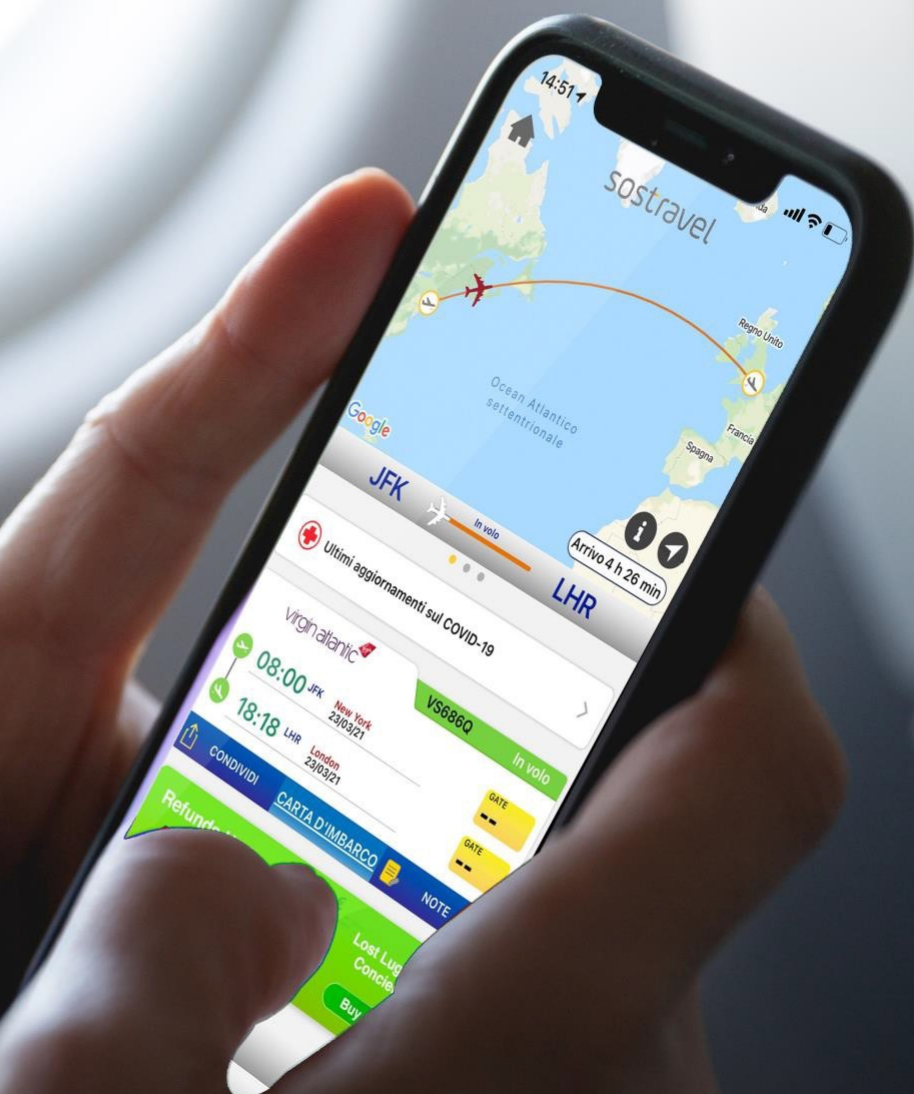




Sostravel.com S.p.A.
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SOSTRAVEL.COM S.P.A. FINANCIAL STATEMENTS AS

31 December 2020

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SOSTRAVEL.COM S.P.A.



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FINANCIAL STATEMENTS OF SOSTRAVEL.COM S.P.A. AS OF 31 DECEMBER 2020



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SOSTRAVEL.COM S.P.A.

1 Company presentation



The Company was founded on 27 November 2017 and registered in the Registry of Companies on 7 December 2017 by the conferment - from TraWell Co (previously Safe Bag) - of the company branch named "sostravel.com"; this operation involved the assets and the legal relationships that are instrumental to activities relative to "assistance to the traveler", particularly those relative to the tracking of lost baggage, the supply of airport information services, insurance services and other services to airport passengers.

The objective of the Company is to present itself on the market - through an integrated digital platform (the sostravel App) which has been launched and promoted on primary mobile stores (including Google Play and App Store) on 15 December 2018 as an "aggregator" of a range of passenger assistance services throughout the journey, from departure to arrival at the destination airport.

In the near future, sostravel.com will continue to invest in innovation and development with the aim of expanding and further consolidating its leadership in the sector.

International operations

With regard to the sale and distribution of its services, the Company can not only avail itself of the sostravel App but also of the commercial network of the TraWell Co Group (previously Safe Bag) which has been operating in the market for wrapping, protection and tracking services for years. The latter is present, with different points of sale, in multiple international airports.

The graph below reports the geographical distribution of the TraWell Group and the location of the airports where, to date, sostravel markets its services.



AMERICA
5

CANADA (3)
USA (1)



EUROPA 26

ITALY (6)
FRANCE (7)
SWITZERLAND
(1)
PORTUGAL (5)
GREECE (1)
POLAND (2)
ESTONIA (1)
LATVIA (1)
LITHUANIA (2)



ASIA 21

RUSSIA (18)
KYRGYZSTAN (1)
THAILAND (1)
PHILIPPINES

Services

By means of sostravel App, the Company offers the following services:

•**Flight tracking:** this service provides access to useful information regarding the flights of interest (flight status, gates, delays, cancellations, etc.). Information on individual flights is made available free of charge.

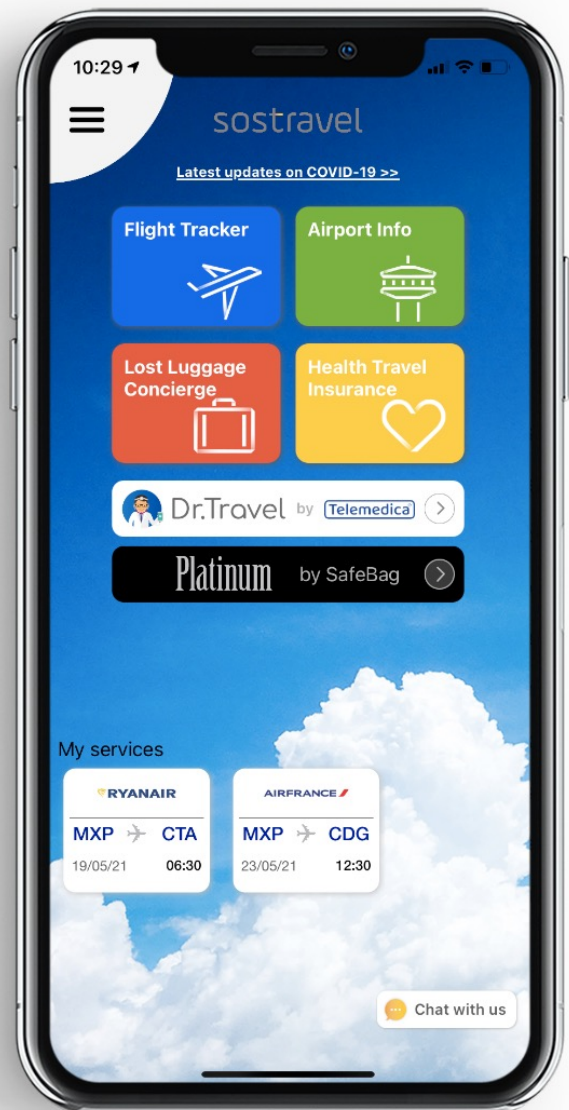
•**Airport info** this service (i) provides free access to various useful information related to the airports of interest (eg. modalities for transfer from or to the infrastructure, maps, food, Wi-Fi) and (ii) allows for the purchase of certain services available there (eg. parking, car rental services, access to VIP lounges, etc.).

•**Lost & Found Concierge:** this service refers to sostravel's commitment to tracking customer baggage in cases of loss and/or failed delivery at the destination airports. The service can be purchased before the departure of the flight and is made available either on a pay-per-use basis (with reference, in other words, to individual journeys) or through special subscriptions (which allow users to use the service for all flights performed within a predefined time period).

•**Telemedicine:** The Company provides telemedicine services for travelers directly from its APP, in partnership with the American company Health Point Plus, Inc. The Dr. Travel service can be used - by means of the sostravel APP - directly from your smartphone, in multilingual format, and has a coverage of 14 days from the date of departure at a cost of Euro 10 for a single traveler and Euro 25 for a family (up to a maximum of 6 people).

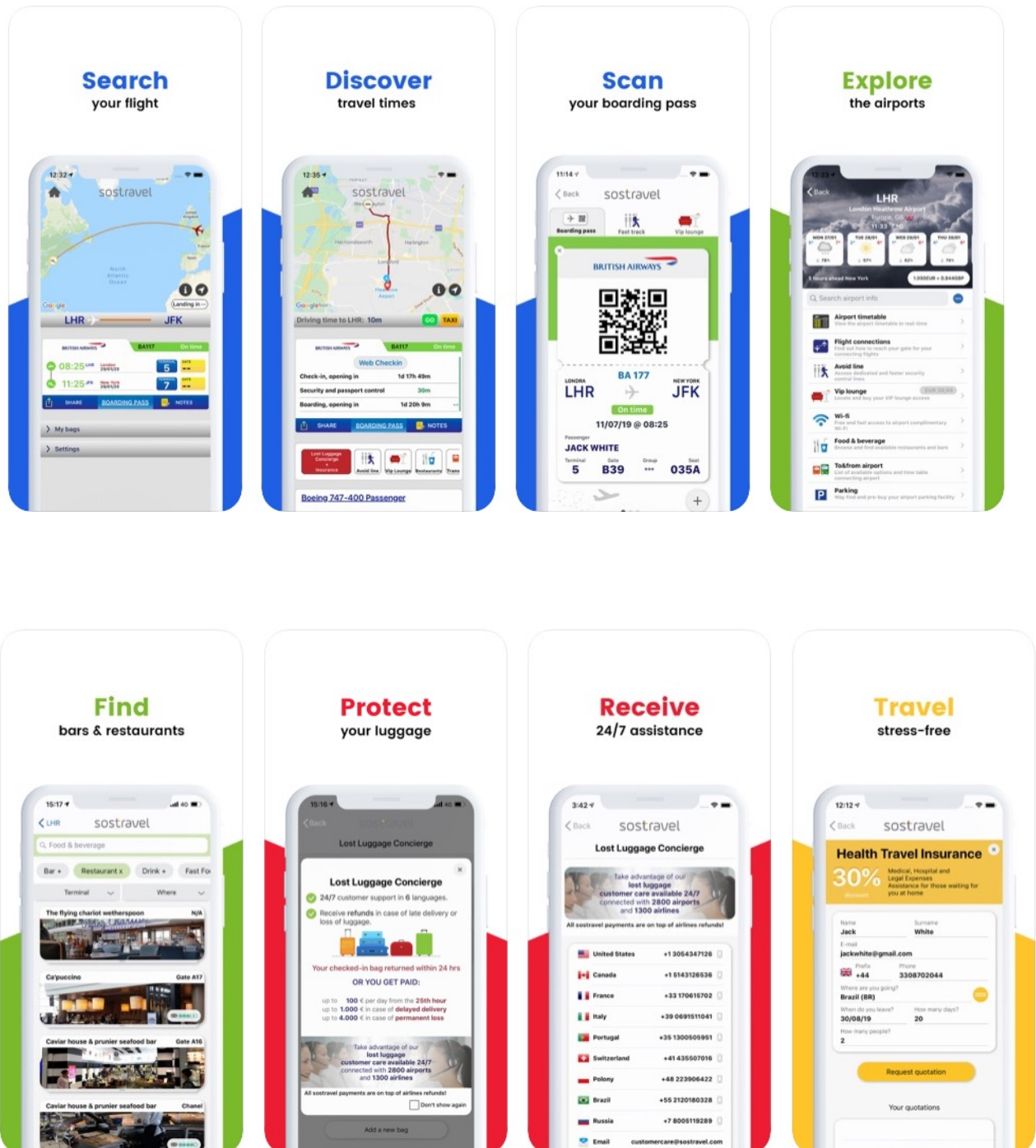
the “Dr. Travel” telemedicine service is also on sale within the TraWell network. The TraWell Group operates, through approximately 160 sales points, in 52 airports and 16 countries. Pre-covid sostravel generated about 2 million Euro in sales for the Lost & Found Concierge service alone within the TraWell network.

Travel insurance: this service allows users to access - through the sostravel App - the website of a leading insurance company authorized to sell multi-risk travel insurance policies and to purchase, also through remote communication modalities, products and insurance coverage related to the trip.



Development of Technological Products

During the course of 2020, sostravel.com has continued to invest in the development of its App whose graphical userface is shown below.



To date, the Flight Tracking, Airport Info, Lost Luggage Concierge, Dr. Travel (telemedicine) and Insurance services are fully developed and active.

Sales channels

Online sales channels

Sostravel aims to offer airline passengers (mainly those belonging to the "X" and "Millennials" generations) access to an integrated digital platform (the sostravel App) which is characterized by an innovative concept aimed at ensuring the possibility of using a variety of information and services linked to the trip.

