advances	73	73
7) trade accounts		
due within the following year	268,540	18,248
Total trade accounts	268,540	18,248
12) due to tax authorities		
due within the following year	553,608	504,270
Total payables due to tax authorities	553,608	504,270
13) due to social security and welfare institutions		
due within the following year	69,737	10,323
Total payables due to social security and welfare institutions	69,737	10,323
14) other payables		
due within the following year	78,896	39,071
Total other payables	78,896	39,071
Total payables (D)	1,012,237	646,009
E) Accrued liabilities and deferred income	0	3
Total liabilities and shareholders' equity	2.853.819	1,364,860

Profit and loss account (value and cost of production)

	31-12-2019	31-12-2018
Profit and loss account (value and cost of production)		
A) Value of production		
1) Revenue from sales and services	766,665	1,862,654
2) Variations in work in progress, semi-finished and finished products	235,000	0
5) Other revenue and income		
other	815	406,206
Total other revenue and income	815	406,206
Total value of production	1,002,480	2,268,860
B) Costs of production		
6) Raw, ancillary and consumable materials and goods for resale	2,357	4,141
7) Services	410,606	1,486,945
8) Use of third party assets	24,527	14,880
9) Personnel		
a) wages and salaries	290,485	191,034
b) related salaries	86,608	54,910
c) severance indemnity	20,764	14,180
Total payroll and related costs	397,857	260,124
10) depreciation, amortisation and write downs		
a) amortisation of intangible fixed assets	7,980	144,057
b) depreciation of tangible fixed assets	2,893	1,460
Total amortisation, depreciation and write-downs	10,873	145,517
14) Other operating expenses	16,689	53,234
Total cost of production	862,909	1,964,841
Difference between value and cost of production (A - B)	139,571	304,019
C) Financial income and charges		
16) other financial income		
d) income other than the above		
other	0	26
Total income other than the above	0	26
Total other financial income	0	26
17) Interest and other financial expenses		
other	9,311	11,421
Total interest and other financial expense	9,311	11,421
Total financial income and expense (15 + 16 - 17 + - 17-bis)	(9,311)	(11,395)
Pre-tax result (A - B + - C + - D)	130,260	292,624
20) Income tax for the year, current, deferred and prepaid		
Current taxes	47,185	18,007
Total income tax of the year	47,185	18,007
21) Year's profit (loss)	83,075	274,617

Financial statement, indirect method

	31-12-2019	31-12-2018
Financial statement, indirect method		
A) Cash flows from current activities (indirect method)		
Year’s profit (loss)	83,075	274,617
Income tax	47,185	18,007
Payable (receivable) interest	9,311	11,395
(Capital gains)/Capital losses from business conveyance	-	(2,459)
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances.	139,571	301,560
Adjustments to non monetary items that were not offset in the net working capital.		
Fixed asset depreciation/amortisation	9,542	145,312
Adjustments to financial assets and liabilities for derivative financial instruments that do not involve monetary transactions	(20,008)	-
Other adjustments to increase/(decrease) non-monetary items	20,760	13,693
total adjustments for non-monetary items that were not offset in the net working capital	10,294	159,005
1) Cash flow before changes to net working capital	149,865	460,565
Changes to net working capital		
Decrease/(increase) in inventory	(235,000)	
Decrease/(increase) in payables to customers	(299,147)	(854)
Increase/(decrease) in trade payables	250,292	(12,818)
Increase/(decrease) from prepayments and accrued income	(190,253)	75
Increase/(decrease) from accruals and deferred income	(3)	(3)
Other decreases/(other increases) in net working capital	419,891	193,298
Total changes to net working capital	(54,220)	179,704
1) Cash flow after changes to net working capital	95,645	640,69
Other adjustments		
Interest received/(paid)	(9,311)	(11,395)
(Income tax paid)	(252,200)	(165,728)
(Use of reserves)		(59,893)
Total other adjustments	(261,511)	(237,016)
Cash flow from current assets	(165,866)	403,253
B) Cash flows from investments		
Tangible fixed assets		
(Investments)	(1,703)	
Intangible fixed assets		
(Investments)	(136,369)	(313,922)
Financial fixed assets	-	(5,000)
Cash flows from investments (B)	(138,072)	(318,724)
C) Cash flows from financing activities		
Loan capital		
Increase/(decrease) in short term bank loans	743	5.314
New loans	(33,384)	(32,724)
Equity		
Capital increase payments	709,390	133,115
Cash flows from financing activities (C)	676,749	105,705
Increase (decrease) in liquid assets (A ± B ± C)	372,811	190,036
Liquid assets at the start of the year		
Bank and post office deposits	400,045	207,807

Cash and valuables in hand	10,822	13,024
Total liquid assets at the start of the year	410,867	220,831
Liquid assets at the end of the year		
Bank and post office deposits	778,900	400,045
Cash and valuables in hand	4,778	10,822
Total liquid assets at the end of the year	783,678	410,867

Explanatory notes to the financial statements at 31-12-2019

Explanatory notes, part one

Shareholders,

these financial statements at 31/12/2019 record a net profit of € 83,075 compared to a net profit of € 274,617 last year.

Structure and content of the financial statements

These financial statements have been drawn up in compliance with statutory and tax laws and consist of:

- the balance sheet (prepared in accordance with articles 2424 and 2424 bis of the Italian Civil Code);
- the profit and loss account (prepared in accordance with articles 2425 and 2425 bis of the Italian Civil Code);
- the cash flow statement (prepared in accordance with article 2425 ter of the Italian Civil Code)
- these explanatory notes (prepared in accordance with articles 2427 and 2427 bis of the Italian Civil Code).

ITALIAN LEGISLATIVE DECREE 139/2015

Following implementation of Directive 2013/34/EU, adopted with Italian Legislative Decree no. 139 of 18 August 2015 and published in Official Gazette no. 205 of 4 September 2015, the evaluation criteria, the general principles of the financial statements and their constituent tables and documents have been aligned with EU standards.

The modifications introduced with Italian Legislative Decree no. 139/15, implementing Directive 34/13 regard:

- the documents forming the financial statements;
- the principles for the preparation of the financial statements;
- the content of the balance sheet and profit and loss account;
- the evaluation criteria
- the content of the explanatory notes.

Publishing principles

Principles for the preparation of the financial statements

In the preparation of these financial statements, the theories contained in the Italian Civil Code, listed below, were taken into consideration as well as the provisions of standard OIC-11 - Purposes and theories of annual financial statements.

Prudence

In accordance with article 2423 - bis of the Italian Civil Code and the content of standard OIC 11 (paragraphs 16 and 19), the principle of prudence was adopted, applying reasonable caution in the estimates in conditions of uncertainty and applying, in the accounting of the economic components, prevalence of the principle of prudence over that of accrual basis.

Assumption of ongoing concern

As set forth by article 2423-bis, sub-paragraph 1, no. 1 of the Italian Civil Code, the financial statement items have been evaluated on an ongoing concern basis. Moreover, as indicated in standard OIC 11 (paragraphs 21 and 22), it was also borne in mind that the company represents a functioning economic unit for the generation of profit and that in the preparation of the financial statements, a forward-looking evaluation is made of the capacity of the company to continue to be a functioning economic unit for the generation of profit for a foreseeable period of time in the future, for a period of at least twelve months following the financial statement date.

Substance

As defined by 2423-bis, sub-paragraph 1, no. 1,-bis, of the Italian Civil Code, the items are identified and presented taking into account the substance of the transaction or contract. The content of standard OIC 11 (paragraphs 27 and 28) has also been taken into account; that is, that the provisions of the Italian Civil Code entail the identification of rights, obligations and conditions obtainable from contractual terms and conditions of the transactions and their comparison with the provisions of accounting standards to verify the correctness of their entry and cancellation of equity and economic elements. Moreover, an analysis has been made of contracts to establish the elementary accounting unit bearing in mind the segmentation and aggregation of the substantial effects of a contract or several contracts. Indeed, several rights or obligations that require separate accounting can emerge from a single contract.

Accrual basis of accounting

As set forth in article 2423-bis, sub-paragraph 1, no. 3 of the Italian Civil Code, revenue and charges have been entered in the year borne, independently from their date of collection or payment. In this respect, standard OIC 11 (paragraph 29) establishes that accrual is the time criterion by which the receivable and payable items must be charged to the profit and loss account for the purposes of determining the year’s profit/loss and that (paragraph 32) costs must be correlated to the income of the year.

Constancy

As defined in article 2423-bis, sub-paragraph 1, no. 6 of the Italian Civil Code, the evaluation criteria applied are the same as those applied in previous years. Indeed, the content of standard accounting 11 (paragraph 34) that sees constant application of the evaluation criteria as a tool that allows homogeneous measurement of the company's results over the years, facilitating analysis of the economic, financial and equity evolution of company by stakeholders has been taken into consideration.

