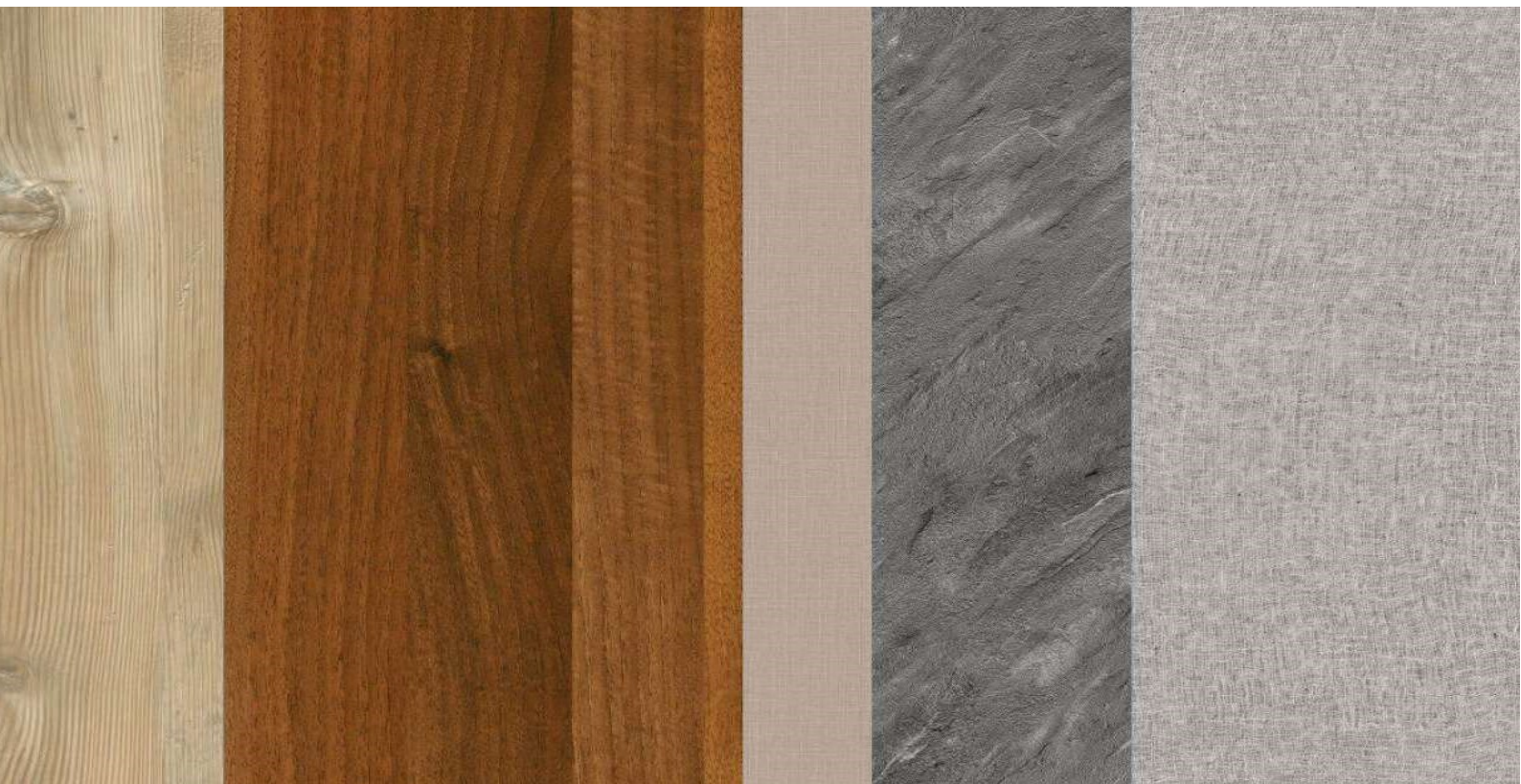


Interim Management Statement at 31 March 2021

Financial Statements prepared in accordance with IAS/IFRS

Amounts in Euro



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R.E.A. BG - 193331

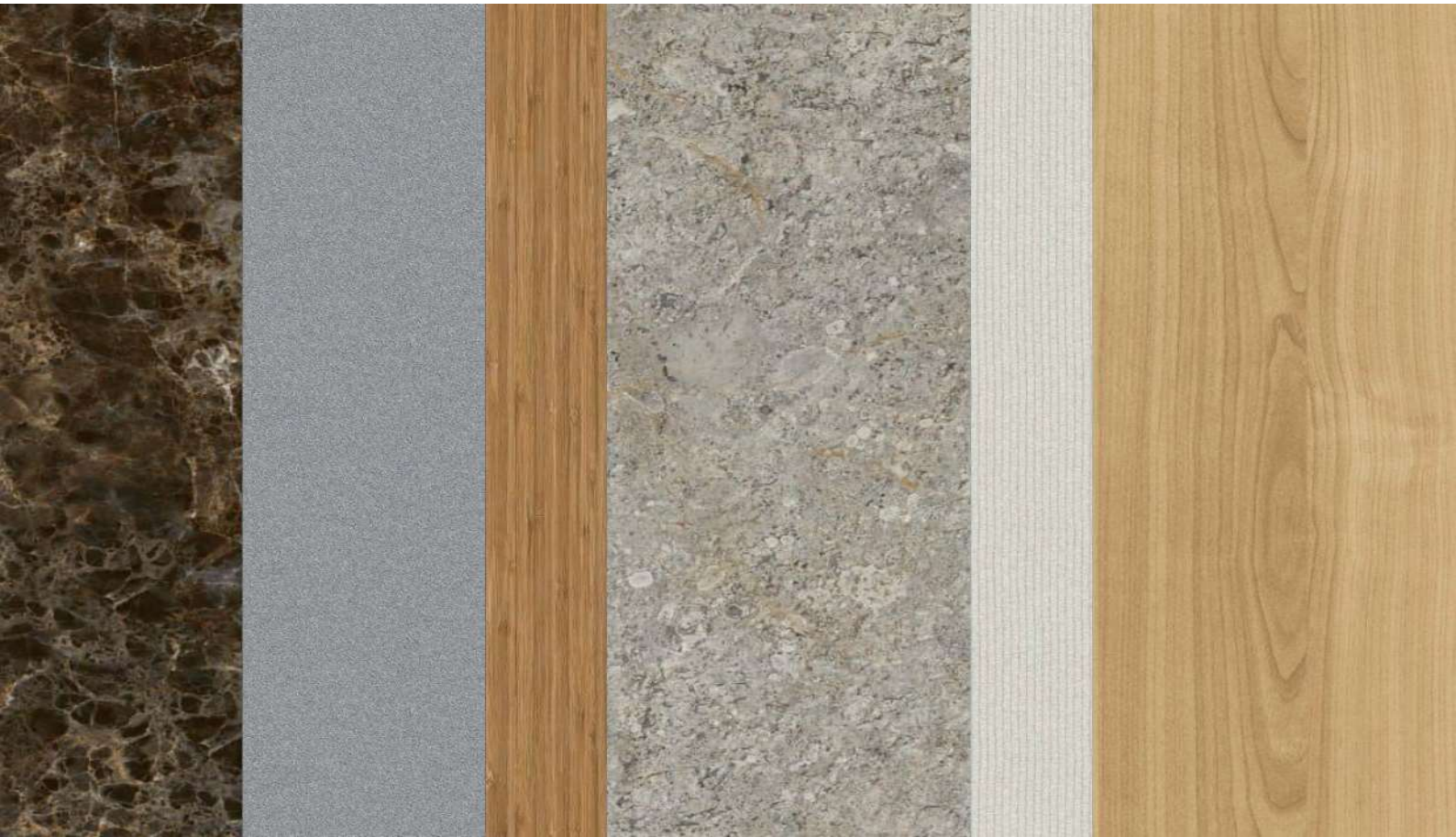
Share Capital
€ 17,398,687.37 fully paid up
www.neodecortech.it

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The Neodecortech Group



Corporate officers

Board of Directors ⁽¹⁾

Chairman	Riccardo Bruno *
Director, Chief Executive Officer	Luigi Cologni
Executive Director	Massimo Giorgilli
Non-Executive Director	Cristina Valentini
Independent Non-Executive Director	Paolo Pietrogrande*
Independent Non-Executive Director	Paola Carrara*
Independent Non-Executive Director	Laura Calini*

() Independent Director pursuant to Article 148 of the TUF and Article 3 of the Corporate Governance Code.*

Board of Statutory Auditors ⁽²⁾

Chairman	Stefano Santucci
Standing Auditor	Federica Menichetti
Standing Auditor	Stefano Zonca
Alternate Auditor	Davide Mantegazza
Alternate Auditor	Marinella Monterumisi

Financial Reporting Manager ⁽³⁾

Fabio Zanobini

Committees ⁽⁴⁾

Remuneration and Appointments Committee	Paola Carrara (Chair) Paolo Pietrogrande Riccardo Bruno
Control and Risk Committee	Paolo Pietrogrande (Chairman) Laura Calini Paola Carrara