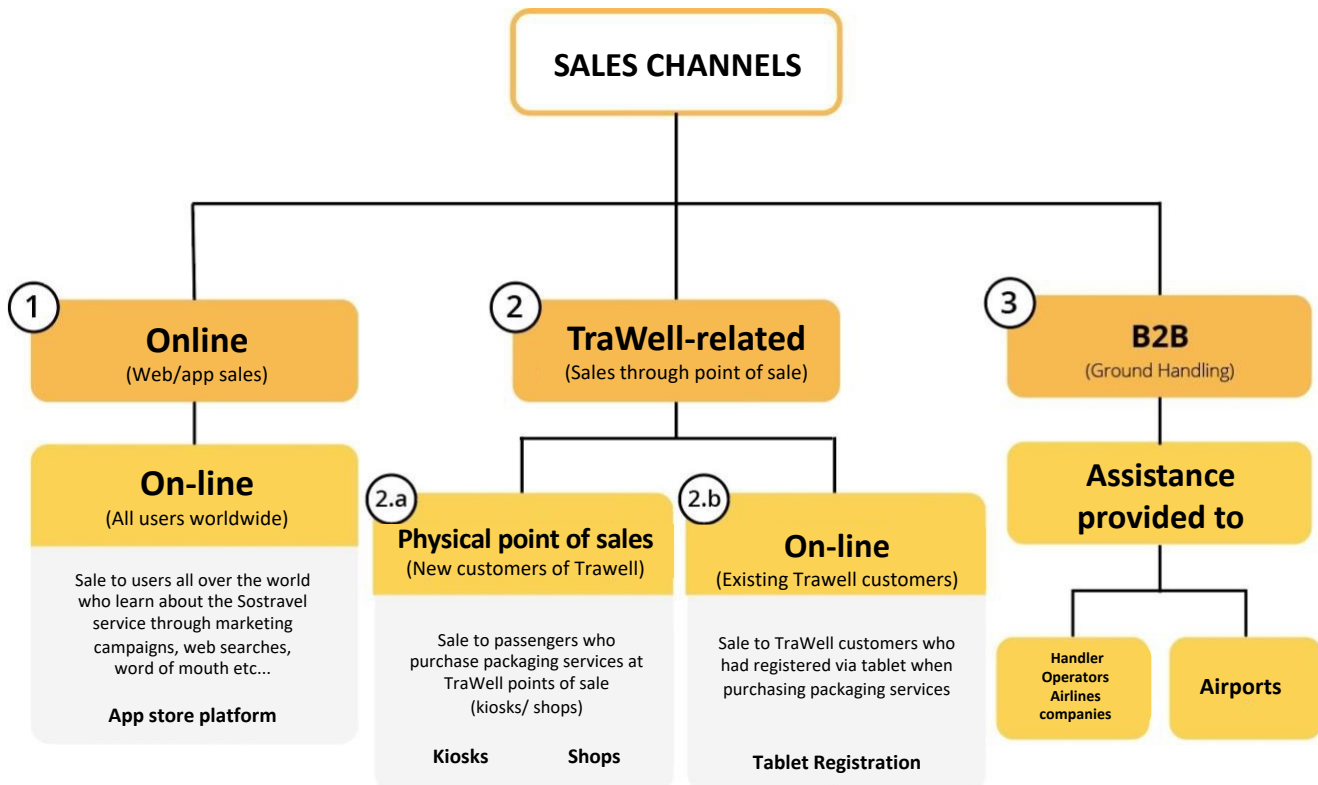
TraWell-related sales channel

In addition to airline passengers, sostravel also offers its commercial offer to the companies of the TraWell Co. Group.

The offer to the companies of the TraWell Co. Group is based on an agreement between sostravel.com and the group and refers to the supply of the relative services: (i) the tracking of baggage of customers of TraWell Co. Group companies that have purchased the Lost Baggage Concierge Service in cases of loss and /or failure to deliver this baggage; (ii) call center assistance offered to customers of TraWell Co Group companies during the collection of reports of loss, theft and/or damages to the baggage.

B2B sales channels

Finally, sostravel provides its commercial offer to airlines and/or airport handlers ("**B2B Customers**"); the latter are proposed the supply of services concerning: (i) the digitization of activities relative to the filling out and forwarding of the PIR to the Lost & Found offices of B2B Customers and (ii) activities required for the tracking of lost baggage.



Communications and marketing

Due to the Covid-19 pandemic and the drop in airport traffic around the world, the Company limited its marketing and communication efforts during 2020. It should be note that, in 2019, the company invested in a few important campaigns to improve its image and market penetration;

Human resources

During 2020, the Company focused on cutting costs, including personnel costs, and for which a total of 5,133 hours of “covid” redundancy funds were used.

As of 31 December 2020, the total workforce was equal to seven employees, including one middle manager and six office employees.

2 Shareholding structure

The shareholding structure as of 31 December 2020 is therefore the following:

| Shareholding structure | No. of owned shares | % of share capital |
|------------------------------|---------------------|--------------------|
| RG Holding S.r.l. (1) | 2.454.305 | 41,03% |
| TraWell Co S.p.A. | 660.280 | 11,04% |
| Free Float | 2.866.640 | 47,93% |
| Total | 5.981.225 | 100% |

Data updated as of 19 September 2019

(1) Company controlled by Rudolph Gentile.

It should be noted that, on 12 August 2019, the Issuer notified the market of a change in certain significant shareholders. In fact, and following the distribution of the dividend in kind of the previous parent company TraWell co S.p.A., the company and the firm RG Holding S.r.l., a company controlled by Mr. Rudolph Gentile, announced that they hold 41.36% and 11.13% respectively, as of today's date and following the dilution for the assignment of the Bonus Shares equal to 41.03% and 11.04%.

sostravel.com Spa is listed in the AIM Italia market



3 Company bodies



BOARD OF DIRECTORS

| | |
|------------------------|-------------------|
| CEO <i>Chairman</i> | Rudolph Gentile |
| Director | Simone Gamba |
| Director | Nicola De Biase |
| Director * | Luca Galea |
| Independent director | Edoardo Zarghetta |

*Resigned on 01/03/2021


BOARD OF STATUTORY AUDITORS

| | |
|----------------------|------------------------------------|
| Chairman | Enrico Orvieto |
| Standing auditors | Paolo Natalini/Marco Ambrosini |
| Alternative auditors | Fabrizio Cardinali/Andrea DeNigris |

Auditing company

Auditing company  Audirevi S.p.A.

Nomad

Nominated Advisor  Banca Finnat S.p.A.

4 sostravel.com in Borsa AIM

Sostravel.com was listed on the Milan Stock Exchange, Piazza Affari, on 1 August 2018 within the AIM Italia segment

AIM Italia is the "Borsa Italiana" stock market dedicated to SMEs and which allows access to stock markets through a simplified listing process; it currently includes about one fifth of the companies listed on the Stock Exchange.

On 30 July 2018, sostravel.com S.p.A. was admitted to the AIM market of Borsa Italiana with a share price of 5.60 Euro. On 1 August 2018, following the first day of trading, the IPO transaction was completed with the full underwriting of the share capital increase by the market and with a gross financial collection of 5,230,400 Euro.

The offer was made through a placement of shares aimed at: (i) qualified Italian investors, as defined and identified in Article 34-ter of Regulation 11971/1999, (ii) foreign institutional investors (excluding Australia, Canada, Japan and the United States of America); and/or (iii) other categories of investors, provided that the placement is implemented in such manner that allows the Company to benefit from an exemption from the public offering obligations pursuant to Article 100 of the Consolidated Financial Act and Article 34-ter of Regulation 11971/1999 ("Private Placement").

Upon completion of the Private Placement, a total of 934,000 Shares - resulting from a share capital increase approved by the Company's shareholders' meeting - were underwritten. Warrants were assigned free of charge to the Shares underwritten as part of the Private Placement in the ratio of one warrant for one share. In addition, a bonus share of 1:10 is envisaged for those who have underwritten during the Private Placement before the start date of trading and who hold the shares for at least twelve months from that date.

The shareholders' meeting also approved the issue of 500,000 warrants for members of the Board of Directors and/or Company management.

These warrants will be assigned by the Board of Directors on a date subsequent to the start date of trading. In this regard, it should be noted that 150,000 Warrants will be assigned discretionally by means of a resolution of the Board of Directors.

The remaining 350,000 warrants will instead be assigned subject to a prior resolution of the Board of Directors and to the occurrence of certain future conditions.

In particular, the aforementioned remaining 350,000 warrants will be assigned (always in favor of members of the Board of Directors and/or the management of the Company) on the condition that the unitary price of the Issuer's shares and warrants reaches a cumulative value of at least 100% higher than the offer price of the shares during the Private Placement.

Total revenues deriving from the Private Placement, gross of commissions and expenses incurred as part of the Private Placement, amount to 5,230,400 Euro. Following the Private Placement, the Market holds 15.74% of the Company's share capital with an IPO capitalization of approximately 33 million Euro. Following the potential conversion of the 2018 - 2021 sostravel Warrants, including those that will be assigned to members of the Board of Directors and/or the management of the Company, the overall placement could reach the range of Euro 14.1 - 15.9 million (based on the strike prices correlated to the conversions), with the market at 32.14% (not including the assignment of the so-called bonus shares to beneficiaries). On the date of initiation of trading of the shares and warrants on AIM Italia, the Issuer's share capital was equal to Euro 593,400 and will be represented by 5,934,000 shares. sostravel was assisted in the operation by Banca Finnat Euramerica acting as Nomad and Global Coordinator as well as by Studio GBX acting as legal advisor, Ambromobiliare acting as financial advisor, PwC acting as strategic advisor and Audirevi acting as the auditing company. The Nctm law firm acted as legal advisor to the Nomad and Global Coordinator. Following the admission to trading, Banca Finnat Euramerica will act as Nomad, Specialist and will ensure continuous analyst coverage service. On 17 September 2019, in application of the provisions set out in the Admissions Document, the Issuer granted Bonus Shares free of charge to entitled parties for a total of 47,225 ordinary sostravel.com S.p.A. Shares with ISIN code IT0005338675. As a result of the issue of 47,225 ordinary shares, the share capital of sostravel.com S.p.A. is divided into 5,981,225 ordinary shares.



REPORT ON OPERATIONS

5 Operational trends and business outlook for sostravel

The objective of the Company is to present itself on the market - through an integrated digital platform (the sostravel App) which has been launched and promoted on primary mobile stores (including Google Play and App Store) on 15 December 2018 as an "aggregator" of a range of passenger assistance services throughout the journey, from departure to arrival at the destination airport.

In addition to assistance services for airport travelers pursuant to a commercial agreement undersigned with the TraWell Co S.p.A. Group (previously Safe Bag S.p.A.) on 15 December 2017 and partially amended on 25 June 2018 and 17 October 2019, the Company also provides its services to the companies of the TraWell Co. Group. In particular, and on behalf of the latter, sostravel implements the following activities: (i) tracking of the baggage of customers of the TraWell Co (previously Safe Bag) Group who have purchased the Lost Baggage Concierge Service in the event of loss and/or failure to return the baggage at the destination airports; (ii) assistance through call centers to customers of the companies of the TraWell Co (previously Safe Bag) Group during the collection of reports of loss, theft and/or damage to baggage.

The Company has also developed an additional business line focused on the supply of telemedicine services for travelers, directly from its APP and in partnership with the American company Health Point Plus, Inc. The Dr. Travel service can be used - by means of the sostravel APP - directly from your smartphone, in multilingual format, and has a coverage of 14 days from the date of departure at a cost of Euro 10 for a single traveler and Euro 25 for a family (up to a maximum of 6 people). On 1 March 2021, a distribution agreement was also signed for the sale of the "Dr. Travel" telemedicine service on the TraWell network. The TraWell Group operates, through approximately 160 sales points, in 52 airports and 16 countries. Pre-covid sostravel generated about 2 million Euro in sales for the Lost & Found Concierge service alone within the TraWell network.

Business outlook following the Covid-19 emergency

The Company, due to its specific type of business operations, is significantly exposed to the critical factors related to the spread of infections and the regulatory measures adopted to contain the spread of the epidemic as well as the concerns of travelers in relation to the use of air transportation. The pandemic - which is still in progress - and the regulatory measures mentioned above, however, have led to a massive decrease in air traffic and have ultimately resulted in the closure of almost all commercial sales points located inside airports and used for the sale of non-essential goods and/or services.

In particular, and for that concerning the company, the main customer of sostravel (TraWell Co S.p.A.) was, in fact, forced to gradually close - between 10 and 25 March - all its sales points; these were gradually reopened, but only in part, from the May 2020 onward. The final 2020 data show that the COVID-19 pandemic caused a strong decrease in passenger traffic during the year 2020, ranging from 76.8% in Italy (Assaeroporti estimate) and 66.6% across the world (Aci estimate - Airports Council International) with a peak in the second quarter of 2020 in which the decrease was equal to 97.3% in Italy and 89.3% in the world. Due to these factors and the estimates of the associations listed above, it is inevitable to expect weak volumes of airport traffic and revenues for 2021 as well: this will presumably be accompanied by a recovery from summer 2021.

At present it is not possible to quantify the economic and financial effects for our Company that have arisen or that may arise as a consequence of the current situation. It is not even possible to estimate the effects on the value of asset items recorded in the balance sheet given that there is still a great deal of uncertainty about the impact of the pandemic; this is also due to delays in progress of the vaccination campaign.

Nevertheless, the directors believe they can approve these financial statements with a view to business continuity due to the current financial solidity of the company, its organizational and managerial capacity and the actions that the directors are taking to prevent the occurrence of situations that may have negative effects in the short to medium term.