Relevance

In the preparation of these financial statements, in accordance with sub-paragraph 4 of article 2423 of the Italian Civil Code, it is not necessary to comply with the obligations set forth regarding the recording, evaluation, presentation and provision of information about the financial statements when the effects of their non-observation are irrelevant for the purpose of truthful and correct representation.

The content of standard 11 OIC 11 (paragraph 36) where it is established that information is relevant when its omission or incorrect indication could reasonably affect the decisions of the main stakeholders based on the financial statements has been taken into consideration. For the purpose of quantification of relevance, both quantitative elements (paragraph 38), and qualitative elements (paragraph 39) have therefore been taken into account.

Comparability

As defined in article 2423-ter, sub-paragraph 5 of the Italian Civil Code, the amounts of the items in the previous year have been indicated in the balance sheet and profit and loss account. It is noted that, bearing in mind the provisions of standard 11 OIC (paragraph 44) concerning the characteristics of comparability of financial statements on different dates, in these financial statements it has not been necessary to make any adaptation as no cases of non-comparability were identified.

Principles for the preparation of the financial statements (theory of economic substance)

Pursuant to the revised article 2423-bis of the Italian Civil Code, the company’s transactions have been entered based on their economic substance and not on merely formal aspects.

Comparability and adaptability

Financial statements representation

The amendments to articles 2424, 2424-bis, 2425 and 2425-bis of the Italian Civil Code have led to changes in the representation of values. The points affected are:

- Research and advertising costs: these are entered in full in the Profit and Loss Account in the year they are borne, with ensuing alignment in this case with the indications of the International Financial Reporting Standards (IFRS). Consequently, only “development costs” can be capitalised.

- Treasury shares: these are indicated as a direct reduction of the shareholders' equity through entry in item A.X of the shareholders' equity “Reserve for treasury shares in portfolio" (alignment with the International Financial Reporting Standards (IFRS)).

- Relations with companies subject to the control of parent companies: financial fixed assets (shareholdings and receivables), in cash and banks (receivables) and in payables, include items regarding shareholdings, receivables and payables from/to subsidiaries by the parent company that draws up the financial statements (so-called fellow enterprises).

- Cash reserve for expected financial flows: the shareholders' equity includes item VII - Cash reserve for expected financial flows.

- Premiums and discounts: it is no longer to necessary to include premiums and discounts among the

accrued liabilities and deferred income. - Memorandum accounts: the details at the foot of the Balance

Sheet are no longer given.

- Extraordinary area of the Profit and Loss Account: in the new wording of article 2425, following elimination of the entire macro-class E) (items 20 and 21), regarding the extraordinary area, extraordinary income and costs are indicated in items A5 and B14.

- Derivative financial instruments: Directive 34/13 sets forth fair value evaluation of financial instruments; Italian Legislative Decree no. 139/15 adopts this principle, transferring derivative instruments from “memorandum accounts” (where they were entered previously) to the asset and liability sections of the Balance Sheet and classifying these instruments depending on their economic function (derivatives for hedging and those for trading).

- Assets held for sale and obsolete assets: tangible fixed assets, at the moment they are held for sale, are reclassified in cash and banks and therefore valued at the lower value between the net accounting value and the sales value inferable from the market trend (article 2426, number 6, sub-paragraph 1 of the Italian Civil Code). Assets held for sale are not subject to depreciation (OIC - Italian Accounting Board - no. 16, point 75).

Reference should be made to the relative paragraph for more information.

Applied evaluation criteria

Application of the amortised cost criterion

With reference to the financial statements for years starting from 01/01/2016, Italian Legislative Decree 139/2015 introduced the application of the amortised cost criterion in the evaluation of payables, receivables and investment securities.

Application of this method enables alignment, in a financial logic, of the initial value of receivables, payables and investment securities with the reimbursement value at maturity. In short, the application of this method consists in charging the transaction costs over the useful life of the receivable/payable/security (no longer among the intangible fixed assets) and of entering in the profit and loss account the actual interest and not that deriving from negotiated agreements.

This method, which must be adopted by companies that prepare their financial statements in the ordinary format, is optional for companies that prepare their financial statements in the abbreviated format.

Order of entry

The Balance Sheet and Profit and Loss Account items are entered in these Explanatory Notes in the order set forth in article 2427, sub-paragraph 2 of the Italian Civil Code and OIC no. 12. The text of these Explanatory Notes is prepared in accordance with the classification, as introduced with the new taxonomy.

The explanatory notes have the function of providing an overview, analysis and, in some cases, a supplement to the financial statement data and contain the information required as of article 2427 of the Italian Civil Code, other provisions of Italian Legislative Decree no. 127/1991 or other laws applicable to enterprises.

All the supplementary information needed to ensure truthful and correct representation is also provided even if not required by specific law provisions.

In this document, no grouping or omission of the items to be included in the obligatory tables as of articles 2424 and 2425 of the Italian Civil Code has been made, with the exception of those preceded by Arabic numerals or lower-case letters, omitted as the amount in both financial years covered by these financial statements has not changed and is in any case presumably irrelevant also in future years, with reference to the specific sector of activity and the Company's objective operating reality, in accordance also with the provisions of article 4, paragraph 5, of IV Directive EEC, that establishes a prohibition to indicate so-called "blank items".

To provide information useful for the financial evaluation of the company, the cash flow statement has been prepared as expressly set forth in the Italian Civil Code.

The explanatory notes, balance sheet and profit and loss account have been prepared in units of Euro, without decimal numbers, as provided for by article 16, sub-paragraph 8 of Italian Legislative Decree no. 213/98 and article 2423, sub-paragraph 5 of the Italian Civil Code, in the ways described below.

The Balance Sheet and Profit and Loss Account are prepared in units of Euro; the passage from the accounting data, expressed in Euro cents, to the financial statement data, expressed in units, has been made by rounding up or down, in line with the provisions of the Regulation (EC), applied to items that did not already represent sums or difference of other financial statement items.

The balancing of the financial statement items, after the above transition, was performed by allocating the differentials of the Balance Sheet in the item called "Sundry reserves" entered in item "AVI) Sundry reserves", and those of the Profit and Loss Account, either in "A05) Other revenue and income" or in "B14) Sundry operating costs" without therefore affecting the result of the year and allowing balancing of the financial statement tables (as established also in the Circular of the Inland Revenue Service no. 106/E/2001).

The data in the Explanatory Notes are also expressed in units of Euro and, as regards the tables contained herein, considering the rounding off difference, special supplements have been included where required by the need to balance the initial and final balances with those in the Balance Sheet and Profit and Loss Account.

Evaluations

The annual financial statements have been prepared in accordance with applicable law provisions and supplemented by the reference Italian accounting standards issued by the OIC and, where lacking, by those issued by the International Accounting Standards Board (IASB).

The financial statement items have been evaluated bearing in mind general principles of prudence and accrual basis accounting on an ongoing concern basis.

The classification and evaluation criteria adopted in the financial statements at 31/12/2019 are the same as those adopted in previous years, as required by article 2423 bis of the Italian Civil Code.

The evaluation criteria adopted in the preparation of these financial statements comply with the provisions of article 2426 of the Italian Civil Code.

No asset and liability elements fall under more than one item of the statements.

The risks and accrued losses of the year are taken into account even if known after the end of the year.

No loans were granted and no guarantees were granted in favour of the members of the Board of Directors or the Board of Auditors during the year and none exist at the end of it.

The evaluation criteria for the single items of the balance sheet and profit and loss account are indicated below, with tables showing the main variations in the year and the final amounts.

Other Information

Business activities

The company's business consists in the production of software for digital e-learning platforms.

Explanatory notes, assets

Criteria for the conversion of values expressed in foreign currency

Assets in foreign currency, other than fixed assets, already entered in the books at the exchange rate applicable at the date of the transaction, have been entered at the end-of-year exchange rate.

This adjustment has resulted in the entry of the “differences” (Exchange rate gains and losses) in the profit and loss account in the item “C17-bis exchange rate gains and losses”.

In accordance with the provisions of article 2426 no. 8-bis) of the Italian Civil Code, the profit of the year, for the amount referable to the net exchange rate gain, must be appropriated to a specific non-distributable reserve until its effective realisation.

The fixed assets in foreign currency are entered at the exchange rate applicable at the time of their purchase.

Finally, it is useful to note how the above-stated evaluations have been made on an ongoing concern basis and based on a homogeneous currency scenario by maturity with the assets and liabilities in question.

It is also noted that there are no receivables not originally expressed in money not of account “covered” by “futures”, “domestic swaps”, “options”, etc.

Total receivables for contributions due

The company has receivables for payments still due from shareholders that have/have not been called.

The attached table provides details about the initial and final value of variations in the year.

	Initial balance	Variations in the year	Closing balance
Receivables for contributions due and called	0	357,578	357,578
Total receivables for contributions due	0	357,578	357,578

Fixed assets

Intangible fixed assets

Evaluation criteria adopted

Intangible fixed assets are entered at purchase or realisation value, including incidental costs.

Multi-year costs have been capitalised provided only that they can be “recovered” thanks to the future profitability of the company and within the limits of same.