Related Party Committee	Laura Calini (Chair) Paolo Pietrogrande Paola Carrara

Sustainability Committee

Riccardo Bruno (Chairman)
Luigi Cogni
Massimo Giorgilli
Laura Calini

Supervisory Board ⁽⁵⁾

Ettore Raspadori (Chairman)
Federica Menichetti ⁽⁶⁾

Independent Auditors ⁽⁷⁾

BDO Italia S.p.A.

⁽¹⁾ The Board of Directors of Neodecortech S.p.A. in office was appointed on 9 December 2019 and will remain in office for three financial years until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

⁽²⁾ The Company's Board of Statutory Auditors was appointed on 24 February 2020 and will remain in office until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2022.

⁽³⁾ Fabio Zanobini was appointed Financial Reporting Manager by the Board of Directors on 25 June 2020, pursuant to Article 154-bis of the TUF.

⁽⁴⁾ The Board of Directors of Neodecortech S.p.A. resolved on 31 January 2020 to establish (i) a Remuneration and Appointments Committee; (ii) a Control and Risk Committee; (iii) a Related Party Committee and (iv) a Sustainability Committee, subject to the start of trading of the Company's shares and "Warrant Neodecortech 2018-2021" on the Mercato Telematico Azionario (electronic stock

market) organized and managed by Borsa Italiana S.p.A. ("MTA"). Trading on the MTA started on 25 May 2020.