The Company's management is obviously working to adopt all measures to preserve the company's economic and financial solidity and, from this perspective, is working in order to:

- expand its offer of non-cyclical services (eg. telemedicine);
- contain costs in the current phase, including those relating to employees, through the Company's access to available "social safety nets";
- increase the available sources of financing, including third party capital as well as bank and/or subsidized finance (Sace-Simest).

Primary events of 2020

On 4 March 2020, the Issuer communicated a strategic partnership agreement - stipulated jointly with TraWell Co S.p.A. (the "Partnership Agreement") - with the American company Secure Wrap of Miami Inc.; the latter is also specialized in the sector for baggage wrapping and protection and is part of a group (the "Secure Wrap Group") that is operational in 17 countries in North and South America with over 50 sales points. The Partnership Agreement with Secure Wrap of Miami Inc. provides for the launch of operations for the promotion, distribution and sale - at its airport stores - of the active baggage tracking service ("Lost Luggage Concierge").

The agreement also stipulates that the promotion, distribution and sale of the Lost Luggage Concierge will be progressively extended to the entire scope of consolidation of the Secure Wrap Group. The tracking service of the Lost Luggage Concierge is implemented - in the interest and for the benefit of the customers of the Secure Wrap Group - by TraWell Co S.p.A.; the latter avails itself of the collaboration of sostravel.com S.p.A. The Partnership Agreement has a duration of 5 (five) years and provides for a tacit renewal - for a period of further 5 (five) years - at the first expiration date.

The Partnership Agreement also provides for the recognition - in favor of TraWell Co S.p.A. - of a fixed compensation for each service actually sold by the Secure Wrap Group companies. Relations between TraWell Co S.p.A. and sostravel S.p.A. are instead regulated on the basis of the commercial agreements already in place between the two companies.

As of 28 September, the company approved the transfer of the registered office to the new and recently renovated offices in Gallarate, via Marsala.

On 2 November, an exclusive 5-year agreement was signed with the US telemedicine company Health Point Plus Inc.; it is active in the sector of remote health care services with telecommunication tools and will shortly be listed on a primary US stock exchange. The Dr. Travel service provides medical assistance to travelers who develop generic illnesses during their trip (about 1 in 3 travelers) and who, very often, are not covered by most health insurances (which essentially only manage serious pathologies - heart attack, stroke, fractures, etc. - about 4% of cases, leaving the remaining 96% uncovered). The Dr. Travel service can be used - by means of the sostravel APP - directly from your smartphone, in multilingual format, and has a coverage of 14 days from the date of departure at a cost of Euro 10 for a single traveler and Euro 25 for a family (up to a maximum of 6 people). In order to strengthen the commercial relationship, sostravel has completed - also in light of the upcoming IPO of Health Point Plus - an investment of a minority share of the latter's share capital by underwriting a portion of the share capital increase approved by Health Point Plus and valued at USD 100,000.

Primary events after 31 December 2020

On 1 March 2021, a distribution agreement was also signed for the sale of the “Dr. Travel” telemedicine service on the TraWell network. The TraWell Group operates, through approximately 160 sales points, in 52 airports and 16 countries. Pre-covid sostravel generated about 2 million Euro in sales for the Lost & Found Concierge service alone within the TraWell network. This agreement is related to the spread of telemedicine services for travelers, in partnership with the American company Health Point Plus, Inc.

In March 2021, the Company obtained - from Simest - a resolution approving two separate loans, summarized below:

- Subsidized loan for the development of e-commerce in the United States for a total of 315 thousand Euro;
- Subsidized loan for the capitalization of exporting companies for a total of 800 thousand Euro.

Both loans, currently being disbursed, have a non-repayable component of 40%, while the remaining 60% will be repaid to the lender.

6 Financial performance of sostravel

Economic performance as of 31 December 2020:

• **Total revenues** were equal to 916 thousand Euro, a decrease compared to the figure of 31 December 2019 totaling 3,174 thousand Euro; this was due to the Covid-19 pandemic as well as the significant decrease in 2020 passenger traffic in Italy (-76.8%: Assaeroporti estimate) and across the world (-66.6%: Aci - Airports Council International);

• **EBITDA** was equal to -855 thousand Euro, a decrease compared to the figure of 31 December 2019 equal to -126 thousand Euro; this was due to the Covid-19 pandemic despite the strong cost containment which was implemented, for example, through the use of social safety nets (the cost of personnel was reduced by 40.2% compared to 2019).

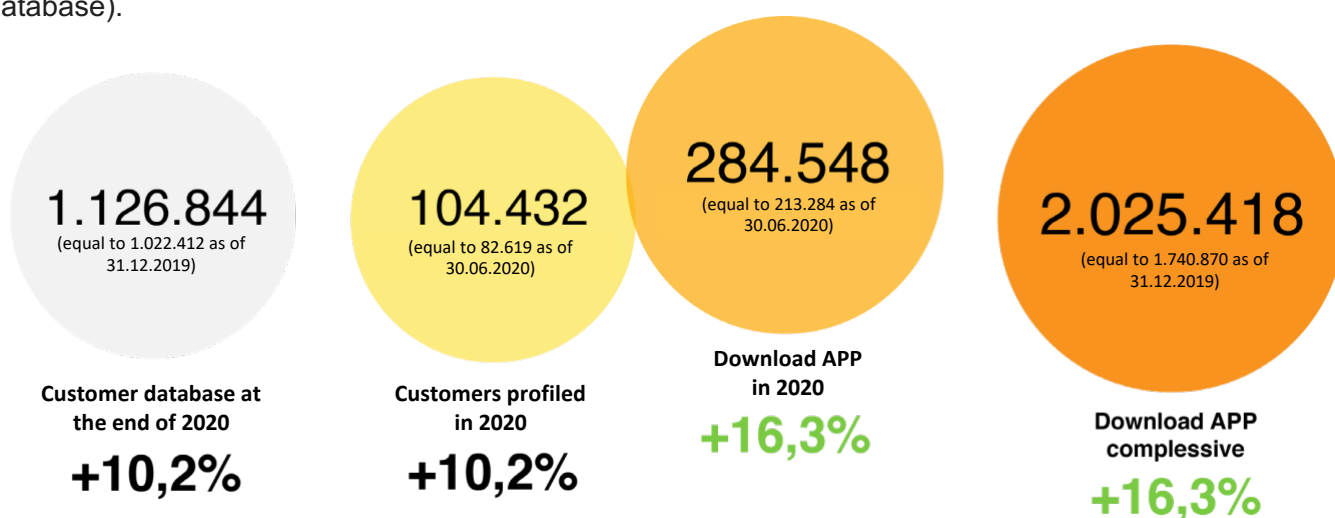
• **EBIT** was equal to -1,957 thousand Euro, down compared to the figure as of 31 December 2019 which was equal to -1,206 thousand Euro; this was due not only to the factors that impact EBITDA, as indicated above, but was also due to amortization/depreciation, write-downs and provisions totaling 1,102 thousand Euro (including amortization related to the IPO process for approximately 388 thousand Euro, software for 407 thousand Euro, the Flio brand for 100 thousand Euro and other items for a total of 66 thousand Euro);

• **Net income** of -1,993 thousand Euro (which - for conservative forecasting purposes - does not include prepaid taxes);

• **Positive NFP (cash)** equal to 456 thousand Euro but down compared to the same figure as of 31 December 2019 which was equal to 1,222 thousand Euro; this was mainly due to (i) support for operating losses totaling approximately 920 thousand Euro (gross of positive changes in net working capital totaling 715 thousand Euro) (ii) investments for the completion of the new offices in via Marsala 34, Gallarate for 375 thousand Euro, and (iii) investments for the purchase of a shareholding in the American partner of Telemedicine Health Point Plus, Inc. for 84 thousand Euro.

Main economic and operational results as of 31 December 2020:

In addition to economic and financial data, the growth of the database of analyzed customers and the downloads of the two APPs (Flio and sostravel) are also relevant for the purposes of a complete assessment; this data is reported below (it includes - it should be reiterated - the acquisition of the Flio database).

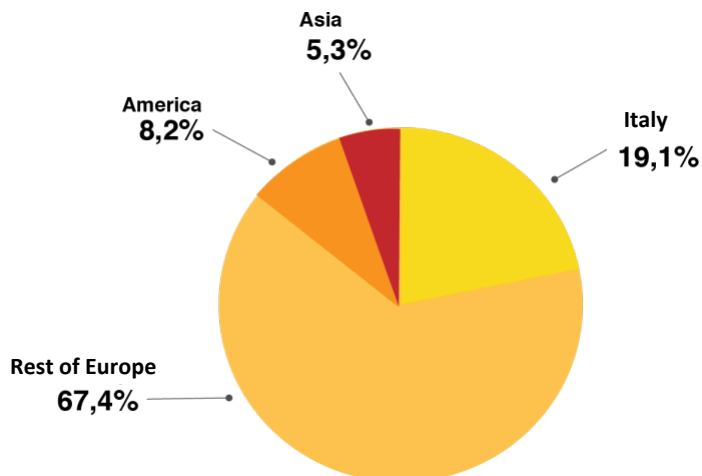


BREAKDOWN OF SALES as of 31.12.2020

Geographical breakdown of sales as of 31 December 2020:

Revenues from sales as of 31 December 2020 amounted to 634 thousand Euro, a 72.0% decrease compared to the figure as of 31 December 2019 equal to 2,239 thousand Euro; this was due to the significant decrease in 2020 passenger traffic, whose sector data reported a decrease of 76.8% in Italy (Assaeroporti estimate) and of 66.6% in the world (Aci - Airports Council International estimate) with a peak in the second quarter of 2020 in which the decrease was 97.3% in Italy and 89.3% worldwide.

The geographical breakdown of the aforementioned sales exhibited excellent geographical diversification with Italy at 19.1% of sales, the rest of Europe at 67.4%, and finally Asia (5,3%) and America (8,2 %).



Financial statements as of 31 December 2020

Income statement

| Values in Euro | 31-dec-20 | 31-dec-19 |
|--|-------------------|-------------------|
| Revenues | 633,512 | 2,238,911 |
| Own work capitalized | 0 | 600,577 |
| Other revenues | 282,033 | 334,758 |
| Total revenues | 915,545 | 3,174,246 |
| Costs for raw materials | -98 | -37,234 |
| Costs for services | -1,092,018 | -2,326,413 |
| Costs for use of third party assets | -121,548 | -178,566 |
| Personnel costs | -434,029 | -725,969 |
| Change in inventories | | |
| Other costs | -122,852 | -31,762 |
| EBITDA | -854,999 | -125,698 |
| Amortization/depreciation | -991,773 | -974,844 |
| - Write-downs | -45,395 | -12,334 |
| Allocations | -64,660 | -93,088 |
| EBIT | -1,956,827 | -1,205,964 |
| Financial proceeds and charges (net) | -36,347 | -8,443 |
| Revaluations/write-downs of financial assets | 0 | 0 |
| Profit (loss) before taxes | -1,993,174 | -1,214,408 |
| Taxes | 0 | -50,803 |
| Net result | -1,993,174 | -1,265,211 |

Balance sheet

| Values in Euro | 31-dec-20 | 31-dec-19 |
|---|------------------|------------------|
| Intangible fixed assets | 1,406,366 | 2,367,251 |
| Tangible fixed assets | 905,229 | 560,951 |
| Financial fixed assets | 84,379 | 0 |
| (A) Net non-current assets | 2,395,974 | 2,928,202 |
| Inventories | | |
| Trade receivables | 537,779 | 2,379,259 |
| Other assets | 962,186 | 970,318 |
| Trade payables | -457,247 | -1,298,380 |
| Other liabilities | -304,794 | -598,226 |
| (B) Working capital | 737,924 | 1,452,971 |
| (C) Total provisions | -97,383 | -117,016 |
| (D)=(A)+(B)+(C) net invested capital | 3,036,514 | 4,264,157 |
| Liquid funds | 456,498 | 1,222,028 |
| Financial liabilities | 0 | 0 |
| (E) Net financial payables/receivables | 456,498 | 1,222,028 |
| (F) Shareholders' equity | 3,493,012 | 5,486,185 |
| (G)=(F)-(E) Sources | 3,036,514 | 4,264,157 |

Net Financial Position

| Values in Euro | 31/12/2020 | 31/12/2019 |
|--|------------|------------|
| A Liquid funds | - | - |
| B Other liquid funds | 456,498 | 1,222,028 |
| C Receivables due from tax authorities | - | - |
| D Liquidity (A+B+C) | 456,498 | 1,222,028 |
| Current financial receivables | 0 | 0 |
| Current bank payables | | |
| G Current portion of non-current debt H Other current financial payables | | |
| Current financial debt (F + G + H) | 0 | 0 |
| J Net current financial debt (I-E-D) | -456,498 | -1,222,028 |
| K Non-current bank payables | | |
| L Bonds issued Other non-current payables | | |
| M Other non-current payables | | |
| N Non-current financial debt (K + L + M) | 0 | 0 |
| O Net financial debt (cash) (J + N) | -456,498 | -1,222,028 |

7 Other information

The section provides a variety of information consistent with the provisions of Art. 2428.

Operational risks and uncertainties

The Company is careful in identifying and monitoring risks typical of its operations, with the dual objective of providing managers with appropriate tools for adequate management and maximizing the protection of corporate assets.