If this condition should no longer exist in years following that of capitalisation, the fixed asset will be written down.

Installation and expansion costs are entered adopting the criterion of the purchase cost effectively borne, including incidental costs and, depending on the favourable opinion of the board of auditors, are amortised over five years.

A table breaking down the item is provided below:

In accordance with Article 2426 of the Italian Civil Code, research and advertising costs are entered in full in the Profit and Loss Statement in the year they are borne, with ensuing alignment with the indications of the International Financial Reporting Standards (IFRS). Consequently, only “development costs” can be capitalised.

Asset item B.2 of the Balance Sheet "Research, development and advertising costs" has therefore been renamed "Development costs".

Development costs are valued at purchase cost and, subject to the approval of the Board of Auditors, are amortised based on their useful life, estimated according to the following evaluations.

A table breaking down the item is provided below:

Development costs (article 2427, no. 3 of the Italian Civil Code) - Break-down of the item

DESCRIPTION	Amortisation criterion	AMOUNT
Direct	Software	371,355
Direct	multi-year costs	169,539
TOTAL		**540,894**

Amortisation of intangible fixed assets has been made systematically every year, in relation to the residual possibility of future economic use of each asset or expense.

Revaluation of assets

In accordance with the provisions of article 10, Law no. 72/1983 - article 7 of Law no.408/90 - article 27 of Law no. 413/91 and articles 10 to 16 of Law no. 342/2000, it is noted that there are no fixed assets among the company's assets whose original purchase values have been subject to monetary revaluation.

The assets have not been revalued.

Reduction in value of intangible fixed assets

Firstly, it is noted that the intangible fixed assets have been subject to amortisation.

As regards the "foreseeable economic life", reference should be made to the section illustrating the evaluation criteria adopted.

Specifically, it is noted once again that the carrying value does not exceed the economically "recoverable" one, bearing in mind the future generation of economic results, the foreseeable life and, as far as pertinent, the market value.

Moreover, any differences compared to the write-downs made in previous years are noted, highlighting their effect on the year's economic result.

It is also noted how, for some intangible fixed assets with an indefinite economic life, it was possible to obtain a "market value" by applying some evaluation methods typically used for intangible fixed assets.

Variations in intangible fixed assets

Variations in fixed assets

For intangible fixed assets in the table, for each item, the historical cost, previous amortisation and previous revaluations and write-downs, variations in the year, final balances and the total of the revaluations existing at the end of the year are indicated.

Intangible fixed assets at 31/12/2019 amount to € 540,895.

Transfers from one item to another in the financial statements, compared to that of the previous year, are indicated in the field "Reclassification (of the financial statement value)".

	Industrial patents and intellectual property rights	Other intangible fixed assets	Total intangible fixed assets
Initial balance			
Cost	371,356	33,170	404,526
Balance sheet value	371,356	33,170	404,526
Variations in the year			
Increases for purchases	-	136,369	136,369
Decreases for transfers and disposals (of the balance sheet value)	-	(7,980)	(7,980)
Depreciation/amortisation for the year	-	7,980	7,980

Total variations	-	136,369	136,369
Closing balance			
	Industrial patents and intellectual property rights	**Other intangible fixed assets**	**Total intangible fixed assets**
Cost	371,356	169,539	540,895
Balance sheet value	371,356	169,539	540,895

Tangible fixed assets

Evaluation criteria adopted

Tangible fixed assets are entered in the financial statements in accordance with the general criterion of the purchase cost, including incidental costs and any other costs borne to make same usable by the company, plus any indirect costs for an amount reasonably attributable to the asset.

The values of the tangible fixed assets have not been adjusted.

Tangible fixed assets are depreciated on a straight-line basis each year considering the economic-technical rates calculated on the basis of the residual possibility of use of the assets.

The rates applied are indicated below:

Depreciation rates applied

DESCRIPTION	COEFFICIENT %
Intangible fixed assets	20.00%
Tangible fixed assets	20.00%

With reference to the depreciation method adopted to ensure rational and systematic attribution of the value of the asset over its economic life, the straight-line method was adopted and it was considered that the ordinary depreciation rates as of Ministerial Decree of 31 December 1988 effectively represent the criteria described above.

As considered acceptable by Italian accounting standard no. 16, instead of the “daily pro-rata basis” of the depreciation rate in the first year of useful life of the asset, the ordinary depreciation rate was halved,

considering the fact that the resulting deviation is not significant, and the structure of the depreciation process remains on a strictly straight-line basis.

Depreciation of tangible fixed assets characterised by a limited use over time is calculated based on the criterion of residual possibility of use, bearing in mind the physical deterioration and technological obsolescence of the assets, as well as the maintenance policies and asset replacement plans.

The depreciation plan could be re-adjusted only if a residual useful life other than the one originally estimated is ascertained.

Specifically, besides considerations regarding the physical life of the assets, all the other factors that affect the “economic” life, such as technical obsolescence, maintenance policies, any contractual conditions regarding the useful life, etc. have been, and will be, taken into consideration.

In the case where, regardless of the depreciation already entered in the accounts, there is a permanent loss in value, the fixed asset is depreciated accordingly; if in future years the assumptions for the write-down no longer exist, the original value will be restored.

Any causes that have led to recourse to such write-downs, must in any case have an extraordinary and serious nature, beyond facts that, instead, require normal adjustments to the depreciation plan.

For the year in question, the need to make write-downs as of article 2426, sub-paragraph one, no. 3 of the Italian Civil Code, exceeding the pre-established depreciation, was not recorded.

Maintenance costs of an ordinary nature are charged in full to the profit and loss account.

“Capital expenditure” has been calculated on the purchase cost only in the presence of a real and “measurable” increase in productivity, in the useful life of the asset or a tangible improvement in the quality of the products or services obtained, or, finally, an increase in the safety of use of the assets.

Instead, any other costs related to the assets in question have been charged in full to the profit and loss account.

Assets with a value of less than € 516.46 are depreciated in full in the year of purchase, considering their limited future use.

Contributions are entered in the financial statements according to the accrual basis of accounting at the time when there is a certainty of the grant by the granting institution.

Capital grants are entered with reduction of the cost of the fixed assets to which they refer.

Grants for current expenses are entered in the profit and loss account.

Revaluation of assets

It is noted that there has been no optional revaluation of the company's assets.

Asset revaluation table in accordance with article 10, Law 72/83

No items in the financial statements.

Reduction in value of tangible fixed assets

Firstly, it is noted that all of the tangible fixed assets have been subject to depreciation.

As regards the “foreseeable economic life”, reference should be made to the section illustrating the evaluation criteria adopted.

Specifically, it is noted that the carrying value does not exceed the economically “recoverable” one, that can be defined as the higher value between the presumed realisation one through sale and/or the internal value of use; that is, according to the definition contained in Italian national accounting standard no. 24 “the current value of cash flows expected in the future and deriving from or attributable to the continued use of the fixed asset, comprising those deriving from the sale of the asset at the end of its useful life”.

Land and buildings

Land and buildings are entered at purchase costs, plus notary expenses, registration tax for the preparation of the sales and purchase agreement and commissions granted to the brokers.

Machinery and equipment

Machinery and equipment, as well as furniture and furnishing, is entered based on the purchase cost, plus import duties, transport costs and fees for the assembly and installation of the assets.

Plants and systems

The plants and systems found on the market are entered at purchase cost, including the transport and installation costs borne to put the assets into operation.

Variations in tangible fixed assets

Variations in fixed assets

For tangible fixed assets, a table is attached indicating for each item the historical cost, previous amortisation and previous revaluations and write-downs, variations in the year, final balances and the total of the revaluations existing at the end of the year.

Tangible fixed assets at 31/12/2019 amount to € 5,967.

Transfers from one item to another in the financial statements, compared to that of the previous year, are indicated in the field “Reclassification (of the financial statement value)”.

The indication, in accordance with law 72/1983, article 10, of the assets still in the equity at 31 December 2019 on which revaluations have been made in previous years in accordance with specific law provisions, is provided below.

	Plant and machinery	Other tangible fixed assets	Total tangible fixed assets
Initial balance			
Cost	2,283	13,834	16,117
	Plant and machinery	Other tangible fixed assets	Total tangible fixed assets
Amortisation (amortisation fund)	2,283	8,153	10,436
Balance sheet value		5,681	5,681
Variations in the year			
Decreases for transfers and disposals (of the balance sheet value)		(146)	(146)
Revaluations during the year		1,703	1,703
Depreciation/amortisation for the year		1,562	1,562
Total variations		287	287
Closing balance			
Cost	2,283	13,834	16,117
Revaluations		1,703	1,703
Amortisation (amortisation fund)	2,283	9,569	11,852
Balance sheet value		5,967	5,967

Financial leasing operations

As regards assets leased under financial leasing contracts, in accordance with the provisions of article 2427, no. 22) of the Italian Civil Code, it is noted that there are non financial leasings.