⁽⁵⁾ The Board of Directors of Neodecortech S.p.A. passed a resolution on 31 January 2020 appointing Mr. Raspadori and Ms. Menichetti as members of the Supervisory Board of the Company for three financial years, therefore, until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2022.

⁽⁶⁾ Ms. Menichetti also holds the position of standing auditor of Neodecortech S.p.A.

⁽⁷⁾ The nine-year statutory audit assignment pursuant to Article 17 of Legislative Decree 39/2010 of the Italian Civil Code for the financial years 2020-2028 was granted by the Ordinary Shareholders' Meeting on 9 December 2019.

Group Structure

The Group structure at 31 March 2021, 31 December 2020 and 31 March 2020 is shown below.

Neodecortech S.p.A. — 100% → **Cartiere di Guarcino S.p.A.** — 100% → **Bio Energia Guarcino S.r.l.**

At 31 March 2021, **the companies forming the Group** are:

NDT

Neodecortech S.p.A.

registered and operating offices in Filago (BG) and other operating offices in Casoli d'Atri (TE), heads up the core business of the Group and is active in the printing and impregnation of paper, in the printing and finishing of thermoplastic film, and in the production of laminates at the Casoli headquarters. Neodecortech's goal is to act as a highly proactive decorative surfaces partner for customers in the interior design and flooring industry, through constant monitoring and interpretation of new stylistic trends.

The Parent Company performs the following functions for its subsidiaries:

- (i) legal and corporate affairs,
- (ii) administration and investments,
- (iii) strategic planning and business development,
- (iv) Internal Audit, Compliance & Risk Management.

CDG

Cartiere di Guarcino S.p.A.

registered office in Guarcino (FR), specializes in the production of decorative papers that subsequently undergo other stages of processing: printing or directly impregnation with thermosetting resins and hot pressing. The company operates on the national and international markets through a network of agents.

BEG

Bio Energia Guarcino S.r.l.

registered office in Guarcino (FR), owns the cogeneration plant in operation since May 2010 for the self-production of electrical and thermal energy that satisfies a large part of the energy needs of CDG.

Financial highlights of the Neodecortech Group

Income statement

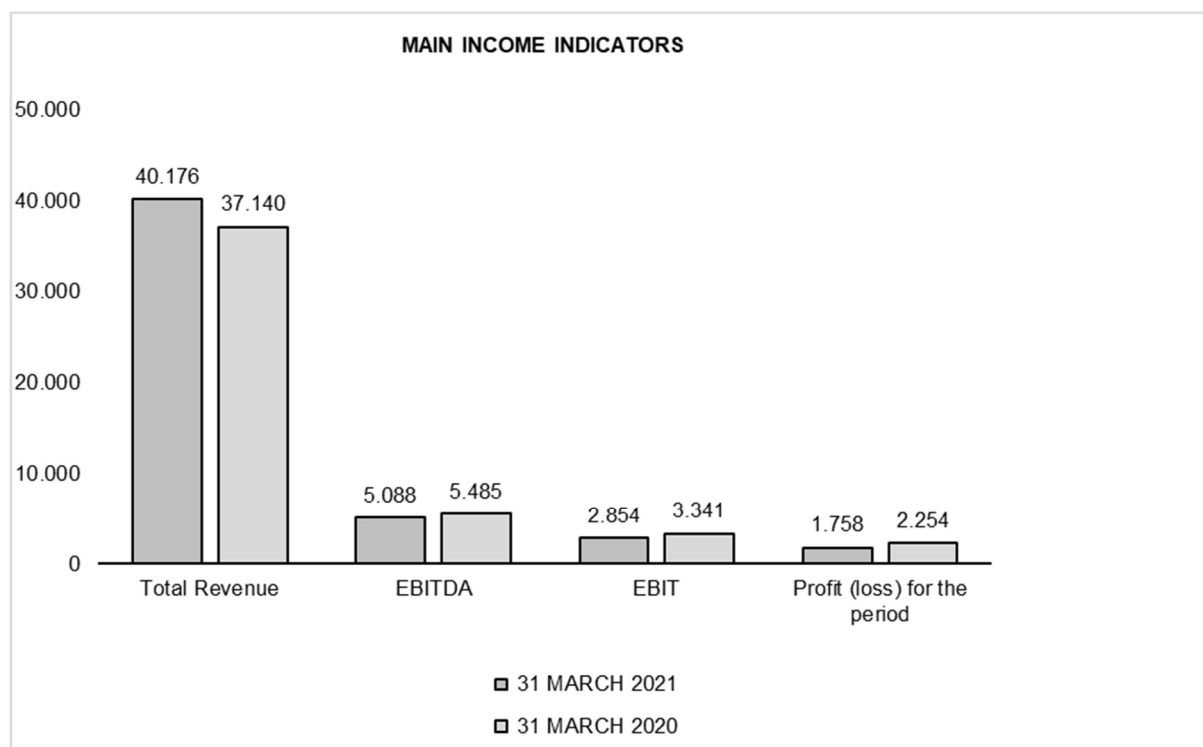
The table below shows the main **consolidated income statement figures**:

(Euro thousands)	31 MARCH 2021	%	31 MARCH 2020	%	Chg.	% change
Revenue from sales and services	39.603	100,0%	33.194	100,0%	6.409	19,3%
Other revenue	573	1,4%	3.946	11,9%	(3.373)	(85,5%)
Total Revenue	40.176	101,4%	37.140	111,9%	3.036	8,2%
EBITDA	5.088	12,8%	5.485	16,5%	(397)	(7,2%)
Amortization and depreciation	2.148	5,4%	2.044	6,2%	104	5,1%
Allocations	87	0,2%	100	0,3%	(13)	0,0%
EBIT	2.854	7,2%	3.341	10,1%	(487)	(14,6%)
Profit (loss) for the period	1.758	4,4%	2.254	6,8%	(496)	(22,0%)

Total Revenue at 31 March 2021 increased by 8.2%, a result of the sharp rise in *Revenue from Sales and Services* (+19.3%) and the decrease in *Other Revenue* of € 3,373 thousand. The latter change is explained by the recognition at 31 March 2020 of insurance reimbursements for € 2,350 thousand and the release of the Stock Grant reserve for € 1,204 thousand.

The reduction gives a clearer picture of the EBITDA performance at 31 March 2021 versus the performance at 31 March 2020.

For further details on the changes, reference should be made to "Notes to the main changes in the consolidated financial statements".



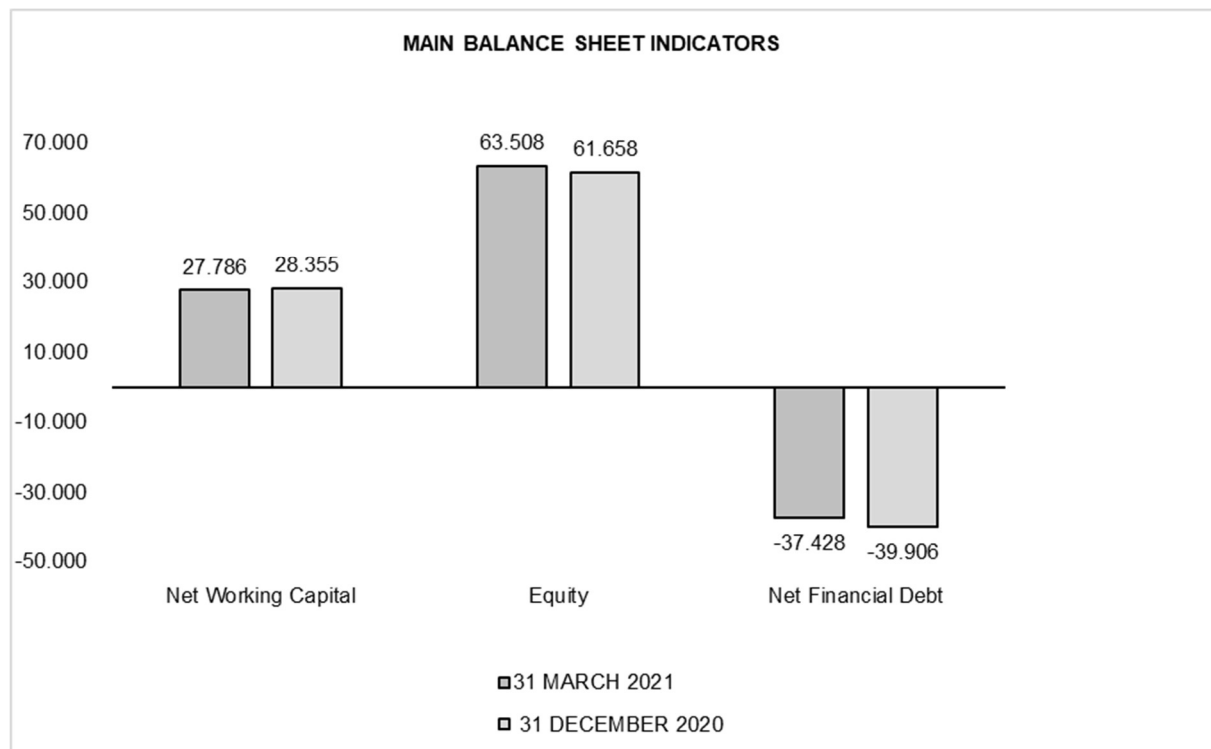
Financial results

The table below shows the main **consolidated financial indicators**:

(Euro thousands)	31 MARCH 2021	31 DECEMBER 2020	Chg.	% change
Net Working Capital	27.786	28.355	(569)	(2,0%)
Equity	63.508	61.658	1.850	3,0%
Net Financial Debt	(37.428)	(39.906)	(2.478)	6,2%

The sharp reduction in *net financial debt* is explained in particular by the reduced use of short-term borrowing facilities. The decrease is even more significant (down by € -8,205 thousand) if compared with the figure at 31.03.2020 (€ 45,633 thousand).

For further details on the changes, reference should be made to "Notes to the main changes in the consolidated financial statements".



Balance sheet figures at 31 March 2020 are shown for comparison.