- Risk related to the lack of operational history of the new services that will be launched, with the exception of activities for tracking lost baggage which were already carried out in the past by the company TraWell Co. S.p.A.;
- Risks related to the operation of the sostravel App, such as failures in the operation of the software, programming errors, lack of interaction or compatibility between the mobile application and the devices on which it is installed and/or with any platforms, data centers and operating systems (IOS, Android, etc.) of third parties, including the related updates over which sostravel does not retain any control;
- Risks associated with customer retention, ie the ability to retain acquired users and prevent them from ceasing to use or cancel the App;
- Risks associated with acts of computer piracy;
- Risks related to the competitiveness of the market in which the Company operates and the entry of new competitors to the market;
- Risks connected to the seasonal nature of sales of services.

Primary non-financial indicators

Pursuant to the second paragraph of Art. 2428 of the Italian Civil Code, it is hereby certified that - given the specific activity that is carried out and for a more effective understanding of the company's situation, its performance

and the result of operations - the reporting of non-financial indicators is not considered relevant.

Security, working environment and privacy

It is hereby certified that the company has not implemented specific environmental impact policies given that they are not necessary in relation to its operations and considering the exclusively commercial sector in which it operates. The disposal of waste and any packaging waste is carried out in full compliance with specific regulations.

In this regard, the company has never been sanctioned for environmental accidents or damages. With regard to regulations concerning the protection of privacy as well as workplace health and safety, all the required obligations have been promptly fulfilled or are being completed.

Personnel management

During the course of the year, our company made investments in personnel safety in compliance with Legislative Decree 81/08; in fact, all employees have been trained in the sectors of worker and employee safety.

R&D

Pursuant to and for the purposes of that reported in point 1 of the third paragraph of Art. 2428 of the Italian Civil Code, we hereby certify that the company constantly conducts research and development activities in order to expand the offered services and improve the current functionalities of the sostravel App.

Relations with subsidiaries, associates, parent companies and companies subject to control of parent companies

With regard to the provisions of paragraph 2 of the third paragraph of Art. 2428 of the Italian Civil Code, it should be noted that the company retains relations with the subsidiary of the parent company TraWell Co. S.p.A. and all companies belonging to this group. Relations established with the companies of the TraWell Co. S.p.A. group are contractual and stipulated in compliance with substantive and procedural correctness as well as at normal market conditions. In particular, there is a commercial contract for active baggage tracking and a call center service.

Business outlook and continuity

In accordance with and by effect of point 6) of the third paragraph of Art. 2428 of the Italian Civil Code, it should be noted that, in accordance with management policies, the planned investment and growth initiatives continue. In particular, the online activation of the new App features is confirmed. It is our duty to report any effects caused by the COVID-19 healthcare emergency to which the company has been exposed as well as any assessments of uncertainties for the forecasting of revenues.

The adoption of containment and safeguard measures that have been put in place by governments around the world has required the closure of commercial activities at the airports where the services offered by the Issuer are sold through the network of the company TraWell. Co. Sales point closures around the world as a result of government-imposed travel restrictions began in February 2020 and continue to exist today. This situation led to a significant decrease in revenues in the year 2020. However, a recovery is hoped for starting from the second half of 2021.

At present it is not possible to quantify the economic and financial effects that have arisen for our Company or that may arise as a consequence of the current situation. It is not even possible to assess the effects on the value of the items recorded under assets given that there is still strong uncertainty regarding the continuation of the extraordinary closures and the crisis linked to the travel restrictions imposed by governments around the world.

Nonetheless, the directors believe they can approve the financial statements with a view to business continuity due to the current financial solidity of the company (favored by the recent financing resolutions equal to 1,115 thousand Euro), its organizational and managerial capacity and the quantitative actions that the directors are implementing to prevent the occurrence of situations that may have negative effects in the short - medium term.

In addition, the Directors evaluated the economic and financial situation for the following 12 months and - despite the cumulative and operating losses, the substantial decrease in revenues and the uncertainties deriving from the pandemic situation described above - they concluded that the application of the going concern assumption is still appropriate.

Of these actions, it should be noted that the Issuer made use of the instruments made available by the law which allow companies to cope with the financial difficulties related to the contingent situation; on 23 April 2020 the Issuer filed a request to utilize the Salary supplement relative to the Coronavirus epidemiological emergency (COVID-19). During the year 2020, the Company received a non-repayable loan equal to Euro 48,945.00 and is also in contact with primary banking institutions in order to be able to take advantage of the loans available as a result of the Liquidity Decree.

These elements will allow the Issuer to overcome this crisis and resume operations with even greater determination as soon as the epidemiological conditions allow for it.

Use of financial instruments relevant to the valuation of the financial situation and the economic result for the year

Pursuant to and by effect of the provisions of paragraph 6-bis) of the third paragraph of Art. 2428 of the Italian Civil Code, it is hereby certified that the company has not applied any specific financial risk management policies given that it is considered irrelevant in reference to our company operations.

Organizational model

On 01 July 2019, sostravel.com S.p.A. adopted its own Organizational, Management and Control Model pursuant to the provisions contained in Legislative Decree No. 231 of 8 June 2001, as amended and supplemented. Through the adoption of the Model, and its subsequent and continuous updating, sostravel.com S.p.A. intends to strengthen its internal control system, thereby ensuring compliance with the requirements of correctness and transparency while equipping itself with an instrument to protect itself in the event of crimes involving the administrative liability of the Company.

The adopted Model is the result of specific analyses regarding the organization and activities implemented by the Company, in accordance with the best practices on the subject and considering the specificities of the sector to which it belongs as well as the so-called Confindustria "guidelines" on the subject.

As required by law, sostravel.com S.p.A. appointed its own Supervisory Body at the same time; it is identified as a single body in the person of Mr. Dario Tozzi who is entrusted with the tasks of supervising the correct functioning of the Model and ensuring its updating and correct application. Finally, the Code of Ethics constitutes an integral part of the Model; it encompasses a set of rules aimed at ensuring that the behavioral actions of the recipients - including collaborators and suppliers

of sostravel.com S.p.A. - are always inspired by the criteria of fairness, collaboration, loyalty, transparency and mutual respect. It also aims to prevent conduct which can be classified under the types of crimes and administrative offences included in the list of Legislative Decree 231/2001.

Profit (loss) per share

The loss per share as of 31 December 2020, in accordance with the procedures set out in IAS 33, was equal to - € 0.333.

The methods for calculating the basic profit (loss) per share and diluted earnings (loss) per share are defined by IAS 33 - Earnings per share. The basic profit (loss) per share is defined as the ratio of the economic result of sostravel.com S.p.A. - attributable to the holders of ordinary capital instruments - and the weighted average of the ordinary shares which were outstanding during the period (5,981,225 shares in 2020).

Secondary offices

In compliance with the provisions of Art. 2428 of the Italian Civil Code, it is hereby certified that the company has no secondary offices.

The Board of Directors

Gallarate, 29 March 2021



FINANCIAL STATEMENTS OF SOSTRAVEL.COM

31 December 2020

8 FINANCIAL STATEMENTS

SOSTRAVEL.COM S.P.A.

Financial statements for the year ended 31-12-2020

| | |
|---|---|
| Registered office in | GALLARATE - VIA MARSALA 34/A |
| Tax Code | 03624170126 |
| Economic & Administrative Index number | VA 366690 |
| Vat No. | 03624170126 |
| Share capital Euro | 598,123 |
| Legal Form | fully paid up Italian joint stock company |
| Primary activity code (ATECO) | 522300 |
| Company in liquidation | no |
| Company with sole shareholder | no |
| Company subject to management and coordination | no |
| Belonging to a group | Yes |
| Name of the parent company | RG HOLDING SRL |
| Country of the parent company | Italy |

BALANCE SHEET

| | 31 -12 -2020 | 31 -12 -2019 |
|---|--------------|--------------|
| Assets | | |
| B) Fixed assets | | |
| I- Intangible fixed assets | | |
| 1) Start up and expansion costs | 248,713 | 702,668 |
| 2) Development costs | 1,057,643 | 1,464,583 |
| 4) Authorizations, licenses, trademarks and similar rights | 100,010 | 200,000 |
| Total intangible fixed assets | 1,406,366 | 2,367,251 |
| II - Tangible fixed assets | | |
| 1) Land and buildings | 840,448 | 544,520 |
| 4) Other assets | 35,248 | 16,431 |
| 5) Tangible assets in progress and advances | 29,533 | - |
| Total tangible fixed assets | 905,229 | 560,951 |
| III - Total financial fixed assets | | |
| 1) Shareholdings in: | | |
| D-bis) Other companies | 84,379 | - |
| Total shareholdings | 84,379 | - |
| Total financial fixed assets | 84,379 | - |
| Total fixed assets (B) | 2,395,974 | 2,928,202 |
| C) CURRENT ASSETS | | |
| II - Receivables | | |
| 1) Trade receivables | | |
| Due within next year | 26,984 | 22,363 |
| Total receivables due from customers | 26,984 | 22,363 |
| 5) Due from companies subject to the control of the parent companies | | |
| Due within next year | 459,122 | 2,356,896 |
| Due beyond next year | 51,673 | - |
| Total Receivables due from companies subject to the control of the parent companies | 510,795 | 2,356,896 |
| 5-bis) tax receivables | | |
| Due within next year | 900,772 | 911,204 |

| | | |
|---|-------------|-------------|
| Total tax payables | 900,772 | 911,204 |
| 5-ter) prepaid taxes | - | 0 |
| Total receivables | 1,438,551 | 3,290,463 |
| IV - Liquid funds | | |
| 1) Bank and postal deposits | 456,498 | 1,222,028 |
| Total cash and cash equivalents | 456,498 | 1,222,028 |
| Total current assets (C) | 1,895,049 | 4,512,491 |
| 61,414 | 59,114 | |
| D) Accruals and deferrals | | |
| Total assets | 4,352,437 | 7,499,807 |
| Liabilities | | |
| Shareholders' equity | | |
| I - Share capital | 598,123 | 598,123 |
| II - Share premium reserve | 5,132,278 | 5,132,278 |
| IV - Legal reserve | 100,000 | 100,000 |
| VI - Other reserves, distinctly specified | | |
| Misc. other reserves | 869,684 | 869,683 |
| Total other reserves | 869,684 | 869,683 |
| VIII - Profit (loss) carried forward | (1,213,899) | 51,311 |
| IX - Profit (loss) of the year | (1,993,174) | (1,265,210) |
| Total shareholders' equity | 3,493,012 | 5,486,185 |
| B) Provisions for risks and charges | | |
| 4) other | 64,660 | 93,088 |
| Total provisions for risks and charges | 64,660 | 93,088 |
| C) Employee termination indemnities | 32,723 | 23,928 |
| D) Payables | | |
| 7) Payables due to suppliers | | |
| Due within next year | 388,821 | 402,630 |
| Total payables due to suppliers | 388,821 | 402,630 |
| 11) payables due to parent companies | | |
| Due within next year | 3,374 | - |
| Total payables due to parent companies | 3,374 | - |

| | | |
|--|-----------|-----------|
| 11-bis) Due to companies subject to the control of the parent companies | | |
| Due within next year | 65,052 | 895,750 |
| Total payables due to companies subject to the control of the parent companies | 65,052 | 895,750 |
| 12) Tax payables | | |
| Due within next year | 14,516 | 35,237 |
| Total tax payables | 14,516 | 35,237 |
| 13) Payables due to social security institutions | | |
| Due within next year | 21,395 | 55,028 |
| Total payables due to social security institutions | 21,395 | 55,028 |
| 14) Other payables | | |
| Due within next year | 59,528 | 103,308 |
| Total other payables | 59,528 | 103,308 |
| Total payables | 552,686 | 1,491,953 |
| E) Accruals and deferrals | 209,356 | 404,653 |
| Total liabilities | 4,352,437 | 7,499,807 |

Income statement

| | 31-12-2020 | 31-12-2019 |
|---|-------------|-------------|
| A) Total revenues | | |
| 1) Revenues from sales and services | 633,512 | 2,238,911 |
| 4) Own work capitalized | - | 600,577 |
| 5) Other revenues and proceeds | | |
| other | 282,035 | 334,758 |
| Total other revenues and proceeds | 282,035 | 334,758 |
| Total revenues | 915,547 | 3,174,246 |
| B) Cost of production | | |
| 6) For raw and ancillary materials, consumables and goods | 98 | 37,234 |
| 7) For services | 1,092,018 | 2,326,413 |
| 8) Costs for use of third party assets | 121,548 | 178,566 |
| 9) Total personnel costs | | |
| a) salaries and wages | 292,133 | 518,861 |
| b) social security charges | 87,954 | 149,137 |
| c) termination indemnities | 29,393 | 33,286 |
| e) other costs | 24,549 | 24,685 |
| Total personnel costs | 434,029 | 725,969 |
| 10) amortization/depreciation and write-downs | | |
| a) amortization of intangible fixed assets | 960,885 | 961,703 |
| b) depreciation of tangible fixed assets | 30,888 | 13,141 |
| d) write-downs of receivables booked under current assets and cash and cash equivalents | 45,395 | 12,334 |
| Amortization/depreciation and write-downs | 1,037,168 | 987,178 |
| 12) allocations for risks | 64,660 | 93,088 |
| 14) other operating charges | 122,852 | 31,762 |
| Total cost of production | 2,872,373 | 4,380,210 |
| Difference between value and cost of production (A-B) | (1,956,826) | (1,205,964) |
| C) Financial proceeds and charges | | |
| 16) other financial proceeds | | |
| d) proceeds other than the above | | |

| | | |
|--|-------------|-------------|
| other | 3 | 41 |
| Total proceeds other than the above | 3 | 41 |
| Total other financial proceeds | 3 | 41 |
| 17) interest and other financial charges | | |
| other | - | 8,186 |
| Total interest and other financial charges | - | 8,186 |
| 17-bis) net income and exchange rate losses | (36,351) | (298) |
| Total financial proceeds and charges (15 + 16 - 17 + - 17-bis) | (36,348) | (8,443) |
| Result before taxes (A - B + - C + - D) | (1,993,174) | (1,214,407) |
| 20) Income taxes for the year, current, deferred and prepaid | | |
| Taxes relative to previous years | - | 1,095 |
| Deferred and prepaid taxes | - | 49,708 |
| Total income taxes for the year, current, deferred and prepaid | 0 | 50,803 |
| 21) Profit (loss) of the year | (1,993,174) | (1,265,210) |