Financial fixed assets

Evaluation criteria adopted

Shareholdings in subsidiaries have been evaluated on the basis of the share of the net shareholders' equity held.

Shareholdings in associated companies are evaluated using the cost criterion. Their carrying value in the financial statements is determined based on the purchase or subscription price.

The cost is reduced for permanent losses of value in the case where the associated companies have recorded losses and no profits are foreseen in the immediate future for an amount that could absorb the losses; the original value is restored in subsequent years if the reasons for the write-down made no longer exist.

There are no significant positive differences between that value and the value of the share of shareholders' equity as of the last financial statements of the associated company.

Dividends are entered in the accounts in the year in which they are resolved.

For investment securities other than shareholdings, the positive or negative difference between the cost value and the reimbursement value is entered according to the “pro-rata temporis” criterion based on the residual life.

Revaluation of assets

There has been no revaluation of some company assets.

Variations in investments, other securities and derivative non-current active financial instruments

VARIATIONS IN FIXED ASSETS

For financial fixed assets, a table is attached indicating for each item the historical cost, previous revaluations and write-downs, variations in the year, final balances and the total of the revaluations existing at the end of the year.

Tangible fixed assets at 31/12/2019 amount to € 7,850.

Transfers from one item to another in the financial statements, compared to that of the previous year are indicated in the field “Reclassifications”.

The indication, in accordance with law 72/1983, article 10, of the assets still in the equity at 31 December 2019 on which revaluations
have been made in previous years in accordance with specific law provisions, is provided below.

Changes and deadline of non-current receivables

Receivables, classified in financial fixed assets, represent an obligation of third

parties with the company. This item includes receivables for capitalised security

deposits regarding utilities.

Non-application of the amortised cost criterion

The receivables are entered based on the presumed realisation value; that is, the evaluation criteria adopted are the same as those used for receivables entered in cash and banks.

Table of variations in receivables

The table below indicates the variations in receivables compared to the previous year, highlighting the share with a maturity of more than five years.

	Initial balance	Closing balance	Amount due beyond 12 months
Non-current receivables due from others	7,850	7,850	7,850
Total non-current receivables	7,850	7,850	7,850

Details of non-current investments in subsidiary companies

The company does not hold shareholdings in other companies that give rise to an unlimited liability.

Details of non-current investments in associated companies

The company does not hold shareholdings in other companies that give rise to an unlimited liability.

Breakdown of non-current receivables by geographic area

Non-current receivables are not broken down by geographic area.

Non-current receivables for operations that envisage the obligation of retrocession at term

No items in the financial statements.

Value of financial assets

Information about the fair value of financial assets

The company has not entered financial assets in the financial statements that have a value that is higher than their fair value, with the exception of shareholdings in subsidiary and associated companies in accordance with article 2359 and of shareholdings in joint ventures.

Current assets Inventory

Final inventories of raw materials - semi-finished products - expendables - goods

Final inventories of semi-finished products and materials in process amount to € 235,000.

The above-stated categories of stock are evaluated based on the purchase cost actually borne, including incidental costs borne for transport and customs clearance and net of any trade discounts granted.

Evaluation of fungible assets (article 2426, no. 10 of the Italian Civil Code)

CATEGORY OF ASSETS	Balance sheet value	Final cost value	Differences
Materials in process and semi-finished products	235,000		Irrelevant difference
TOTAL	**235,000**		

Final inventories of finished products

Final inventories of finished products amount to Euro 0.

Inventories write-down provision

The final inventories write-down provision amounts to €0

	Initial balance	Variations in the year	Closing balance
Work in progress and semi-finished goods	0	235,000	235,000
Total inventories	0	235,000	235,000

Tangible fixed assets held for sale

There are no assets held for sale

Receivables included among current assets

Receivables are entered based on their presumed realisation value obtained by adjusting the nominal value with the relative write-down provision (taxed and untaxed) considered adequate for the reasonably expected losses.

The write-down of receivables thus takes into consideration individual situations already existing or inferable from certain and precise elements that can give rise to losses.

By way of example, insolvencies and transactions on bad debts in litigation have been considered also if known after the end of the year and up to the date of preparation of the financial statements.

Receivables with a residual duration of more than five years are not entered in these financial statements.

Trade receivables

Trade receivables with clients, both in documentary and paper format, amount to € 319,786.

Receivables in foreign currency

Short-term receivables in foreign currency, deriving exclusively from trade transactions, have been entered in the accounts in money of account based on the exchange rate on the date of the transaction.

The assets indicated above are entered following a conversion process, based on the exchange rate applicable at the financial statements date.

Gains and losses that derive from the conversion of individual short-term receivables and payables are credited and debited respectively in the profit and loss account as income elements of a financial nature (C.16.d and C.17).

The above-stated treatment, from the equity point of view, allows representation of receivables and payables respectively at the presumed realisation or extinction value at the end of the financial year.

As regards profit, this allows entry of profits and losses in the period in which they accrue, thus respecting the theory of accrual basis.

Other receivables from third parties

Receivables from the remaining third party subjects, such as the Inland Revenue Service, employees and other debtors indicated in the financial statements, have been evaluated at nominal value.

Variations and maturity of receivables posted to current assets

The table below indicates the variations in receivables compared to the previous year, highlighting the share with a maturity of more than five years.

	Initial balance	Variations in the year	Closing balance	Amount due within 12 months
Receivables entered in current assets	20,639	299,147	319,786	319,786
Receivables entered in current assets	223,804	(198,995)	24,809	24,809
Other receivables entered in current assets	264,545	132,696	397,241	397,241
Total receivables entered in current assets	508,988	232,848	741,836	741,836

Breakdown of receivables entered in current assets by geographic area

No items in the financial statements.

Receivables entered in current assets for operations that envisage the obligation of retrocession at term

In accordance with the principle of the prevalence of substance over form, the assets as of purchase and sales agreements with obligation of retrocession at term, are entered in the seller's balance sheet.

Financial assets not classified as fixed assets

Changes in financial assets not classified as fixed assets

Final inventories of securities in portfolio amount to Euro 0

Transactions in securities are entered in the accounts at the time of their payment.

Own securities are entered at the lower value between the purchase cost calculated according to the weighted average method and the presumed realisation value on the market, being:

- for securities listed on regulated Italian and foreign markets, based on the arithmetic average of the price lists in the month of December 2019;

Write-downs are entered in the profit and loss account on an accrual basis.

The original cost is restored if the reasons for the write-down made no longer exist in subsequent years.

Repurchase agreements regarding the purchase of securities with simultaneous commitment of forward resale, are treated as carry-over operations and, therefore, the amounts granted are considered as receivables entered in item C II 5.

The revenue from the above-stated operations, consisting of accrued interest of the coupons accrued on securities and the difference between the spot price and forward price of same, are entered on an accrual basis in the profit and loss account in the item C 16 d), "Total income other than the preceding".

	Initial balance	Variations in the year	Closing balance
Non-current shares in companies controlled by parent companies	0	3,000	3,000
Other non-current shares	26,948	-	26,948
Other non-current shares	0	126,000	126,000
Total financial current assets	26,948	129,000	155,948

IV - Liquid funds

Liquid assets amount to € 783,678 and are represented by the active balances of the deposits and current accounts held in the company's name at the end of the financial year for € 778,900 and cash and cash equivalents of € 4,778 entered at their nominal value.

It is noted that the active balances of the deposits and current accounts mainly take into consideration the credit operations, cheques and bank transfers with a value at the balance sheet date that is not higher and are entered at their nominal value.

Interest accrued in the year has been entered.

Cash and cash equivalents also include bank cheques not yet deposited for which there is reasonable certainty of their collectability and are evaluated according to the nominal value criterion.

	Initial balance	Variations in the year	Closing balance
Bank and post office deposits	400,045	378,855	778,900
Cash and other in hand	10,822	(6,044)	4,778
Total liquid funds	410,867	372,811	783,678

Accrued income and prepayments

These items include shares of costs and revenue, common to two or more financial years, the entity of which varies over time, in accordance with the accrual basis of accounting principle.

As regards suspended costs, the expense of the provision of services related to positive income components that will manifest in the following year, net of the amounts recovered in the current year, is taken into consideration.

Specifically, these are the costs related to the advertising campaign organised for next year.

The accrued income and prepayments derive from the need to enter in the financial statements the revenue accrued in the year but collectable in the following one, and to enter the costs bone within the end of the year but with partial accrual in the following year.

The items indicated above are shown in the table below:

	Initial balance	Variations in the year	Closing balance
Deferred income	-	190,253	190,253
Total accrued income and prepaid expenses	0	190,253	190,253

Refer to the tables below for an analytical list of accrued income and pre-paid expenses:

Details of accrued income (article 2427, no. 7 of the Italian Civil Code)

ACCRUED INCOME	**AMOUNT**
Centax telecom srl	50,000
linkedin	326
Innovative - rfk spa	60,000
Opstart srl	79,927
TOTAL	**190,253**

Capitalized financial assets

There are no capitalised financial charges.