(Euro thousands)	31 MARCH 2020
Net Working Capital	30.962
Equity	60.482
Net Financial Debt	(45.633)

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Directors' Comments



Significant events during the quarter

Considering the requirements of CONSOB in the Warning Notices issued with regard to COVID-19 in the provision of financial disclosures, it should be noted that the Group's consolidated operating and financial figures at 31 March 2021 were not materially impacted by the COVID-19 pandemic. The upward trend in turnover and order backlog already reported in second half 2020 continued, driven also by the initial gradual contribution of sales of Neodecortech's new product lines.

The Group continued to comply with national pandemic containment rules and the observance and adoption of safety protocols on the health of workers and third parties, also managing a number of non-serious Covid positive cases among employees.

Group Companies complied with the anti-SARSCoV-2/COVID-19 vaccination initiative in the workplace, consistent with the "National Strategic Vaccination Plan for the Prevention of SARS-CoV-2 Infections" and the "Interim Recommendations on Target Groups for Anti-SARS-CoV-2/COVID-19 Vaccination" referred to in the Ministry of Health Decree dated 12 March 2021.

Heavy use of smart working continued throughout the quarter, especially for staff members.

Therefore, taking account of a credit risk that remains low and the constant improvement in operating and financial results reported also in first quarter 2021 and the operating and financial forecasts for 2021 reflected in the 2021-2023 Business Plan, no critical issues or uncertainties were found regarding business continuity as a result of the COVID-19 pandemic; the pandemic itself continues not to represent an indicator of impairment of the Group's tangible and intangible assets.

First quarter 2021 saw a sharp increase in the cost of raw materials in the Group's industry as well as on a global economic scale. This was especially true for the strategic raw materials of Cartiere di Guarcino (pulp and titanium dioxide) and Bio Energia Guarcino (animal fat). Specifically, the price of pulp in first quarter 2021 increased by more than 20% versus December 2020. The price of titanium dioxide on the European market in the first quarter increased by approximately 8% versus December 2020. As far as Bio Energia Guarcino is concerned, the general increase in so-called consumable raw materials, especially animal fat, amounted to approximately 30% in the first quarter. Neodecortech too reported sharp price increases in resins and plastics, in addition to paper.

Given the scale of these cost increases and in order to prevent them from impacting significantly on margins, they were transferred to the price lists applied to the customers of both Neodecortech and Cartiere di Guarcino. As far as Bio Energia Guarcino is concerned, the increase in the cost of fuel was offset by the increase in the price of energy, with the PUN reaching 60.36 €/MWh in March 2021.

The Group continued with its budgeted investment plan.

On 10 February 2021, the Parent Company's Board of Directors approved the new 2021-2023 Business Plan ("the 2021-2023 Business Plan"), which includes the 2021 Budget and envisages:

- the consolidation of traditional product lines such as decorative paper, printed decorative paper, printed plastic film and impregnated paper;
- a strong development of the new product lines, such as laminates, EOS (anti-fingerprint surface finish) and PPLF (plastic laminated film for flooring accessories and paneled walls);
- an approximately 50% increase in capital expenditure versus the previous three-year period;
- full self-financing of planned expenditure through the increased capacity of generating operating cash flow, without the need to resort to further debt.

On 26 March 2021, the subsidiaries Cartiere di Guarcino and Bio Energia Guarcino re-appointed their Boards of Directors to each include an independent director.

Business and market outlook

In keeping with the trend of the first quarter, estimates for second quarter 2021, in line with the approved budget, point to continued growth in revenue, with no particular impact on margins, thanks to the steady increase in the sale of Neodecortech's new products and completion of the transfer of the increased cost of raw materials by both Neodecortech S.p.A. and Cartiere di Guarcino S.p.A.. No particular negative impact is expected from the COVID-19 pandemic, thanks also to the vaccination plan underway in Italy and Europe.

As for Bio Energia Guarcino S.r.l., unlike the other Group companies, a negative impact is expected directly on the result for the period; this is attributable, with the continued rising cost of fuel, to steady incentive revenue and lower revenue from the sale of electricity, due to scheduled maintenance in April and May, only partly mitigated by the positive trend in electricity prices.

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**Consolidated financial statements
at 31 March 2021**



Consolidated income statement at 31 March 2021

<i>(Euro thousands)</i>	31 MARCH 2021	%	31 MARCH 2020	%	Chg.	% change
Revenue from sales and services	39.603	100,0%	33.194	100,0%	6.409	19,3%
Changes in work in progress, semi-finished and finished	(93)	(0,2%)	261	0,8%	(354)	(135,6%)
Other revenue	573	1,4%	3.946	11,9%	(3.373)	(85,5%)
Value of Production	40.084	101,2%	37.401	112,7%	2.683	7,2%
Raw and ancillary materials and consum.	(23.330)	(58,9%)	(20.766)	(62,6%)	(2.564)	12,3%
Other operating expense	(6.157)	(15,5%)	(5.696)	(17,2%)	(461)	8,1%
Value Added	10.596	26,8%	10.939	33,0%	(343)	(3,1%)
Personnel expense	(5.508)	(13,9%)	(5.454)	(16,4%)	(54)	1,0%
EBITDA	5.088	12,8%	5.485	16,5%	(397)	(7,2%)
Amortization and depreciation	(2.148)	(5,4%)	(2.044)	(6,2%)	(104)	5,1%
Allocations	(87)	(0,2%)	(100)	(0,3%)	13	(13,0%)
EBIT	2.854	7,2%	3.341	10,1%	(487)	(14,6%)
Financial expense	(451)	(1,1%)	(483)	(1,5%)	32	(6,6%)
Financial income	43	0,1%	36	0,1%	7	19,4%
Profit/(loss) before tax	2.446	6,2%	2.894	8,7%	(448)	(15,5%)
Income tax	(688)	(1,7%)	(640)	(1,9%)	(48)	7,5%
Profit/(loss) for the period	1.758	4,4%	2.254	6,8%	(496)	(22,0%)