CASH FLOW STATEMENT

INDIRECT METHOD

31 -12 - 2020

31 -12 -2019

| | | |
|--|-------------|-------------|
| A. Cash flows from operating activities (indirect method) | | |
| Profit (loss) of the year | (1,993,174) | (1,265,210) |
| Income taxes of the year | 0 | 50,803 |
| 1. Profit / (loss) of the year before income taxes, | (3) | 8,145 |
| Interest, dividends and capital gains/losses from disposals | | |
| <i>Adjustments to non-monetary items which do not have an offsetting item in net working capital</i> | (1,993,177) | (1,206,262) |
| Allocations to provisions | 80,891 | 112,921 |
| Amortization/depreciation of fixed assets | 991,773 | 974,844 |
| Total adjustments to non-monetary items which do not have an an offsetting item in net working capital | 1,072,664 | 1,087,765 |
| 2) Cash flows before changes in net working capital (920,513) | | (118,497) |
| Changes in net working capital | | |
| Decrease/(Increase) in inventories | 0 | - |
| Decrease/(Increase) in receivables due from customers | (4,621) | (17,438) |
| Increase/(Decrease) in payables due to suppliers | (13,809) | 197,869 |
| Decrease/(Increase) in accrued income and deferred charges | (2,300) | 15,220 |
| Increases/(Decreases) in accrued liabilities and deferred income | (195,297) | 349,061 |
| Other decreases/(Other increases) in net working capital | 931,076 | (823,253) |
| Total changes in net working capital | 715,049 | (278,541) |
| 3) Cash flows after changes in net working capital | (205,464) | (397,038) |
| Other changes | | |
| Interest collected/(paid) | 3 | (8,145) |
| (Use of provisions) | (100,524) | (178,882) |
| Total other changes | (100,521) | (187,027) |
| Cash flows from operating activities (A) | (305,985) | (584,065) |
| B. Cash flows from investment activities | | |
| Tangible fixed assets | | |

| | | |
|---|-----------|-------------|
| (Investments) | (375,166) | (561,013) |
| Intangible fixed assets | | |
| (Investments) | 0 | (900,577) |
| Financial fixed assets | | |
| (Investments) | (84,379) | - |
| Cash flows from investment activities (B) | (459,545) | (1,461,590) |
| Increase (decrease) in liquid funds (A ± B ± C) | (765,530) | (2,045,655) |
| Liquid funds at the start of the year | | |
| Bank and postal deposits | 1,222,028 | 3,267,683 |
| Liquid funds at the start of the year | 1,222,028 | 3,267,683 |
| Liquid funds at the end of the year | | |
| Bank and postal deposits | 456,498 | 1,222,028 |
| Liquid funds at the end of the year | 456,498 | 1,222,028 |

9 Explanatory notes to the financial statements closed on 31-12-2020

Explanatory notes, initial section

The financial statements as of 31/12/2020 - of which these explanatory notes are an integral part pursuant to Art. 2423, first paragraph of the Italian Civil Code - are consistent with the results of the accounting records that were regularly held and are prepared in accordance with Articles 2423, 2423 ter, 2424, 2424 bis, 2425, 2425 bis, 2425 ter of the Italian Civil Code, in compliance with the principles of preparation pursuant to the provisions of Art. 2423 bis and the valuation criteria pursuant to Art. 2426 of the Italian Civil Code.

The Company has drafted the financial statements by using the same principles adopted for the financial statements as of 31 December 2019.

The company is a start-up that was founded at the end of 2017 from the transfer of the company branch operated by the shareholder TraWell Co S.p.A.

The Company operates in the tourism sector, offering services to travellers which include, amongst other items, assistance in the search for mishandled baggage, baggage protection, detailed information on departure and arrival airports, weather at destination, information on booking and transfers from/to airports of departure and arrival, wayfinding and the marketing of services on the web and through mobile devices. The main activities that were implemented concern the management and technological development of the website and the app through which the aforementioned services are provided in addition to the planning of marketing and commercial initiatives aimed at increasing the number of users.

During 2020, in accordance with management policies, the planned investment and development initiatives continued in line with the state of emergency linked to COVID-19. It is our duty to report any effects caused by the COVID-19 healthcare emergency to which the company has been exposed as well as any assessments of uncertainties for the forecasting of revenues.

The adoption of containment and safeguard measures that have been put in place by governments around the world has required - as of March 2020 - the closure of commercial activities at the airports where the services offered by the Issuer are sold through the network of the company TraWell. Co.

The company belongs to the RG Holding Group, and to which TraWell Co S.p.A. also belongs. It is one of the main European and world operators in baggage protection and tracking services at airports.

General preparation principles

In order to clearly prepare the financial statements and provide a true and fair report of the financial position and the economic performance - in accordance with the provisions of Article 2423 bis of the Italian Civil Code - the following was provided for:

- valuing the individual items according to the principle of prudence and on the basis of a going concern assumption;
- including only the profits that were effectively generated during the year;
- determining income and costs in compliance with the accruals principles and regardless of their cash flows;
- understanding all the risks and losses which accrued, even if they become known after the end of the year;
- separately considering, for the purposes of the relative assessment, the heterogeneous elements included in the various items of the financial statements;
- maintaining the applied valuation criteria unchanged with respect to the previous year.

The following financial statement postulates pursuant to OIC 11 par. 15 were also complied with.

- a) prudence;**
- b) assumption of a going concern;**
- c) substantial representation;**
- d) accruals principle;**
- e) consistency of valuation principles;**
- f) relevance;**
- g) comparability;**

Assumption of a going concern;

With regard to this principle, the valuation of the items in the financial statements was implemented on the basis of a going concern assumption and therefore by taking into account the fact that the company constitutes a functioning economic organization which is expected - at least for a foreseeable future period of time of 12 months from the closing date of reference of the financial statements - to generate income.

With regard to a prospective assessment of the assumption of business continuity - and despite the awareness of the particularly critical nature of the market situation resulting from the epidemiological crisis due to Covid-19 - it was deemed in any case possible to confirm the existence of this assumption for the purposes of preparing these financial statements on the basis of the existing business forecasts and programs.

The financial statements were drawn up in Euro units.

Exceptional cases pursuant to Art. 2423, fifth paragraph, of the Italian Civil Code

No exceptional events occurred which made it necessary to resort to derogations pursuant to Article 2423, paragraph five of the Italian Civil Code.

Changes in accounting principles

There were no changes in accounting principles in the year.

Correction of relevant errors

No relevant errors committed in previous years emerged.

Applied valuation criteria

The criteria applied during the valuation of the items of the financial statements - as reported below - comply with the provisions of Art. 2426 of the Italian Civil Code.

The valuation criteria pursuant to Art. 2426 of the Italian Civil Code comply with those used in the preparation of the financial statements of the previous year.

Intangible fixed assets

Intangible assets are booked, within the limit of their recoverable value, at purchase or internal production cost, including all directly ascribable accessory charges; they are systematically amortized on a straight-line basis according to the residual possibility of use of the asset.

In particular, start-up and expansion costs derive from the capitalization of charges relative to the start-up or growth phases of operating capacity. Within the start-up and expansion costs, incorporation costs are amortized over five years, while the listing and start-up costs are amortized over three years.

Development costs derive from the application of the results of basic research or other knowledge that is owned or acquired prior to the start of commercial production or use; they are amortized according to their useful life and, more specifically, on a straight line basis over a period of five years. Authorizations, trademarks and other similar rights are amortized over three years, while licenses are amortized over five years.

In application of accounting principle OIC 12 par. 57, the tax credits recognized for R&D activities and listing costs are classified as contributions that are proportional to the cost of the intangible assets in question. The income, of which the tax credit is composed, is recognized under deferred income and, as a result,

gradually charged to the income statement under the item "A5-Other revenues", as positive income items for the relevant portion which is calculated in proportion to the amortization of subsidized costs that accrued for the year.

Fixed assets whose value at the end of the year was permanently lower than the residual cost to be amortized are booked at this lower value; this value is not maintained if the reasons for the adjustment cease to apply in subsequent financial years.

The posting and valuation of the items included in the category of intangible assets was implemented with the consent of the Board of Statutory Auditors, where this is provided for by the Italian Civil Code.

Tangible fixed assets

Tangible fixed assets are booked on the date in which the risks and benefits connected to the acquired assets are transferred; they are recorded - up to the amount of the recoverable value - at purchase or production cost, net of the relative provisions for depreciation and including all directly attributable costs and accessory charges, indirect costs related to internal production, and charges relative to the financing of internal production which were incurred during the manufacturing period and up to the moment in which the asset can be utilized.

The cost of fixed assets whose use is limited in time is systematically depreciated each financial year on the basis of economic-technical rates determined in relation to their residual possibility of use.

Depreciation begins when the assets are available and ready for use. The rates that reflect the result of the technical depreciation plans, as confirmed by the companies and reduced by 50% for the acquisitions during the year, have been applied given that there exist for the latter the conditions set by OIC 16 paragraph 16. The depreciation plans, in accordance with OIC 16, paragraph 70, are reviewed in the event of a change in the residual possibility of use.

The rates which were applied are reported below.

Land and buildings 3%

Other assets:

- Furniture and furnishings: 12%
- Electronic office machinery: 20%
- Electronic telephone systems: 20%

Receivables

Receivables are classified under fixed assets or current assets based on their destination/origin and in relation to ordinary operations; they are recorded at their estimated realizable value.

The breakdown of the amounts due within and beyond the financial year is implemented with reference to their contractual or legal expiration dates while also taking into account facts and events that may result in a change in the original expiration dates and of the realistic capacity of the debtor to fulfil the obligation within the contractual deadlines in addition to the time period within which one reasonably believes to collect the receivable.

Receivables pursuant to Art. 2426, paragraph 1, number 8 of the Italian Civil Code are recognized according to the criterion of the amortized cost, with the exception of receivables for which the effects of the application of the amortized cost - in accordance with Art. 2423 paragraph 4 of the Italian Civil Code, are irrelevant (expiry of less than 12 months).

With regard to the aforementioned relevance principle, receivables have not been discounted if the interest rate that can be deduced from the contractual conditions is not significantly different from the market interest rate.

The "time factor" pursuant to in Art. 2426, paragraph 1 number 8, was also taken into account by discounting receivables falling due beyond 12 months and in the case of a significant difference between the effective interest rate and the market rate.

Receivables for which the amortized cost criterion was not applied have been recognized at their estimated realizable value.

Receivables, regardless of the application or not of the amortized cost, are reported in the financial statements net of the booking of an allowance for bad debts - which covers receivables deemed non-collectable - as well as net of the generic risk related to the remaining receivables; the latter is based on estimates from past experience, the performance of the seniority index of past due receivables, the general economic and sector situation and country risk, as well as events after the end of the year that have an impact on the values as of the date of the financial statements.

With regard to receivables secured by guarantees, the effects relative to the enforcement of the guarantees was taken into account and - for the insured receivables - only the portion not covered by the insurance was taken into account.

Tax receivables and deferred tax assets

The item 'Tax receivables' includes the certain and determined amounts deriving from receivables for which a realization right has arisen through reimbursement or compensation.

The item "Prepaid taxes", if the conditions are met, includes deferred tax assets determined on the basis of deductible timing differences or the carrying forward of tax losses; it is valued by applying the estimated rate in force at the time when it is believed that these differences will occur, provided there is a well-founded certainty of their future recovery, as reported in business plans for a reasonable period of time in which taxable income is expected at amounts that are

sufficient to absorb the losses that can be carried forward and/or the taxable timing differences that accrued.

Liquid funds

Liquid funds are reported at their nominal value.

Accruals and deferrals

Accruals and deferrals have been booked on the basis of the accruals principle and contain the revenues/costs pertaining to the year which are payable in subsequent years as well as revenues/costs incurred by the end of the year but pertaining to subsequent years. As a result, only the portions of costs and revenues which are common to two or more years - whose amount which varies over time - are booked.

At the end of the year it was determined that the conditions that led to the initial recognition were respected while making the necessary value adjustments, if necessary, and taking into account not only the timing factor but also potential recoverability. Accrued income, similar to operating loans, was valued at estimated realizable value, by applying, if this value was lower than the book value, a write-down in the income statement.

Accrued liabilities, similar to payables, were valued at their nominal value.

With regard to deferred charges, the valuation of the future economic benefit relative to the deferred costs was implemented while applying, if this benefit was lower than the rediscounted portion, a value adjustment.

Provisions for risks and charges

Provisions for risks represent liabilities relative to situations existing on the date of the financial statements but whose occurrence is only probable. With reference to risks for which the emergence of a liability is only possible or if the cost cannot be reliably estimated, provisions for risks have not been allocated.