Explanatory notes, liabilities and net equity

Criteria for the conversion of values expressed in foreign currency

Liabilities in foreign currency already entered in the books at the exchange rate applicable at the date of the transaction, have been entered at the end-of-year exchange rate.

This adjustment has resulted in the entry of the “differences” (Exchange rate gains and losses) in the profit and loss account in the item “C17-bis exchange rate gains and losses”.

In accordance with the provisions of article 2426 no. 8-bis) of the Italian Civil Code, the profit of the year, for the amount referable to the net exchange rate gain, must be appropriated to a specific non-distributable reserve until its effective realisation.

Finally, it is useful to note how the above-stated evaluations have been made on an ongoing concern basis and based on a homogeneous currency scenario by maturity with the assets and liabilities in question.

It is also noted that there are no debts not originally expressed in money not of account “covered” by “futures”, “domestic swaps”, “options”, etc.

Shareholders' equity

The share capital, amounting to €

56,944, can be broken down as follows:

Number of shares 5,694,444 for a

nominal value of € 0.1 each.

Revaluation reserve

There are no revaluation reserves.

Variations in shareholders' equity

On 24/10/2019, the Shareholders’ Meeting resolved on the increase in share capital. The increase from € 13,333

to € 56,944.44, fully subscribed, was made through issue of no. 5,694,444 ordinary shares at a price of € 0.1.

Significant variations in the year in the composition of the shareholders' equity can be entered in the table below:

	Initial balance	Other variations		Result for the year	Closing balance
		Increases	Decreases		
Capital	13,333	43,611	-		56,944
Share premium reserve	246,667	975,288	-		1,221,955
Legal reserve	2,000	-	-		2,000
Other reserves					
Extraordinary reserve	130,352	274,617	-		404,969
Miscellaneous other reserves	1	-	-		1
Total other reserves	130,353	274,617	-		404,970
Year’s profit (loss)	274,617	-	274,617	83,075	83,075

Minimised loss for the year	0	-	-		0
Total shareholders' equity	666,970	1,293,516	274,617	83,075	1,768,944

The increase from € 13,333.33 to € 56,944.44, fully subscribed, was made through issue of no. 5,809,507.00 ordinary shares at a price of € 0.1 each. - Increase in share capital against payment to be offered for subscription to shareholders and third parties on the online platform in accordance with Law Decree 179/2012 and Consob Regulation no. 18592/2013 as amended, with different premiums depending on the subscription deadline, the premiums until 16/12/2019 is € 1,175,989.94 to be performed with issue of solely category "B" shares to be freed in cash; - Issue of category "B" preferred shares to be assigned to shareholders in the form of "bonus shares"; - Issue of subscription warrants, approval of the relative regulation and corresponding increase in capital against payment, at the service of the issue. Significant variations in the year in the composition of the shareholders' equity can be entered in the table below: - the ordinary shares of the founding partners MIELE DONATELLA and GALIANO NELLO will be converted into shares in the shareholders' equity (table) - category B shares will converted into category "B" preferred shares in the distribution of the profit and, precisely, those eligible, in any case and providing that there is the presence of distributable reserves, 50% (fifty percent) of the profit accrued by the company in the first 5 (five) years following their distribution; that is from years 2020 to 2024 included. In this respect, in accordance with the provisions of article 2433, sub-paragraph 2 of the Italian Civil Code, this benefit will be due to holders of shares of such category within the limits of the annual profits actually recorded by the company and resulting from the approved financial statements, net of the appropriations established by law.

Use of shareholders' equity

see tables

	Amount
Capital	56,944
Share premium reserve	1,221,955
Legal reserve	2,000
Other reserves	
Extraordinary reserve	404,969
Miscellaneous other reserves	1
Total other reserves	404,970
Total	1,685,869

Key: A: for capital increase, B: to hedge losses, C: distribution to shareholders, D: for other article of association restraints, E: other

Information regarding the tax nature of the reserves at 31/12/2019

There are no deferred tax provisions among the shareholders' equity reserves.

It is noted that there are no reserves that, in the case of distribution, do not contribute to the formation of the company's taxable income;

a table that analyses the composition of the share capital has been prepared.

Tax reclassification of the items of the shareholders' equity

DESCRIPTION	Total	of which for reserves / capital payments (art. 47, sub-paragraph 5 TUIR)	of which for profit reserves	of which for deferred capital gain tax reserves	of which for retained earnings reserves
Share capital	56,944		56,944		
Share premium reserve	1,221,955		1,221,955		
Legal reserve	2,000		2,000		
Extraordinary reserve	404,969		404,969		
Sundry reserves	1		1		

Variations to the reserve for hedge operations on expected cash flows

The new item VII - Reserve for hedging transactions for expected financial flows in not included among the shareholders' equity.

Provisions for risks and charges

Provisions for risks and charges are appropriated to cover presumed costs, losses or debts, of a certain or probable nature of which, however, the amount or contingent date cannot be determined at the end of the year.

The appropriations reflect the most accurate estimate possible based on the elements available.

The evaluation of risks and charges whose actual manifestation is subordinate to the occurrence of future events also takes into consideration information that becomes available after the financial statement date and until the date of preparation of these financial statements.

Staff severance fund

Severance indemnity is appropriated to cover the liability accrued with employees in accordance with applicable law provisions and with the collective bargaining agreements and supplementary company agreements.

This liability is subject to revaluation based on indexes.

The severance indemnity provision amounts to € 72,638 and is congruent according to the dictates of the accounting standards, as it corresponds to the total of the individual indemnities accrued with employees on the payroll at the balance sheet date.

This amount is entered net of the substitute tax on the revaluation of the TFR accrued, pursuant to article 2120 of the Italian Civil Code, after 1 January 2001, as set forth by article 11, sub-paragraph 4, of Italian Civil Code no. 47/2000.

	Staff severance fund
Initial balance	51,878
Variations in the year	
Operating accrual	20,760
Total variations	20,760
Closing balance	72,638

Payables due to companies controlled by parent companies

Payables due within one year are entered at their nominal value, corresponding to the presumed realisation value.

Payables to third parties

Trade payables are entered at their nominal value, net of discounts granted.

The same evaluation criteria are used for payables of the same nature with subsidiaries and associated companies.

Long-term loans and financing

Long-term loans are entered at their nominal value that corresponds to the estimated extinction value.

Long-term financing is entered at its nominal value that corresponds to the estimated extinction value.

Existing debenture debt

There are no debenture debts.

Loans in foreign currency

There are no loans in foreign currency.

Variations in exchange rates after the end of the year

There are no variations in exchange rates after the end of the year such as to have significant effects.

Payables changes and due date

The table below indicates the variations in payables compared to the previous year, highlighting the share with a maturity of more than five years.

	Initial balance	Variations in the year	Closing balance	Amount due within 12 months	Amount due beyond 12 months

Payables to banks	74,024	(32,641)	41,383	10,189	31,194
Advances	73	-	73	73	-
Payables to suppliers	18,248	250,292	268,540	268,540	-
Tax payables	504,270	49,338	553,608	553,608	-
Payables due to social security and welfare institutions	10,323	59,414	69,737	69,737	-
Other payables	39,071	39,825	78,896	78,896	-
Total payables (D)	646,009	366,228	1,012,237	981,043	31,194

Breakdown of payables by geographic area

No break-down of payables by geographic area in which the company operates.

Payables covered by real guarantees on company assets

Debts with banks not backed by real security amount to € 41.383.

Long-term borrowings, guaranteed or not, are entered in the financial statements for the amount of the principal still to be repaid, valued at nominal value.

The composition of the mid and long-term bank debts backed by real security is provided in the following table:

Payables for operations that envisage the obligation of retrocession at term

In accordance with the principle of the prevalence of substance over form, the assets as of purchase and sales agreements with obligation of retrocession at term, are entered in the seller's balance sheet.

Shareholders' loans

Being a limited liability company, all shareholders' loans are subordinate as of law provisions.

These are loans whose right of reimbursement is secondary compared to the satisfaction of other creditors. No loans have been granted by shareholders.

Accrued liabilities and deferred income

These items include shares of costs and revenue, common to two or more financial years, the entity of which varies over time, in accordance with the accrual basis of accounting principle.

Accrued liabilities and deferred income are entered in the financial statements to comply with the need to report the costs of the year, due in the following year, and the revenue at the end of the year receivable in the following year.

The items indicated above are shown in the tables below:

	Initial balance	Variations in the year	Closing balance
Accrued liabilities	3	(3)	-
	Initial balance	**Variations in the year**	**Closing balance**
Total accrued liabilities and deferred income	3	(3)	0

Refer to the tables below for an analytical list of accrued income and pre-paid expenses:

Explanatory notes, income statement

Value of production

Revenue deriving from sales of finished products is recognised at the moment of transfer of ownership that is normally identified as the time of delivery or shipment of the goods.

Instead, revenue from the provision of services is entered when the services have been rendered, with the issue of the invoice or with "notification" sent to the client.