Consolidated statement of comprehensive income at 31 March 2021

<i>(Euro thousands)</i>	31 MARCH 2021	31 MARCH 2020
Profit/(loss) for the period	1.758	2.254
Other items of the comprehensive income statement		
Actuarial gains (losses) net of tax effect	51	187
Total items that will not be reclassified in the income statement for the year	51	187
Gains/(losses) on cash flow hedging instruments	40	(19)
Total items that will or may be reclassified in the income statement for the year	40	(19)
Total other components of the comprehensive income statement	91	168
Comprehensive income/(loss) for the period	1.849	2.422
Profit for the period attributed to:		
Shareholders of the Parent	1.849	2.422
Non-controlling interests		
Earnings per share (in Euro):		
Basic	0,13	0,17
Diluted	0,13	0,17

Consolidated statement of financial position at 31 March 2021

Assets	31 MARCH 2021	%	31 DECEMBER 2020	%	Chg.	% change
<i>(Euro thousands)</i>						
Intangible assets	2.067	1,4%	2.203	1,5%	(136)	(6,2%)
Property, plant and equipment	77.170	51,3%	77.221	51,2%	(51)	(0,1%)
Other non-current assets	230	0,2%	95	0,1%	135	142,1%
Non-current financial receivables	1.813	1,2%	1.821	1,2%	(8)	(0,4%)
Deferred tax assets	2.000	1,3%	2.115	1,4%	(115)	(5,4%)
Non-current assets	83.281	55,4%	83.455	55,3%	(174)	(0,2%)
Inventory	36.676	24,4%	36.684	24,3%	(8)	(0,0%)
Trade receivables	19.751	13,1%	19.252	12,8%	499	2,6%
Receivables from tax consolidation	1.478	1,0%	1.008	0,7%	470	46,6%
Tax receivables	1.978	1,3%	1.767	1,2%	211	11,9%
Current financial receivables	64	0,0%	64	0,0%	0	0,0%
Other current receivables	1.237	0,8%	1.118	0,7%	119	10,6%
Cash and cash equivalents	5.851	3,9%	7.536	5,0%	(1.685)	(22,4%)
Current assets	67.035	44,6%	67.428	44,7%	(393)	(0,6%)
Total Assets	150.316	100,0%	150.883	100,0%	(567)	(0,4%)
Equity and liabilities						
	31 MARCH 2021	%	31 DECEMBER 2020	%	Chg.	% change
<i>(Euro thousands)</i>						
Share capital	17.399	11,6%	17.399	11,5%	0	0,0%
Share premium reserve	17.357	11,5%	17.357	11,5%	0	0,0%
Other reserves	14.678	9,8%	13.954	9,2%	724	5,2%
Prior years' profit (loss)	12.316	8,2%	9.412	6,2%	2.904	30,9%
Profit (loss) for the period	1.758	1,2%	3.536	2,3%	(1.778)	(50,3%)
Equity	63.508	42,2%	61.658	40,9%	1.850	3,0%
Provisions for risks and charges	1.128	0,8%	1.284	0,9%	(156)	(12,1%)
Deferred tax	6.445	4,3%	6.231	4,1%	214	3,4%
Post-employment benefits	2.568	1,7%	2.728	1,8%	(160)	(5,9%)
Non-current financial liabilities	28.065	18,7%	28.840	19,1%	(775)	(2,7%)
Non-current liabilities	38.207	25,4%	39.084	25,9%	(877)	(2,2%)
Trade payables	26.421	17,6%	25.571	16,9%	850	3,3%
Payables from tax consolidation	891	0,6%	476	0,3%	415	87,2%
Tax payables	801	0,5%	708	0,5%	93	13,1%
Current financial liabilities	15.277	10,2%	18.666	12,4%	(3.389)	(18,2%)
Other current payables	5.211	3,5%	4.719	3,1%	492	10,4%
Current liabilities	48.601	32,3%	50.140	33,2%	(1.539)	(3,1%)
Total equity and liabilities	150.316	100,0%	150.883	100,0%	(567)	(0,4%)