Provisions for charges represent certain liabilities that are related to negative income items pertaining to the year but which will become cash flows in the following year.

The valuation process is implemented and/or adjusted as of the financial statements date and based on past experience as well as any available useful information.

In accordance with OIC 31 par.19, and given that the criterion for classifying costs by nature prevails, provisions for risks and charges are booked under the items of ordinary operations to which the transaction refers (ordinary, accessory or financial).

Provisions for taxes, including deferred taxes

If the conditions are applicable, this item includes liabilities for probable taxes deriving from non-definitive assessments and pending disputes as well as liabilities for deferred taxes determined on the basis of taxable timing differences by applying the estimated rate in force at the time in which such differences are deemed to occur.

The deferred tax provision also includes, pursuant to OIC 25 par. from 53 to 85, deferred taxes deriving from extraordinary operations, revaluation of assets, and untaxed reserves that were not booked in the income statement or under shareholders' equity.

Employee termination indemnities

Employee termination indemnities are booked in compliance with the provisions of current legislation and correspond to the actual commitment of the Company towards individual employees on the closing date of the financial statements after deducting any disbursed advances.

Payables

Payables pursuant to Art. 2426, paragraph 1 number 8 of the Italian Civil Code are booked in accordance with the amortized cost criterion, except for payables for which the effects of application of the amortized cost - pursuant to Art. 2423 paragraph 4 of the Italian Civil Code - are irrelevant (maturity less than 12 months). With regard to the aforementioned relevance principle, payables have not been discounted if the interest rate that can be deduced from the contractual conditions is not significantly different from the market interest rate.

The "time factor" pursuant to in Art. 2426, paragraph 1 number 8, was also taken into account by discounting payables falling due beyond 12 months and in the case of a significant difference between the effective interest rate and the market rate.

Payables for which the amortized cost criterion was not applied have been recognized at their nominal value.

The breakdown of the amounts due within and beyond the financial year is implemented with reference to the contractual or legal expiration date while also taking into account facts and events that may determine a change in the original expiration date.

Payables originating from acquisitions of assets are booked at the time the risks, charges and benefits are transferred; those relative to services are booked at the time the service is provided; those of financial and other natures are booked at the time when the obligation with the counterparty arises.

Tax payables include liabilities for certain and determined taxes as well as the withholdings made as a withholding agent and not yet paid on the financial statements date; if compensation is allowed, they are recorded net of advances, withholding taxes and tax receivables.

Values in foreign currency

Monetary assets and liabilities denominated in foreign currencies are booked at the spot exchange rate at the end of the year, with the relative exchange rate gains and losses booked to the income statement.

Any potential net income deriving from adjustment to exchange rates is booked - for the portion not absorbed by any loss for the year - in a special reserve that cannot be distributed until it is realized.

Non-monetary assets and liabilities denominated in foreign currencies are booked at the exchange rate in force at the time of their purchase, and - pursuant to OIC 26 par. 31, and at the time of preparing the financial statements - this cost is compared, according to accounting principles of reference, with the recoverable value (fixed assets) or with the value deducible from the market trend (current assets).

Costs and revenues

They are reported according to the principles of prudence and accruals.

Economic and financial transactions with group companies and related parties are carried out at normal market conditions. With reference to "Revenues from sales and services", it should be noted that adjustments of revenues, pursuant to OIC 12 par. 50, are deducted from the item "revenues", but excluding those referring to previous years and deriving from corrections of errors or changes in accounting principles which are recognized, pursuant to OIC 29, within the opening balance of shareholders' equity.

Other information

If the conditions are applicable, the specific sections of the explanatory notes illustrate the criteria with which the Article 2423, fourth paragraph was implemented in the case of failure to comply with the reporting, valuation, presentation and disclosure requirements and when their compliance has irrelevant effects on truthful and correct reporting.

The principles and recommendations published by the Italian Accounting Body (OIC) have been complied with and integrated, where required, by generally accepted international principles (IAS/IFRS) in order to provide a true and fair representation of the financial situation and economic performance of the year.

Explanatory notes, assets

The valuation of financial statement items was implemented by taking into account the principle of prudence and with a view to a going concern as well as by taking into account the economic function of the asset and liability item in question.

The accruals principle was also applied and, as a result, the effect of transactions and other events was booked and recorded to the financial year to which these transactions and events refer, and not to the year in which the relative cash flows occurred.

Receivables from shareholders for payments still due

This item - as of 31.12.2020, equal to zero - did not undergo any changes during 2020.

Fixed assets

The valuation criteria for fixed assets comply with the provisions of Art. 2426 of the Italian Civil Code. Fixed assets are booked at cost or internal production value, including all directly ascribable costs.

The tables below report changes in fixed assets, as required by point 2 of Article 2427 of the Italian Civil Code.

Intangible fixed assets

Intangible fixed assets amounted to € 1,406,366 (€ 2,367,251 in the previous year). The composition and movements of the individual items were as follows:

Movements in intangible fixed assets

| | Start up and expansion costs | Development costs | Authorizations, licenses, trademarks and similar rights | Total intangible fixed assets |
|--|------------------------------|-------------------|---|-------------------------------|
| Value at year start | | | | |
| Cost | 1,384,683 | 2,035,722 | 300,000 | 3,720,405 |
| Amortization (provisions for amortization) | 682,015 | 571,139 | 100,000 | 1,353,154 |
| Book value | 702,668 | 1,464,583 | 200,000 | 2,367,251 |
| Changes during the year | | | | |
| Amort. of the year | 453,955 | 406,940 | 99,990 | 960,885 |
| Total changes | (453,955) | (406,940) | (99,990) | (960,885) |
| Value at year start | | | | |
| Cost | 1,384,683 | 2,035,722 | 300,000 | 3,720,405 |
| Amortization (provisions for amortization) | 1,135,970 | 978,079 | 199,990 | 2,314,039 |
| Book value | 248,713 | 1,057,643 | 100,010 | 1,406,366 |

The item "Start-up and expansion costs" includes founding and listing costs and expenses.

Development costs include proprietary software developed by the company.

Authorizations, licenses, trademarks and similar rights include only the cost of purchasing the FLIO brand.

Tangible fixed assets

Tangible fixed assets amounted to € 905,229 (€ 560,951 in the previous year). Tangible fixed assets consist of buildings, furniture and furnishings, office machinery, electronic telephone systems and equipment.

Tangible fixed assets are originally entered at purchase or production cost. The purchase cost includes directly attributable accessory charges.

Tangible fixed assets are entered at their purchase cost. The depreciation rates are booked within the income statement on a straight line basis and in accordance with rates deemed representative of the residual possibility of use of the assets.

Fixed assets which, at the end of the financial year, are permanently of a lower value than the book value are reduced to this lower value and the difference is booked within the income statement as a write-down. If the reasons for the impairment adjustment no longer exist, the original value is reinstated.

The composition and movements of the individual items were as follows:

| | Land and buildings | Other tangible fixed assets | Assets in progress and advances | Total tangible fixed assets |
|--|--------------------|-----------------------------|---------------------------------|-----------------------------|
| Value at year start | | | | |
| Cost | 552,373 | 24,737 | - | 577,110 |
| Amortization (provisions for amortization) | 7,853 | 8,306 | - | 16,159 |
| Book value | 544,520 | 16,431 | | 560,951 |
| Changes during the year | | | - | |
| Increase for acquisitions | 316,819 | 35,146 | 29,533 | 381,498 |
| Decreases for disposals and sales (Of the book value) | - | 6,332 | - | 6,332 |
| Amort. of the year | 20,891 | 9,997 | - | 30,888 |
| Total changes | 295,928 | 18,817 | 29,533 | 344,278 |
| Value at year end | | | | |
| Cost | 869,192 | 53,551 | 29,533 | 952,276 |
| Amortization (provisions for amortization) | 28,744 | 18,303 | - | 47,047 |
| Book value | 840,448 | 35,248 | 29,533 | 905,229 |

Finance lease operations

Pursuant to Art. 2427, paragraph 1, number 22, of the Italian Civil Code, it should be noted that no finance leasing operations have been implemented for which there is an obligation to provide the information requested therein.

Financial fixed assets

Movements in equity investments, other securities and non-current financial derivative assets

| | Shareholdings in other companies | Total shareholdings |
|---------------------------|----------------------------------|---------------------|
| Changes during the year | | |
| Increase for acquisitions | 84,379 | 84,379 |
| Total changes | 84,379 | 84,379 |
| Value at year end | | |
| Cost | 84,379 | 84,379 |
| Book value | 84,379 | 84,379 |

During the year, 40,000 shares of the Health Point Plus Company for a total value of € 84,379.

Details on long-term investments in subsidiaries

Pursuant to art. 2427, paragraph 1, number 5 of the Italian Civil Code, it should be noted that the Company does not own any shareholdings in subsidiaries or affiliates for which the obligation to provide the information provided therein exists.

Non current receivables relative to transactions with a repurchase obligation

It should be noted that there are no non-current receivables deriving from operations with repurchase agreements, in accordance with Art. 2427, paragraph 1 number 6-ter of the Italian Civil Code.

Value of financial fixed assets

Pursuant to art. 2427 bis, paragraph 1, number 2 letter a) of the Italian Civil Code, it should be noted that there are no financial fixed assets booked at a value higher than their fair value.

CURRENT ASSETS

Tax receivables booked under current assets

Receivables booked under current assets were equal to € 1,438,551 (€ 3,290,463 in the previous year). The composition is as follows:

Changes and expiration dates of receivables booked under current assets

Data relative to the breakdown of receivables by expiration data is reported below, in accordance with Art. 2427, paragraph 1 number 6 of the Italian Civil Code:

| | Value at year start | Changes during the year | Value at year end | Quota expiring within the year | Quota expiring after the year |
|---|---------------------|-------------------------|-------------------|--------------------------------|-------------------------------|
| Trade receivables booked under current assets | 22,363 | 4,621 | 26,984 | 26,984 | - |
| Receivables booked under current assets due from companies subject to control by parent companies | 2,356,896 | (1,846,101) | 510,795 | 459,122 | 51,673 |
| Tax receivables booked under current assets | 911,204 | (10,432) | 900,772 | 900,772 | - |
| Prepaid tax assets booked under current assets | 0 | - | - | - | - |
| Total receivables booked under current assets | 3,290,463 | (1,851,912) | 1,438,551 | 1,386,878 | 51,673 |

With regard to the deferred tax assets, it should be noted that, in these financial statements, no new incremental values of the credit balance have been recognized - despite the formation of additional temporary negative income differences and a tax loss that can be carried forward for the purposes of IRES - on the basis of a prudential approach which takes into account the impossibility, at this time, of formulating reliable income forecasts for future years and therefore the possibility of "recovery" of deferred tax assets, even if abstractly identifiable.

Breakdown of receivables booked under current assets by geographical area

Data relative to the breakdown of receivables booked under current assets is reported below, in accordance with Art. 2427, paragraph 1 number 6 of the Italian Civil Code:

| Geographical area | Italy | France | Portugal | Switzerland | Canada | Poland | Russia | Greece |
|---|----------------|----------------|---------------|---------------|---------------|---------------|----------------|--------------|
| Trade receivables booked under current assets | 23,320 | - | - | - | - | - | - | - |
| Receivables due from companies subject to the control of parent companies booked under current assets | 11,507 | 167,140 | 83,465 | 10,302 | 81,623 | 51,674 | 100,731 | 4,353 |
| Tax receivables booked under current assets | 900,772 | - | - | - | - | - | - | - |
| Total receivables booked under current assets | 935,599 | 167,140 | 83,465 | 10,302 | 81,623 | 51,674 | 100,731 | 4,353 |

| Geographical area | Other countries EU | total |
|---|--------------------|-----------|
| Trade receivables booked under current assets | 3,664 | 26,984 |
| Receivables booked under current assets due from companies subject to control by parent companies | - | 510,795 |
| Tax receivables booked under current assets | - | 900,772 |
| Total receivables booked under current assets | 3,664 | 1,438,551 |

Receivables booked under current assets relative to transactions with a repurchase obligation

It should be noted that there are no receivables booked under current assets deriving from operations with repurchase agreements, in accordance with Art. 2427, paragraph 1 number 6-ter of the Italian Civil Code.

Liquid funds

Receivables booked under current assets were equal to € 456,498 (€ 1,222,028 in the previous year). The composition and movements of the individual items were as follows:

| | Value at year start | Changes during the year | Value at year end |
|--------------------------|---------------------|-------------------------|-------------------|
| Bank and postal deposits | 1,222,028 | (765,530) | 456,498 |
| Total Liquid funds | 1,222,028 | (765,530) | 456,498 |

Accrued income and deferred charges

Accrued income and deferred charges were equal to € 61,414 (€ 59,114 in the previous year).

The composition and movements of the individual items were as follows:

| | Value at year start | Changes during the year | Value at year end |
|---|---------------------|-------------------------|-------------------|
| Deferred charges | 59,114 | 2,300 | 61,414 |
| Total accrued income and deferred charges | 59,114 | 2,300 | 61,414 |

Composition of accrued income

There was no accrued income as of 31/12/2020.

Composition of accrued income:

The changes derive from ordinary management activities. Deferred charges primarily refer to:

- Vip Lounge Key for Euro 32,674;
- Software license fees for Euro 2,747;
- Financial consulting for Euro 1,115;
- Private consulting for Euro 1,541;
- Equipment rental for Euro 377;
- Insurance policies for Euro 546;
- General services for Euro 4,078;
- Call center services for Euro 4,832;
- App development services for Euro 8,849;
- Condominial expenses of Euro 4,656.