Breakdown of net revenue by business category

The revenue item under A I of the profit and loss account can be divided into categories of assets, considering the product categories in which the company operates.

Business category	Current year value
Sale of training courses	505,749
Sale of partners' training courses	87,027
Sale of software and compound interest consultancy	173,903
Total	766,665

Breakdown of net revenue by geographic area

The revenue item under AI of the profit and loss account has not been

divided into geographic area.

Details of the summary item "Other revenue and income" are provided in

the table below:

Details of item A5 - Other revenue and income

DESCRIPTION	31/12/2019	31/12/2018
Refund of expenses	400	0
Ordinary capital gains	0	2,459
Sundry tax credits	0	398,440
Other revenue and income	415	140
Revenue of an exceptional nature or impact		
b) Other extraordinary revenue		
- supervening non-existence of expenses and/or liabilities	0	5,167
TOTAL	**815**	**406,206**

Cost of production

Details of the summary item “Sundry operating costs” are provided in the table below:

Detail of item B14 - Sundry operating costs

DESCRIPTION	31/12/2019	31/12/2018
Losses on receivables	0	2,073
Deductible taxes	784	1,029
Non-deductible taxes	3,144	0
Sundry costs and expenses	11,438	5,598
Other sundry costs	760	22,709
Costs of an exceptional nature or impact		
b) Donations	360	360
c) Other extraordinary costs		
- supervening non-existence of revenues and/or assets	203	21,465
TOTAL	**16,689**	**53,234**

Financial income and charges

Financial income and income from services are entered adopting the

accrual basis of accounting method.

The payable interest of the year amounts to € 9,311.

Composition of share income

Revenue from sundry shareholdings other than dividends amounts to € 0.

Breakdown of interest and other financial liabilities by payables type

Details of the interest and other financial charges are given below by type of debt.

	Interest and other financial liabilities
Payables to banks	986
other	8,325
Total	9,311

A table showing the composition of the interest and other financial charges at the end of the current year is provided below:

Interest and other financial charges (article 2427 no. 12 of the Italian Civil Code) - Breakdown of the item

DESCRIPTION	AMOUNT
Payable interest on loans	987
Payable interest to suppliers	2
Interest on arrears	5,493
Payable interest on payment extensions with the Inland Revenue Service	2,829
TOTAL	**9,311**

Amount and nature of the single income/cost items of exceptional nature or impact

In the new formulation of article 2425 of the Italian Civil Code, following elimination of the entire macro-class E), regarding the extraordinary area, income of exceptional nature or impact is indicated in item A5.

No items in the financial statements.

In the new formulation of article 2425 of the Italian Civil Code, following elimination of the entire macro-class E), regarding the extraordinary area, costs of an exceptional nature or impact are indicated in items B14, as regards the previous years' taxes I20.

No items in the financial statements.

Income tax for the year, current, deferred and prepaid

In the preparation of the annual financial statements, the accrual basis of accounting principle was adopted, based on which income tax must be calculated and entered in such a way as to fully respect the correlation with the revenue and costs that contribute to the economic result of the period.

Therefore, “current” taxes, that is, taxes calculated according to tax laws, and “deferred” taxes, have been entered in the financial statements.

Year's income tax

This is entered based on the estimated taxable income in accordance with law provisions, taking into consideration the applicable exemptions and the tax credits due.

Deferred taxes

Deferred tax assets and liabilities are appropriated on the temporary differences between the carrying values in the balance sheet of the assets and liabilities and the related values acknowledged for tax purposes (capital gains, contributions and multi-year expenses deductible in future years), in accordance with the principle based on which provisions for risks and charges have to be appropriated solely for events whose existence is considered certain or probable.

Specifically, deferred tax assets are entered when there is a reasonable certainty of the existence in the years in which the temporary deductible differences, of a taxable income that is not less than the amount of the differences to be cancelled, will be carried over.

Instead, deferred tax liabilities are not entered if there is little probability that the related debt will arise.

As required by the accounting standards, deferred tax liabilities are entered in the related tax provision net of the advance tax assets.

As required by the accounting standards, deferred tax assets are entered in the related item deferred tax assets net of the advance tax liabilities.

At the end of each financial year, the Company will check if, and to what extent, the conditions still exist to maintain in the financial statements deferred tax assets and liabilities for deferred tax liabilities in previous financial statements, or if the conditions for recording assets and liabilities excluded in the past can be considered satisfied.

Explanatory notes, other information

Employment data

The analytical situation of employees during last year is illustrated below.

	Average number
Office staff	11
Other employees	1
Total employees	12

Remuneration, advances and credits granted to directors and auditors and commitments on their behalf

	Average number
Remuneration	105,976
Credits	30,250

Remuneration to external auditor or audit company

The company is not subject to external auditing as two of the dimensional limits as of article 2435-bis of the Italian Civil Code have not been exceeded; it is not obliged to prepare consolidated financial statements and does not control any company subject to external auditing.

The fees due to the external auditors for the auditing activities as of article 14, sub-paragraph 1 points a) and b) of Italian Legislative Decree no. 39/2010, performed in the year ending on 31/12/2019, amount to € 0.

Details of other financial instruments issued by the company

The company does not possess financial derivative instruments.

The company does not possess participating derivative instruments.

Commitments, guarantees and potential liabilities not posted to the balance sheet

Following elimination of the details at the foot of the Balance Sheet, the following information regarding these items is provided:

Information about assets and loans for specific transactions

Assets intended for a specific transaction - article 2427 no. 20 of the Italian Civil Code

The company has not established equity allocated exclusively to a specific transaction, pursuant to point a), sub-paragraph one of article 2447-bis of the Italian Civil Code.

Loans intended for a specific transaction - article 2427 no. 21 of the Italian Civil Code

The company has not signed any loan agreements exclusively for a specific transaction, pursuant to point b) sub-paragraph one of article 2447-bis of the Italian Civil Code.

Information on transactions with correlated parties

Transactions with related parties - article 2427 no. 22 -bis of the Italian Civil Code

The company has not concluded any transactions with related parties that are considered significant or that have not been concluded under normal market conditions.

Information on agreements not entered in the balance sheet

Agreements non included in the balance sheet - article 2427 no. 22-ter of the Italian Civil Code

The company has not entered into agreements not included in the balance sheet.

Information about significant events after the end of the year

The presentation of the company's situation makes reference to significant events after year end, until today's date.

Interest and contributions in arrears have been paid for an amount of € 164,883.

We have also recruited 1 new employee, with the aim of further reinforcing the company's operating structure.

The aim is to provide a service that lives up to our traditions, despite the increased number of commitments undertaken.

Companies that draft the largest/smallest group of companies that they belong to as subsidiary

No items in the financial statements.

No items in the financial statements.

Summary of balance sheet of the company exercising management and coordination activities

No items in the financial statements.

Information pursuant to art. 1, paragraph 125, of Law 4 August 2017 n. 124

As defined in article 1, sub-paragraph 125, of Law 124/2017, the amounts of grants, contributions, paid assignments and economic benefits of any type received from public administrations and subjects similar to public administrations are indicated.

A specific table providing the following information is attached:

- Tax credit for research and

development year 2018

- amount collected € 223,933;

- date of collection 10/01/2019

Proposed use of profits or hedging of losses

Allocation of the year’s result

Shareholders,

We propose that you approve the financial statements of your company at 31/12/2019 comprising:

- Balance Sheet;

- Profit and Loss Account;

- Cash Flow Statement;

- Explanatory Notes

As regards the allocation of the year’s profit, amounting, as indicated, to € 83,075, considering the noted need to reduce the impact of the financial charges of the company, the following proposal is made:

- to the legal reserve 5% amounting to € 4,153.75

- to ordinary shareholders the 10%

amounting to € 8,307.5

- to the extraordinary reserve 85%

amounting to € 70,613.75

- Total 83,075

The allocation of a significant amount to the optional or extraordinary reserve allows the company to proceed with a form of self-financing.

We thank you for the trust you have placed in us and, with our term of office expiring, we invite you to elect the new Board of Directors.

Exemption from the obligation to prepare Consolidated Financial Statements

Parent companies that have not issued securities listed on the stock market are exempted from preparing consolidated financial statements providing that, along with the subsidiaries, they have not exceed two of the following three limits for two consecutive years:

- 17.5 million euro in total assets in the shareholders’ equity;

- 35 million euro in total revenue from sales and services;

- 250 employees on average during the year.

Communication as of article 1, Law 25.1.85, no. 6 and Italian Law Decree 556/86

The company has not purchased public obligations that have resulted in the generation of income exempt from tax.

Auditing

The company has been subject to tax audits in previous years and, at today's date, the ensuing irregularities have been settled.

Currently there are no violations and the tax years from 2014 are open for tax settlement.

Exemptions as of sub-paragraph 5, article 2423 of the Italian Civil Code

It is also noted that the attached financial statements have not made use of the exemptions as of sub-paragraph 5, article 2423 of the Italian Civil Code.