Consolidated statement of changes in equity at 31 March 2021

(Euro thousands)	Attributable to the shareholders of the Parent								
	Share Capital	Hedging and translation reserves	Equity reserves	Other reserves	Treasury shares	Profit (loss) for the period	Equity	Non-controlling interests	Total equity
Balance at 01/01/2020	16.203	(173)	17.357	24.220	(291)	3.961	61.277	0	61.277
Other items of the comprehensive income statement	0	(123)	0	185	0	0	62	0	62
Profit for the period	0	0	0	0	0	3.535	3.535	0	3.535
Total comprehensive income/loss for the period	0	(123)	0	185	0	3.535	3.597	0	3.597
Dividend distribution	0	0	0	(1.882)	0	0	(1.882)	0	(1.882)
Allocation of prior year's profit (loss)	0	0	0	3.961	0	(3.961)	0	0	0
Other changes	1.196	0	0	(2.400)	(130)	0	(1.334)	0	(1.334)
Balance at 31/12/2020	17.399	(296)	17.357	24.084	(421)	3.535	61.658	0	61.658
Balance at 01/01/2021	17.399	(296)	17.357	24.084	(421)	3.535	61.658	0	61.658
Other items of the comprehensive income statement	0	40	0	51	0	0	91	0	91
Profit for the period	0	0	0	0	0	1.758	1.758	0	1.758
Total comprehensive income/loss for the period	0	40	0	51	0	1.758	1.849	0	1.849
Dividend distribution	0	0	0	0	0	0	0	0	0
Allocation of prior year's profit (loss)	0	0	0	3.535	0	(3.535)	0	0	0
Other changes	0	(4)	0	5	0	0	1	0	1
Balance at 31/03/2021	17.399	(260)	17.357	27.675	(421)	1.758	63.508	0	63.508

Consolidated statement of cash flows at 31 March 2021

<i>(Euro thousands)</i>	31 MARCH 2021	31 MARCH 2020
Profit (loss) for the period	1.758	2.254
Income tax	617	482
Deferred/(prepaid) tax	72	158
Interest expense/(interest income)	407	390
(Dividends received)	0	0
(Gains)/losses from disposal of assets	(200)	(3)
1 Profit (loss) for the period before income tax, interest, dividends and gains/losses from disposals	2.654	3.280
Adjustments for non-monetary items that had no balancing entry in net working capital:		
Allocation to post-employment benefits	28	266
Allocations to other provisions	87	100
Amortization and depreciation of fixed assets	2.148	2.018
Write-downs for impairment losses	0	0
Other adjustments for non-monetary items	71	(766)
2 Cash flow before changes in NWC	4.988	4.899
Changes in net working capital		
Decrease/(increase) in receivables from customers	(1.024)	(2.026)
Decrease/(increase) in inventory	50	662
Increase/(decrease) in payables to suppliers	646	(3.181)
Decrease/(increase) in other receivables	(331)	61
Increase/(decrease) in other payables	805	13
Other changes in net working capital	0	(4)
3 Cash flow after changes in NWC	5.135	424
Other adjustments		
Interest received/(paid)	(332)	(474)
(Income tax paid)	(410)	(604)
(Gains)/losses from disposal of assets	0	0
Dividends received	0	0
(Utilization of provisions)	(188)	(76)
(Utilization of provisions for post-employment benefits)	(83)	(22)
4 Cash flow after other adjustments	4.122	(752)

<i>(Euro thousands)</i>	31 MARCH 2021	31 MARCH 2020
A Cash flow from operations	4.122	(752)
<i>Property, plant and equipment</i>	(1.654)	(2.235)
(Purchase)	(1.657)	(2.257)
Disposal	3	22
<i>Intangible fixed assets</i>	(90)	(67)
(Purchase)	(90)	(67)
Disposal	0	0
<i>Financial fixed assets</i>	(135)	0
(Purchase)	(136)	0
Disposal	1	0
<i>Current financial assets</i>	0	3
(Purchase)	0	0
disposal	0	3
<i>Proceeds from disposal of assets</i>	200	0
B Cash flow from investing activities	(1.679)	(2.299)
Liabilities	(4.127)	4.002
Increase (decrease) in short-term bank payables	(3.256)	4.852
New loans	0	0
Repayment of loan	(879)	(363)
Financial liabilities to other lenders	(7)	(495)
Change in financial receivables from other lenders	15	7
Equity	0	(2.012)
Share capital increase	0	0
Sale (purchase) of treasury shares	0	(130)
Other changes in equity	0	(1.882)
C Cash flow from financing activities	(4.127)	1.990
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(1.684)	(1.060)
Cash and cash equivalents at 1 January	7.536	3.475
Cash and cash equivalents at 31 March	5.851	2.415

The following table shows **consolidated net financial debt** at 31 March 2021 versus the situation at 31 December 2020 and 31 March 2020:

<i>(Euro thousands)</i>	31 MARCH 2021	31 DECEMBER 2020	Chg.	31 MARCH 2020	Chg.
A. Cash	(12)	(8)	(4)	(8)	(4)
B. Other cash and cash equivalents	(5.839)	(7.528)	1.689	(2.407)	(3.432)
D. Liquidity (A) + (B)	(5.851)	(7.536)	1.685	(2.415)	(3.436)
E. Current financial receivables	(65)	(64)	(1)	(48)	(17)
F. Current bank payables	9.418	12.974	(3.556)	20.589	(11.171)
G. Current portion of non-current debt	4.232	4.057	175	3.178	1.054
H. Other current financial payables	1.628	1.635	(7)	2.189	(561)
I. Current financial debt (F) + (G) + (H)	15.278	18.666	(3.388)	25.955	(10.677)
J. Net current financial debt (D) + (E) + (I)	9.362	11.066	(1.704)	23.492	(14.130)
K. Non-current bank payables	19.875	20.670	(795)	14.347	5.528
M. Other non-current payables	8.191	8.170	21	7.793	398
N. Non-current financial debt (K) + (M)	28.065	28.840	(775)	22.140	5.925
O. Net financial debt (J) + (N)	37.428	39.906	(2.478)	45.633	(8.205)