Capitalized financial charges

There were no financial charges in the financial year booked under balance sheet assets, pursuant to Art. 2427, paragraph 1 number 8 of the Italian Civil Code.

Write-downs for permanent losses in value of tangible and intangible fixed assets

Pursuant to Art. 2427, paragraph 1, number 3-bis of the Italian Civil Code, it should be noted that no write-downs for permanent losses in value have been applied to intangible and tangible fixed assets pursuant to accounting standard OIC 9.

In particular, it should be noted that the simplified approach for determining permanent losses in value referred to in paragraphs 30 to 35 of OIC 9 was applied by comparing the recoverable value of fixed assets - determined on the basis of their depreciation capacity - with their net book value recorded in the financial statements. The sustainability of investments was confirmed by these tests, and was based on the estimate of future income flows referable to the production structure as a whole.

Revaluation of intangible and tangible fixed assets

In accordance with Article 10 of Law 72/1983, it should be noted that no monetary and economic revaluations have been carried out.

EXPLANATORY NOTES: LIABILITIES AND SHAREHOLDERS' EQUITY

Shareholders' equity

The shareholders' equity existing at the end of the year was equal to € 3,493,012 (€ 5,486,185 in the previous year).

The following tables report the changes during the year of the individual items that constitute shareholders' equity as well as details of the item 'Other reserves':

Changes in shareholders' equity items

| | Value at year start | Allocation of the result of the previous year | | Other changes | | Result of the year | Value at year end |
|-------------------------------|---------------------|---|-----------|---------------|-----------|--------------------|-------------------|
| | | Other allocations | | Increases | Decreases | | |
| Share capital | 598,123 | - | - | - | - | - | 598,123 |
| Share premium reserve | 5,132,278 | - | - | - | - | - | 5,132,278 |
| Legal reserve | 100,000 | - | - | - | - | - | 100,000 |
| Other reserves | | | | | | - | |
| Misc. other reserves | 869,683 | - | - | 1 | - | - | 869,684 |
| Total other reserves | 869,683 | - | - | 1 | - | - | 869,684 |
| Profit (loss) carried forward | 51,311 | - | - | - | 1,265,210 | - | (1,213,899) |
| Profit (loss) of the year | (1,265,210) | | 1,265,210 | - | - | (1,993,174) | (1,993,174) |
| Total shareholders' equity | 5,486,185 | | 1,265,210 | 1 | 1,265,210 | (1,993,174) | 3,493,012 |

Details of miscellaneous other reserves

| Description | Amount |
|----------------------|---------|
| Contribution reserve | 869,686 |
| Roundings reserve | (2) |
| Total | 869,684 |

Availability and use of shareholders' equity items

The information required by Article 2427, paragraph 1 number 7-bis of the Italian Civil Code - relating to specification of items of shareholders' equity with reference to their origin, possibility of use and distributability, as well as their use in the previous years - can be deduced from the tables below:

| | Amount | Origin/nature | Possibility of use | Available quota | Summary of uses in previous three years | |
|------------------------------|-------------|----------------------------|--------------------|-----------------|---|---------|
| | | | | | for other reasons | |
| Share capital | 598,123 | Share capital | | - | | - |
| Share premium reserve | 5,132,278 | Share capital | A - B - C | 5,132,278 | | - |
| Legal reserve | 100,000 | Profit | A - B | 100,000 | | - |
| Other reserves | | | | | | |
| Misc. other reserves | 869,684 | Share capital - net income | A - B - C | 869,684 | | 630,318 |
| Total other reserves | 869,684 | | | 869,684 | | 630,318 |
| Profit carried forward | (1,213,899) | | | | | - |
| Total | 5,486,186 | | | 6,101,962 | | 630,318 |
| Non-distributable quota | | | | 4,633,054 | | |
| Residual distributable quota | | | | 1,468,908 | | |

Legend:

A: for share capital increase
B: to cover losses
C: for distribution to shareholders

D: for other statutory restrictions
E: other

Origin, possibility of use and distributability of various other reserves

| Description | Amount | Origin/nature | Possibility of use | Available quota | Available quota | Summary of uses in the previous three years for other reasons |
|----------------------|---------|---------------|--------------------|-----------------|-----------------|---|
| Contribution reserve | 869,686 | Share capital | A - B - C | 869,686 | | 630,318 |
| Roundings reserve | (2) | | | (2) | | - |
| Total | 869,684 | | | | | |

Legend:

A: for share capital increase
B: to cover losses
C: for distribution to shareholders

D: for other statutory restrictions
E: other

The non-distributable share of equity is made up of the legal reserve for € 100,000, the total of start-up and expansion and development costs not yet amortized pursuant to Art. 2426, paragraph 1 no. 5, of the Italian Civil Code for € 1,306,356, the losses carried forward for € 1,213,899, the loss for the year for € 1,993,174 and the quota of the share premium reserve (€ 19,625) which is necessary for the legal reserve to reach the limit of 20% of the share capital.

Provisions for risks and charges

Provisions for risks and charges are booked under liabilities for a total of € 64,660 (€ 93,088 in the previous year). The composition and movements of the individual items were as follows:

| | Other provisions | Total provisions for risks and charges |
|-----------------------------|------------------|--|
| Value at year start | 93,088 | 93,088 |
| Changes during the year | | |
| Changes during the year | 64,660 | 64,660 |
| Utilization during the year | 93,088 | 93,088 |
| Total changes | (28,428) | (28,428) |
| Value at year end | 64,660 | 64,660 |

Provisions for risks and charges are booked at a value suitable for coverage as well as for the company's share of risk related to the tracking of lost baggage.

Employee termination indemnities

Employee termination indemnities are booked under liabilities for a total of € 32,723 (€ 23,928 in the previous year). The composition and movements of the individual items were as follows:

| | Employee termination indemnities |
|-----------------------------|----------------------------------|
| Value at year start | 23,928 |
| Changes during the year | |
| Changes during the year | 16,231 |
| Utilization during the year | 7,436 |
| Total changes | 8,795 |
| Value at year end | 32,723 |

Payables

Payables are booked under liabilities for a total of €552,686 (€ 1,491,953 in the previous year). The composition of the individual items was as follows:

Changes and expiration dates in payables

Data relative to the breakdown of payables by expiration data is reported below, in accordance with Art. 2427, paragraph 1 number 6 of the Italian Civil Code:

| | Value at year start | Changes during the year | Value at year end | Quota expiring within the year |
|--|---------------------|-------------------------|-------------------|--------------------------------|
| Payables due to suppliers | 402,630 | (13,809) | 388,821 | 388,821 |
| Payables due to parent companies | - | 3,374 | 3,374 | 3,374 |
| Payables due to companies subject to control of parent companies | 895,750 | (830,698) | 65,052 | 65,052 |
| Tax payables | 35,237 | (20,721) | 14,516 | 14,516 |
| Payables due to social security institutions | 55,028 | (33,633) | 21,395 | 21,395 |
| Other payables | 103,308 | (43,780) | 59,528 | 59,528 |
| Total payables | 1,491,953 | (939,267) | 552,686 | 552,686 |

Subdivision of payables by geographical area

Data relative to the breakdown of payables by geographical area is reported below, in accordance with Art. 2427, paragraph 1 number 6 of the Italian Civil Code:

| Geographical area | Italy | EU | Extra-EU | Total |
|--|----------------|--------------|---------------|----------------|
| Payables due to suppliers | 357,388 | 9,463 | 21,970 | 388,821 |
| Payables due to parent companies | 3,374 | - | - | 3,374 |
| Total payables due to companies subject to the control of the parent companies | 65,052 | - | - | 65,052 |
| Tax payables | 14,516 | - | - | 14,516 |
| Payables due to social security institutions | 21,395 | - | - | 21,395 |
| Other payables | 59,528 | - | - | 59,528 |
| Payables | 521,253 | 9,463 | 21,970 | 552,686 |

Payables secured by collateral on corporate assets

Pursuant to and by effect of Art. 2427 paragraph 1 number 6 of the Italian Civil Code, it is hereby certified that there are no social company payables secured by collateral.

Payables relative to transactions with a repurchase obligation

There are no payables deriving from operations with repurchase agreements, in accordance with Art. 2427, paragraph 1 number 6-ter of the Italian Civil Code.

Financing from company shareholders

The Company has no outstanding payables to its shareholders for financing whose data must be reported pursuant to Art. 2427, paragraph 1, no. 19 bis, of the Italian Civil Code.

Accrued liabilities and deferred income

Accrued liabilities and deferred income are booked under liabilities for a total of € 209,356 (€ 404,653 in the previous year).

The composition and movements of the individual items were as follows:

| | Value at year start | Changes during the year | Value at year end |
|---|---------------------|-------------------------|-------------------|
| Accrued liabilities | 143 | 5,314 | 5,457 |
| Deferred income | 404,510 | (200,611) | 203,899 |
| Total accrued liabilities and deferred income | 404,653 | (195,297) | 209,356 |

As previously noted in the valuation criteria for intangible fixed assets, the residual portions of tax credits recognized for R&D expenses and those incurred for the listing on the AIM - proportional to the subsidized costs that have not yet been amortized - were booked under deferred income. The composition of deferred income is as follows:

- € 27,124 Tax credit for 2018 research and development activities
- € 83,997 Tax credit for 2019 research and development activities
- € 92,778 Tax credit for listing costs

Explanatory notes, income statement

Total revenues

Revenues from sales and services Breakdown by category of activity

In compliance with the provisions of Art. 2427, paragraph 1, number 10 of the Italian Civil Code, the following table reports the breakdown of revenues by category of activity:

| Category of activity | Value of current year |
|----------------------------|-----------------------|
| Revenues for services | 633,362 |
| Revenues for sale of goods | 150 |
| Total | 633,512 |

Other revenues and proceeds

Other revenues and proceeds are booked under total revenues of the income statement for a total of € 282,034 (€ 334,758 in the previous year) and are mainly represented by: (i) the portion (€ 200,610) of tax credit for listing expenses, proportional to amortization charges calculated during the year on the same subsidized expenses; (ii) contingent assets (€ 32,460); and (iii) the grant (€ 48,945) received pursuant to Art. 25 of Law Decree 34/2020.

Revenues from sales and services Breakdown by geographical area

| Geographical area | Value of current year |
|-------------------|-----------------------|
| Italy | 120,974 |
| America | 52,039 |
| Asia | 33,559 |
| Europe | 426,940 |
| Total | 633,512 |

Cost of production

Costs for raw materials

Costs for raw materials are booked under the cost of production within the income statement for a total of € 98 (€ 37,234 in the previous year).

Service costs

Service costs are booked under the cost of production within the income statement for a total of € 1,092,018 (€ 2,326,413 in the previous year) and consist of:

| Service costs | Value of current year | Change | Value of previous year |
|---|-----------------------|-------------------|------------------------|
| Transportation | 5,496 | 3,641 | 1,855 |
| Maintenance and repairs | 339 | -1,071 | 1,410 |
| Technical services and consulting | 17,087 | -42,004 | 59,091 |
| Compensation to directors | 143,685 | -32,880 | 176,565 |
| Compensation to auditors | 49,055 | 1,082 | 47,973 |
| Advertising | 15,869 | -78,132 | 94,001 |
| Legal expenses and consulting | 40,872 | -7,710 | 48,582 |
| Fiscal, administrative and commercial consulting | 351,814 | -281,617 | 633,431 |
| Telephone expenses | 24,556 | -23,987 | 48,543 |
| Services from financial companies and banks of non-financial nature | 5,611 | -2,215 | 7,826 |
| Insurance | 4,023 | -21,154 | 25,177 |
| Entertainment expenses | 983 | -3,394 | 4,377 |
| Travel expenses | 1,399 | -23,674 | 25,073 |
| Updating, education and training expenses | 720 | -1,960 | 2,680 |
| Call center expenses | 120,090 | -114,261 | 234,351 |
| Expenses for reimbursement of lost/damaged baggage | 71,883 | -243,813 | 315,696 |
| Commercial services from associates | 167,492 | -342,851 | 510,343 |
| other | 71,042 | -18,397 | 89,439 |
| Total | 1,092,018 | -1,234,395 | 2,326,413 |

Costs for use of third party assets

Costs for use of third party assets are booked under the cost of production within the income statement for a total of € 121,548 (€ 178,566 in the previous year) and consist of:

| Costs for use of third party assets | Value of current year | Change | Value of previous year |
|-------------------------------------|-----------------------|----------------|------------------------|
| Rents and leases | 50,077 | 8,668 | 41,409 |
| Software rental | 69,437 | -66,095 | 135,532 |
| other | 2,035 | 410 | 1,625 |
| Total | 121,548 | -57,018 | 178,566 |

Personnel costs

The significant decrease in personnel costs is attributable to both the use of the "covid" redundancy fund (CIG) following the shutdown imposed by the pandemic and the decrease in personnel.

Other operating charges

Other operating charges are booked under the cost of production within the income statement for a total of €122,852 (€ 31,762 in the previous year).

Financial proceeds and charges

Composition of proceeds from shareholdings

During the year, no income of any kind was obtained from company shareholdings.

Breakdown of interest and other financial charges by type of payable

In relation to the provisions of Art. 2427, paragraph 1, number 12 of the Italian Civil Code, it should be noted that there are no financial charges.