Financial Statements conformity statement

These financial statements, consisting of the balance sheet, profit and loss account and explanatory notes truthfully and correctly represent the equity and financial situation and the economic result for the year and correspond to the book entries.

The undersigned director declares that this computerised document is compliant with the one transcribed and signed in the company's corporate books.

Stamp duty paid by electronic means through the Chamber of Commerce of Rome - Authorisation number 204354/01 of 06/12/2001.

Rome 05/02/2020

Administrative Body

Sole Director

Signed MIELE ARMANDO LEUCIO

“Digital signature”

The undersigned Mr. Antonio Caroli, pursuant to article 31, paragraph 2-quinquies, of law 340/2000, declares that this document is compliant with the original deposited with the company.

The undersigned director declares that this computerised document is compliant with the one transcribed and signed in the company's corporate books.

The undersigned director declares that the computerised document in XBRL form, containing the balance sheet, profit and loss account and these explanatory notes are compliant with the corresponding original documents filed with the company.

The appointed director

Signed

(Antoni Caroli)

“Digital signature”

CESYNT ADVANCED SOLUTIONS S.P.A.
VIA GUIDO DE RUGGIERO 71 - 142 ROME (RM)
Taxpayer's code: 10945931003
Subscribed share capital Euro 58,096 paid in 58,096 euros
Trade Register no. 10945931003- R.E.A. no. 1266481- ROME Office

REPORT OF THE BOARD OF AUDITORS ON THE FINANCIAL STATEMENTS AT

prepared pursuant to article 14 of Italian Legislative Decree no. 39 of 27 January 2010 and article 2429 of

Shareholders,
for the year ending on 31/12/2019, as per your mandate, granted on 24 October 2019, we have performed both the supervision and auditing functions as of Italian Legislative Decree no. 6 of 17 January 2003 and in this report we will illustrate the activities we have carried out.

Preparation principles

Responsibility for the preparation of the draft financial statements lies with your company's administrative body while it is our responsibility to express a professional opinion on the draft financial statements based on the auditing of the accounts.
The company has appointed an external auditor, Mr. Giuseppe Quatela, who on 31 August 2020 issued his report on the Financial Statements at 31.12.2019.
We carried out our activities in accordance with the auditing standards set forth in article 11 of Italian Legislative Decree no. 39 of 27 January 2010. In accordance with these standards, the audit was carried out by obtaining all the elements necessary to ascertain if the draft financial statements in question are, on the whole, reliable. The audit procedure has been carried out coherently with the size of the company and its organisational structure. The audit includes examination of the adequacy and correctness of the accounting criteria used and the reasonableness of the estimates made by the administrative body.

Considerations on the preparation of the financial statements

The financial statements, along with the report on operations which was transmitted in good time by the directors and which was duly examined, are submitted for your approval and record a net profit of € 83,075.
The administrative body, in accordance with the provisions of articles 2427 and 2428 of the Italian Civil Code, has informed you of the trend of operations in the last year.
It has illustrated the individual items of the financial statements, the evaluation criteria adopted, as well as the variations compared to the previous year, in this way providing a detailed and exhaustive representation of the various elements and aspects that have impacted the determination of the year's result.
It has also informed you about significant events occurring after the end of the business year.
Indeed, it is to these documents that the Board refers as regards the trend of operations, comments of the various

financial statement items and variations to the equity.

Before making our observations, we should point out that we have carried out the checks and controls as set forth by law and, during the year ending on 31/12/2019, we supervised observance with law and the articles of association and with the principles of correct administration using, in the performance of the activities, the suggestions provided in the recently issued “Code of Conduct for Boards of Auditors of unlisted companies” drawn up by the Italian Association of Certified Auditors and Accounting Professionals.

During these controls we noted that the company accounts have been properly kept and that the business transactions have been correctly entered. The company has kept the accounts as set forth by law and same have been drawn up, prepared and signed as established in articles 2215 and 2217 of the Italian Civil Code. The book entries and the other documentation set forth by law are correctly conserved, in accordance with the provisions of article 2220 of the Italian Civil Code.

The financial statements audited and which will be commented here show the following values:

BALANCE SHEET

Assets	€	2,853,819
Liabilities and shareholders' equity	€	2,853,819
Net profit	€	83,075

PROFIT AND LOSS ACCOUNT

Value of production	€	1,002,494
Cost of production	€	862,923
Financial income and expenses	€	-9,311
Value adjustments to financial assets	€	0
Pre-tax result	€	130,260
Year's income tax	€	47,185
Net profit	€	83,075

The financial statements have been prepared clearly and truthfully and correctly represent the company’s equity and financial situation as well as the economic result of the year.

No recourse has been made to the provisions of article 2423 of the Italian Civil Code, in terms of application of the provisions of law that are incompatible with truthful and correct representation of the company’s situation.

The balance sheet format used is the one established in articles 2424 and 2425 of the Italian Civil Code.

We have checked that the financial statements have been prepared in compliance with the principles of article 2423 bis of the Italian Civil Code.

We agree with the evaluation criteria adopted, that they are compliant with the provisions of article 2426 of the Italian Civil Code and that they are the same as those used in the previous year.

In greater detail, it is noted that:

- in the evaluation of the fixed assets, it was not necessary to apply the provisions of point 3) of the above stated article 2426 regarding assets that at year end have a value that is permanently lower than the purchase and production cost;

- with our approval, accrued liabilities and deferred income have been calculated on the basis of their economic and time relevance;
- employees' severance indemnity that fully covers the rights and amounts accrued by the personnel at the end of the year has been calculated in accordance with article 2120 of the Italian Civil Code, and is compliant with the new provisions of the Reform of Supplementary Social Security *(article 8, Italian Legislative Decree no. 252 of 5 December 2005)*;
- with our approval, costs with a useful life of more than one year have been entered among the assets in the balance sheet. In this respect, it is noted that the administrative body is informed of the fact that, until these costs entered among assets have been fully amortised, dividends can be distributed only if available reserves are sufficient to cover the amount of the non-amortised costs;
- amortisation and depreciation have been calculated applying the tax amortisation percentages that can in any case be considered adequate for the actual depreciation of the assets they refer to;
- final inventories have been entered at the purchase cost actually paid, inclusive of incidental charges such as transport and customs clearance net of trade discounts granted.   To supplement the explanatory notes, the directors have provided the following additional tables:
- classification of reserves and other provisions and the related variations in accordance with article 105 of Italian Presidential Decree 917/86;
- the report on operations as of article 2428 of the Italian Civil Code;
- analysis of the Company's situation, the trend and the result of operations;
- reclassification of the balance sheet according to financial criteria;
- the cash flow statement.

Consent to entry of multi-year costs under assets article 2429 no. 5) and 6)

Intangible fixed assets are entered at purchase or realisation value, including incidental costs. Multi-year costs have been capitalised provided only that they can be "recovered" thanks to the future profitability of the company and within the limits of same. If this condition should no longer exist in years following that of capitalisation, the fixed asset will be written down. Installation and expansion costs are entered adopting the criterion of the purchase cost effectively borne, including incidental costs, and are amortised over five years. In accordance with the revised Article 2426 of the Italian Civil Code, research and advertising costs are entered in full in the Profit and Loss Statement in the year in which they are borne, with ensuing alignment with the indications of the International Financial Reporting Standards (IFRS). Consequently, only "development costs" can be capitalised. Asset item B2 of the Balance Sheet "Research, development and advertising costs" has therefore been renamed "Development costs". A table breaking down the item is provided below:

Development costs (article 2427, no. 3 of the Italian Civil Code)

Description	Amortisation criterion	Amount
Direct	software	371,355

Direct	multi-year costs	169,539
Total		**540,894**

Revaluation of company assets

In accordance with the provisions of article 10 of Law no. 72/1983 - article 7 of Law no. 408/90 - article 27 of Law no. 413/91 and articles 10 to 18 of Law no. 342/2000, it is noted that there are no fixed assets among the company's assets whose original purchase values have been subject to monetary revaluation. The assets have not been revalued.

Principles of coherence

Coherence

Responsibility for the preparation of the report on operations in accordance with the relative provisions of law lies with the company's administrative body.
We have the duty of expressing our opinion on the coherence of the report on operations with the draft financial statements, as set forth in article 14, sub-paragraph two, point e), of Italian Legislative Decree no. 39 of 27 January 2010 . In this respect we have followed the procedures indicated by auditing standard no. PR 001 issued by the Italian Association of Certified Auditors and Accounting Professionals and recommended by Consob.
In our opinion, the report on operations is consistent with the draft financial statements of the company CESYNT ADVANCED SOLUTIONS S.P.A. at 31/12/2019

Conclusions

On the basis of the information reported above and in the light of the supervision and auditing of the accounts, carried out during the meetings of the board and on the basis of the documents handed over by the administrative body, we believe that the draft financial statements in question, on the whole, have been drawn up clearly and truthfully and correctly represent the economic, equity and financial situation of the company, in accordance with laws and regulations concerning annual financial statements. We therefore believe that the draft financial statements are compliant with the standards regulating the preparation criteria.
We express a favourable opinion and invite you to approve the financial statements comprising the Balance Sheet, Profit and Loss Account, Explanatory Notes and the attachments, as well as the Report on Operations as drawn up by the Administrative Body, approving its proposal on the allocation of the year's profit.