Reported below is information concerning the subdivision of exchange rate gains and losses deriving from the year-end valuation with respect to those which were effectively realized:

| | Currency portion | Effective portion | Total |
|----------------------|------------------|-------------------|---------|
| Exchange rate gains | 189 | 4,378 | 4,567 |
| Exchange rate losses | -38,411 | -2,507 | -40,918 |

Amount and nature of individual revenue/cost items of exceptional size or incidence

In relation to the provisions of art. 2427, paragraph 1, number 13 of the Italian Civil Code, no revenues of exceptional size or incidence occurred in 2020.

In relation to the provisions of Art. 2427, paragraph 1, number 13 of the Italian Civil Code, no costs of exceptional size or incidence occurred in 2020.

Income taxes of the year: current, deferred and prepaid

Information on fiscal losses

| | Current year | Previous year |
|---|--------------|---------------|
| | Amount | Amount |
| Fiscal losses | | |
| of the year | 2,051,068 | 1,421,230 |
| Previous years | 1,421,230 | - |
| Total fiscal losses | 3,472,298 | 1,421,230 |
| Tax losses carried forward that are recoverable with reasonable certainty | 0 | - |

In these financial statements, conditions do not exist for neither the recognition of current taxes (in light of the absence of taxable income for both IRAP and IRES purposes) nor for the recognition of prepaid and deferred taxes.

With regard to prepaid taxes, in particular - and despite the fact that additional negative temporary income differences and a substantial tax loss that can be carried forward for IRES purposes occurred in the 2020 financial year - the conditions for a reliable forecast of economic results suitable for reabsorbing said differences was found to be missing. This is in light of the necessary prudence that, particularly in the current socio-economic context, must characterize the valuation of assets of this kind.

Explanatory notes, other information

Employment data

Reported below is the information concerning personnel, pursuant to Art. 2427, paragraph 1, number 15 of the Italian Civil Code:

| | Average number |
|------------------------|----------------|
| Mid-level managers | 1 |
| Office employees | 8 |
| Total employees | 9 |

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

Reported below is information concerning the directors and auditors, pursuant to Art. 2427, paragraph 1 number 16 of the Italian Civil Code:

| | Directors | Auditors |
|--------------|-----------|----------|
| Remuneration | 143,685 | 23,756 |

Compensation to the regulatory auditor or auditing company

The following information is provided on the compensation paid to the regulatory auditor or the auditing company, in accordance with Art. 2427, paragraph 1 number 16-bis of the Italian Civil Code.

| | Value |
|---|--------|
| Regulatory audit | 17,000 |
| Total compensation paid to the regulatory auditor or the auditing | 17,000 |

Categories of shares issued by the company

The information required by Article 2427, paragraph 1 number 17 of the Italian Civil Code in relation to data on the shares that constitute the share capital of the company - as well the number and nominal value of the shares underwritten during the year - can be deduced from the following tables:

| Description | Initial amount, number | Initial amount, nominal value | Final amount, number | Final amount, nominal value |
|-----------------|------------------------|-------------------------------|----------------------|-----------------------------|
| Ordinary shares | 5,981,225 | 598,123 | 5,981,225 | 598,123 |
| Total | 5,981,225 | 598,123 | 5,981,225 | 598,123 |

In relation to the provisions of Art. 2427, paragraph 1, number 18 of the Italian Civil Code, it should be noted that the company has not issued dividend-right shares or bonds convertible into shares, except for the Warrants issued in implementation of the resolution of the extraordinary meeting of the Issuer held on 19 June 2018; the latter was preparatory to the IPO process.

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

In compliance with the provisions of Art. 2427, paragraph 1 number 9 of the Italian Civil Code, there were no guarantees and potential liabilities not resulting from the balance sheet.

Information on assets and financing allocated to a specific transaction

There are no assets allocated for a specific business, pursuant to Art. 2447 bis of the Italian Civil Code, nor financing intended for a specific transaction, pursuant to Art. 2447 decies of the Italian Civil Code.

Information on operations with related parties

Reported below is the information concerning operations with related parties, pursuant to Art. 2427, paragraph 1, number 22-bis of the Italian Civil Code:

- RG HOLDING for 36,000 Euro of costs relative to the rental of the premises of the operational headquarters in Via Marsala 34 / A located in Gallarate; as of 31.12.2020, there was a payable to the related party of € 3,374 and there are additional costs relative to RG HOLDING which pertain to the insurance totaling € 2,831;

- TraWell Co Group: transactions with the companies of the TraWell Co Group are based on commercial agreements concerning the supply of the related services: (i) the tracking of baggage of customers of TraWell Co. Group companies that have purchased the Lost Baggage Concierge Service in cases of loss and /or failure to deliver this baggage; (ii) call center assistance offered to customers of TraWell Co Group companies during the collection of reports of loss, theft and/or damages to the baggage.

In addition, transactions were implemented with other parties such as:

- SHS S.r.l. for activities relating to the role of Investor Relations and totaling an annual cost of € 30,000 as well as a payable recognized as of 31 December 2020 totaling € 18,300 for invoices already received and € 7,500 for invoices to be received;

- Costs payable to Roberto Mosca, ex director of the company, until 31.05.2020 and totaling € 14,560 in relation to commercial consultancy provided from June to December 2020

Information on agreements not reported in the balance sheet

There were no agreements not resulting from the balance sheet, in accordance with Article 2427, paragraph 1 number 22-ter of the Italian Civil Code.

Information on significant events occurring after the close of the financial year

The Company is developing an additional business line focused on the supply of telemedicine services for travelers, directly from its APP and in partnership with the American company Health Point Plus, Inc. To this end, an exclusive 5-year agreement was signed with this company on 2 November 2020.

The Dr. Travel service will be used - by means of the sostravel APP - directly from your smartphone, in multilingual format, and will have a coverage of 14 days from the date of departure at a cost of Euro 10 for a single traveler and Euro 25 for a family (up to a maximum of 6 people). In order to strengthen the commercial relationship, sostravel has completed - also in light of the upcoming IPO of the partner Health Point Plus - an investment of a minority share of the latter's share capital by underwriting a portion of the share capital increase approved by Health Point Plus and valued at USD 100,000.

On 1 March 2021, a distribution agreement was also signed for the sale of the "Dr. Travel" telemedicine service on the TraWell network. The TraWell Group operates, through approximately 160 sales points, in 52 airports and 16 countries. Pre-covid sostravel generated about 2 million Euro in sales for the Lost & Found Concierge service alone within the TraWell network.

Companies that prepare financial statements of the largest / smallest set of companies to which it belongs as a subsidiary

The following table reports the information required by Article 2427, paragraph 1 number 22 quinquies and 22 sexies of the Italian Civil Code:

| | Largest set |
|--|--|
| Company name | RG HOLDING SRL |
| City (if in Italy) or foreign country | ROME |
| Tax code (for Italian companies) | 04158211005 |
| Registration location of the consolidated financial statements | VIALE DELLA PIRAMIDE CESTIA 1/C, ROMA |

Information relative to derivative financial instruments pursuant to Art. 2427-bis of the Italian Civil Code

The company is not a party to derivative financial instruments, in accordance with Art. 2427 bis, paragraph 1, point 1 of the Italian Civil Code.

Summary statement of the financial statements of the company that exercises management and coordination

The company is not subject to management or coordination by companies or entities.

Information relative to startups, including social ones, and innovative SMEs

During the 2020 financial year, no further research and development activities were implemented due to the halt in operations that was imposed by the Covid-19 pandemic.

Information pursuant to Art. 1, paragraph 125, of law No. 124 of 4 August 2017

In compliance with the transparency and publicity requirements provided for by Law no. 124 of 4 August 2017, Article 1, paragraphs 125-129 (as replaced by Art. 35 of Legislative Decree no. 34 of 30 April 2019) - which imposed an obligation for companies to indicate in the explanatory notes "the amounts and information relating to grants, subsidies, advantages, contributions or aids, in cash or in kind, not of a general nature nor of payment, remuneration or compensation nature, and actually paid to them by public administrations " - the totals of the aforementioned amounts are shown below with the relative regulatory details, based upon a very prudent and expansive interpretation of the aforementioned provision:

| Disbursing party | Type | Contribution value accrued during the year | Contribution value received / compensated during the year | File status (approved, paid, determined, compensated) | Reference legislation |
|--------------------|---|--|---|---|--|
| Italian government | Tax credit for research and development activities | 0 | 0 | Determined | L. 190/2014 art. 1 paragraph 35 and its subsequent amendments and supplements 2018 |
| Italian government | 2019 Tax credit for research and development activities | 0 | 0 | Determined | L. 190/2014 art. 1 paragraph 35 and its subsequent amendments and supplements 2018 |
| Italian government | Tax credit for listing costs | 0 | 0 | Determined/Compensated | L. 205/2017 art. 1 Paragraph 89 |
| Italian government | Grant | 48,945 | 48,945.00 | Determined/Compensated | LD 34/2020. Art. 25 |

Proposal for the allocation of profits or coverage of losses

Dear shareholders, when asking you to approve these financial statements, we also propose to postpone the decision to cover the loss for the year of € 1,993,174 to the future.

29 March 2021

On behalf of the Board of Directors, Mr.

Rudolph Gentile

Sos Travel.com S.p.A.

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

**Financial Statements as at December 31, 2020
Independent Audit's Report in accordance with
art. 14 of D. Lgs. January, 27 2010, no. 39**

Independent Audit's Report in accordance with art. 14 of D. Lgs. January, 27 2010, no. 39 (Translation from the original Italian text)

To the Shareholders of
SOS Travel.com S.p.A.

Report on the financial statements

Opinion

We have audited the financial statements of SosTravel.com S.p.A. (the Company), which comprise the balance sheet statement as at December 31, 2020, the income statement, and the cash flow statement for the year then ended, and the explanatory notes.

In our opinion, the financial statements, give a true and fair view of the financial position of the Company as at December 31, 2020, and of its financial performance and cash flows for the year then ended in accordance with the Italian regulations and accounting principles governing financial statements.

Basis for Unqualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent from the Company in accordance with the rules and principles of ethics and independence applicable in Italian law to the auditing of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

Emphasis of Matter

Without changing our opinion, we draw attention to the information reported by the Directors in the management report on operations in the paragraph "Business outlook and continuity", to which reference should be made, which describes, among other things, the considerations of the Directors regarding the assessments on the financial position of the Company and of its financial performance and cash flows and their conclusions on the appropriateness of business continuity.

Responsibilities of the Directors and the board of statutory auditors for the financial statements

The Directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with the Italian laws and regulations that govern their preparation and, as provided by the law, for such internal control as they determines is necessary to enable the preparation of Statutory financial statements that are free from material misstatements due to fraud or unintentional acts or events.

The Directors are responsible for assessing the capacity of the Company to continue operating as a going concern entity and, in preparing the financial statements, for the appropriateness of using the going concern basis of accounting, and for the adequate disclosure in this regard. The Directors use the going concern basis of accounting in preparing the financial statements unless they either intend to liquidate the Company or to cease operations or have no realistic alternatives but to do so.

The board of statutory auditors is responsible for supervising, within the terms established by law, the process of preparing the financial information.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, due to fraud or unintentional acts or events, and to issue an audit Company's report that includes our opinion. Reasonable assurance is a high-level assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing (ISA Italy) will always detect a material misstatement, when it exists. Misstatement can arise from fraud or unintentional acts or events and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by the users on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italy), we exercise professional judgment and maintain professional skepticism throughout the entire audit process. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or unintentional acts or events. Design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from unintentional acts or events, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and but not for the purpose of expressing an opinion on the effectiveness of Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Directors;
- Reach a conclusion on appropriateness of the going concern basis of accounting used by Directors and, based on the obtained evidence, on the possible existence of significant uncertainty concerning events or circumstances that may arise significant doubts over the capacity of the Company to continue operating as a going concern entity. In case of a significant uncertainty, we have to call the reader's attention in the audit Company's report to the related information in the financial statements or, if that information is inadequate, to consider this circumstance in expressing our opinion. Our conclusions are based on the audit evidence obtained up to the date of this audit report. Nevertheless, subsequent events or circumstances may cause the Company to cease operations as a going concern entity;
- Evaluate the overall presentation, structure and content of the financial statements as a whole and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with the persons in charge of governance activities that have been identified at an appropriate level in accordance with the requirements of the ISA Italy, among other matters, regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other provisions of law and regulations

Judgment pursuant to art. 14, paragraph 2, letter e), of Legislative Decree 39/10

The Directors of SosTravel.com S.p.A. are responsible for the preparation of the management report on the operations of SosTravel.com S.p.A. as of 31 December 2020, including its consistency with the financial statements and its compliance with the law and regulations.

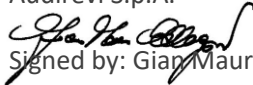
We have carried out the procedures indicated in the audit standard SA Italia n. 720B in order to express an opinion on the consistency of the management report on operations with the financial statements of SosTravel.com S.p.A. as at December 31, 2020 and on its compliance with the applicable laws and regulations, and in order to assess whether its contain material misstatements.

In our opinion, the management report on operations is consistent with the financial statements of SosTravel.com S.p.A. as of 31 December 2020 and drafted in compliance with the law and regulations.

With reference to the declaration pursuant to art. 14, co. 2, letter e) of Legislative Decree 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milano, April 12th 2021

Audirevi S.p.A.



Signed by: Gian Mauro Calligari
Partner

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.