Pursuant to article 47 of Italian Presidential Decree 445 of 2000, it is declared that the document conforms to the original deposited at the company CESYNT ADVANCED SOLUTIONS S.P.A.

Brindisi 27 August 2020

The Board of Auditors

Chairman: DELL'ABATE GIOVANNI

[Signature]

Member: SARACINO RITA

[Signature]

Member: PEPE MILIZIA ORESTE

[Signature]

Proposal regarding a specimen final report based on the ISA Italia international standards, updated in light of the content of Italian Legislative Decree 39/2010

CESYNT ADVANCED SOLUTIONS S.P.A.
Registered Office: Rome (RM), via Guido De Ruggero no. 71, registered with the Trade Register of Rome under no. 10945931003, REA no. RM-1266481, Taxpayer's Code and VAT Reg. No. 10945931003

FINANCIAL STATEMENTS AT 31.12.2019 REPORT OF THE EXTERNAL AUDITOR
Pursuant to article 2409-ter of the Italian Civil Code (now article 14 of Italian Legislative Decree no. 39 dated 27 January 2010).

REPORT OF THE EXTERNAL AUDITOR IN ACCORDANCE WITH ARTICLE 2409-TER OF THE ITALIAN CIVIL CODE (NOW ARTICLE 14 OF ITALIAN LEGISLATIVE DECREE NO. 39 DATED 27 JANUARY 2010).

I have re-formulated the opinion on the audit of the attached year's financial statements of the company CESYNT ADVANCED SOLUTIONS S.p.A. comprising the balance sheet as at 31 December 2019, the profit and loss account, the cash flow statement for the year ending at that date and the explanatory notes.

In my opinion, the year's financial statements provide a true and correct representation of the company's equity and financial situation as at 31 December 2019, the economic result and cash flows for the year closing at that date in accordance with the Italian regulations that govern the drafting criteria for them. It is opportune to point out that in the first draft financial statements presented by the Board of Directors, due to a purely material error, shares of subscription of the share capital for a total amount of € 1,150.63, actually subscribed in 2020, were entered in the accounts for 2019. This error was caused by an imprecision and by the late communication of the data by Opstart and Directa Sim that communicated the data of the transaction on 11 March 2020.

Indeed, the two companies managed the crowdfunding campaign, one receiving the orders and the other the bank transfers related to the amounts subscribed by the investors. In this way different correspondence with data that were adjusted many times was sent and received. The succession of correspondence between Opstart and Cesynt and the consultant Mr. Antonio Caroli and the subsequent conversion of warrants led to a time lag of the data.

The subscribed capital at 31/12/2019 amounts to € 56,944.44 and not € 58,095.07 as incorrectly indicated in the Financial Statements. In short, as mentioned above, this was purely caused by a time lag.

It is noted that the incorrect indication of the amount does not have any effect on the result of 2019; that the material error is clearly attributable to an extraordinary activity not managed directly by Cesynt and that, in the future, control measures should be introduced to prevent the same problem from arising again.

Elements underpinning the opinion

I have based my opinion on the audit in accordance with the ISA Italia international auditing standards. My responsibilities, as set forth in these standards, are described in detail in the *Auditor's responsibilities for auditing the year's financial statements* section of this report. In compliance with the applicable regulations and standards on ethics and independence in the Italian system for the auditing of financial statements, I declare that I am independent from the company.

As regards the time available for the performance of the assignment and the information provided by the Administrative Body, I believe that I have obtained sufficient and appropriate evidential elements on which to base my opinion.

Responsibilities of the directors and board of auditors for the year's financial statements

The directors are responsible for preparing the year's financial statements. These should provide a truthful and correct representation in compliance with the Italian regulations that govern the preparation criteria and, in the ways set forth by law, they are also responsible for the part of the internal auditing which they consider necessary for preparing financial statements that do not contain significant errors due to fraud or unintentional behaviour or events.

The directors are responsible for assessing the capacity of the company to continue to operate as a going concern and, in preparing the year's financial statements, the appropriateness of using the assumption of it being a going concern, as well as for adequate information on that subject The directors use the going concern assumption when preparing the financial statements, unless they believe that conditions exist for the company's liquidation or for the interruption of business or they do not have realistic alternatives in such choices.

The board of auditors is responsible for the supervision, in the ways set forth by law, of the process for preparing the company's financial information.

Auditor's responsibilities for auditing the year's financial statements

The aim of this appointment is to acquire reasonable certainty that the year's financial statements on the whole do not contain significant errors due to fraud or unintentional behaviour of events and to issue an audit report that includes my opinion. Reasonable certainty means a high level of certainty which, however, does not provide a guarantee that an audit carried out in compliance with the ISA Italia international auditing standards always identifies a significant error, if it exists. Errors can arise from fraud or unintentional behaviour or events and are considered significant if one can reasonably expect that they, individually or as a whole, are capable of influencing the economic decisions taken by users on the basis of the financial statements.

I exercised professional judgement and kept professional scepticism throughout the audit which was carried out in accordance with the ISA Italia international auditing standards. Moreover:

- I identified and assessed the risks of significant errors in the year's financial statements that could have been caused by fraud or unintentional behaviour or events and carried out the audit bearing in mind these risks; I acquired sufficient appropriate evidential elements on which to base my opinion. The risk of not identifying a significant error caused by fraud is higher than the risk of not identifying a significant error arising from unintentional behaviour or events, as fraud can imply the existence of collusion, falsification, intentional omissions, misleading representations or forced interpretations in the internal audit;
- I acquired an understanding of the internal audit that was significant for auditing purposes so as to define appropriate auditing procedures for the circumstances and not to express a judgement on the effectiveness of the company's internal audit;
- I assessed the suitability of the accounting standards used as well as the reasonableness of the accounting estimates made by the directors, including the related report;
- I reached a conclusion on the appropriateness of the use by the board of directors of the assumption of the company being a going concern and, based on the evidential elements acquired, on the possibility that significant uncertainty exists regarding events or circumstances that could give rise to significant doubts regarding the ability of the company to operate as a going concern. If there is significant

uncertainty, I am bound to draw attention to this in the audit report on the related explanatory notes to the financial statements, or, if this information is inadequate, to take this circumstance into consideration in formulating our opinion. My conclusions are based on the evidential elements acquired from the date of the appointment until the date of this report. Nevertheless, subsequent events or circumstances can mean that the company ceases to operate as a going concern;

- I assessed the presentation, structure and content of the financial statements, including the explanatory notes, and whether the financial statements represent the underlying transactions and events in such a way as to provide a correct representation;
- I informed the managers of the governance activities, who were identified at an appropriate level as required by ISA Italia, of the other aspects, the range and planned timing for the audit and the significant results emerging, including any significant deficiencies identified in the internal audit during the auditing.

My audit was conducted according to the established auditing standards. In accordance with the above-stated principles, the audit was conducted with the aim of acquiring all the elements necessary to ascertain if the financial statements contain significant errors and if they are, on the whole, reliable.

Bearing in mind the time taken to carry out the task and the information available, the audit was carried out coherently with the size of the company and with the organisational structure and in accordance with applicable laws. The audit includes, based on spot checks, the evidential elements supporting the balances and the information contained in the financial statements as well as evaluation of the adequacy and

correctness of the accounting criteria and reasonableness of the estimates made by the directors.

As regards the financial statements of the previous year, whose data are presented for comparison purposes as set forth by law, reference is made to the report issued by another auditor on 31.03.2019

I believe that the work carried out provides a reasonable basis on which to express my professional opinion. Therefore, in my opinion, with the exception of possible effects related to the limited evaluation of the level of significance of the entries, I believe that the financial statements have, on the whole, been drawn up clearly, in accordance with standards governing financial statements and truthfully and correctly represent the Company's equity and financial situation and its economic result for the year ending on 31.12.2019.

Report on other provisions of law and regulations

The administrative body of CESYNT ADVANCED SOLUTIONS S.p.A. is responsible for drawing up the report on operations for CESYNT ADVANCED SOLUTIONS S.p.A. at 31/12/2019, including its consistency with the related financial statements and its compliance with the rules of law.

In my opinion, the report on operations is consistent with the financial statements of CESYNT ADVANCED SOLUTIONS S.p.A. at 31.12. 2019 and has been drawn up in compliance with the rules of law. With reference to the declaration as of article 14, sub-paragraph 2 point e) of Italian Legislative Decree 39/2010, issued based on the knowledge and understanding of the company and its related context gained during the audit, I have no objections to make.

Brindisi, 31/08/2020 External Auditor

Mr.Giuseppe Quatela