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Notes



Accounting standards and preparation criteria

The Interim Management Statement for first quarter 2021 includes the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and brief notes; it has been prepared on the basis of the recognition and measurement criteria provided for by the IAS-IFRS standards adopted by the European Union. It has been made available to the public on a voluntary basis, and has been prepared in accordance with the regulations of Borsa Italiana, which establish, among the requirements for maintaining the listing on the STAR segment of the MTA market, the publication of interim reports, which are available on the Company website (www.neodecortech.it).

With regard to the relevant international accounting standards and the criteria chosen by the Group in preparing the financial statements, reference is made to the 2020 Annual Report.

The preparation of the Interim Statement has required Management to make estimates and assumptions affecting the value of revenue, costs, assets and liabilities and the information relating to contingent assets and liabilities at the date of the interim statement. These estimates and assumptions have been based on Management's best evaluation. Should they, in the future, differ from the circumstances in effect at that time, they will be modified appropriately in the period in which the change in circumstances is recorded. It should also be noted that these evaluation processes, specifically the more complex ones, such as those relating to the calculation of potential impairment of non-current assets, are generally carried out in their entirety during the preparation of the year-end financial statements when all necessary information is available, unless impairment indicators exist which require an immediate evaluation of the potential impairment.

Lastly, the Interim Management Statement has been prepared in accordance with the "criterion of the separation of periods" based on which the period under review is considered as an independent financial period. From this point of view, the quarterly income statement reflects the income components of the period under review using the accruals basis of accounting.

Scope of consolidation

The list of companies over which Neodecortech S.p.A. exercises control, and are therefore included in these consolidated financial statements, is shown in the table below:

Company name	Registered office	Share Capital	Consolidation method	% held
Cartiere di Guarcino S.p.A.	Guarcino (IT)	10,000,000 €	Full	100%
Bio Energia Guarcino S.r.l.*	Guarcino (IT)	1,100,000 €	Full	100%

* *Controlled indirectly through Cartiere di Guarcino S.p.A.*

There were no changes versus the prior year.

Main Alternative Performance Measures (APMs)

The European Securities and Market Authority (ESMA) has published guidelines on Alternative Performance Measures ("APMs") for listed issuers.

The APMs constitute information used by Management and investors to analyze the trends and performance of the Group, which are directly derived from the financial statements, even though not required by IAS/IFRS. These measures, used by the Group continuously and consistently for several years now, are relevant to assist Management and investors in analyzing the Group's performance. Investors should not consider these APMs as substitutes, but rather as additional information to the figures included in the financial statements. It should be noted that the APMs as defined may not be comparable to APMs of a similar name used by other listed groups.

The definition of the main APMs used in this Directors' Report on Operations is given below:

- **EBITDA and EBIT:** alternative performance measures not defined by IAS/IFRS but used by Group Management to monitor and measure its performance, as they are not affected by volatility, due to the effects of the range of criteria for determining taxable income, the amount and characteristics of the capital employed and - for EBITDA - the amortization/depreciation policies. These measures are also commonly used by analysts and investors to assess company performance;
- **OPERATING WORKING CAPITAL, NET WORKING CAPITAL, FIXED ASSETS and NET INVESTED CAPITAL** Allow a better assessment of both the ability to meet short-term trade commitments through current trade assets and the consistency of the structure of loans and sources of financing in terms of time;
- **NET FINANCIAL DEBT:** the figure shown is in line with the value of net financial debt determined in accordance with the recommendations of the CESR (Committee of European Securities Regulators) of 10 February 2005 and referred to by CONSOB. This measure allows a better assessment of the overall level of debt, capital strength and the ability to repay debt.

Notes on the main changes in the consolidated financial statements

The Group's consolidated net *revenue from sales and services* in first quarter 2021 was approximately € 39,603 thousand, up by 19.3% versus the same period of 2020.

The increase shows different patterns for the three Divisions, as follows: Printed Decorative Paper Division (+27.6%), Decorative Paper Division (+19.9%) and Energy Division (+4.9%).

The increase in revenue in the Printed Decorative Paper Division was due primarily to increased sales of paper and printed PVC, laminates and the new EOS product.

As far as the Decorative Paper Division is concerned, Unicolour (+35%) and Print Base papers (+17%) were the biggest contributors to the increase recorded versus the same period of 2020.

In first quarter 2021, revenue of the Energy Division was basically in line with the figure at 31 March 2020.

With regard to margins, consolidated EBITDA at 31 March 2021 amounted to € 5,088 thousand versus € 5,485 thousand at 31 March 2020, dropping by 7.2%, due mainly to the combined effect of the improvement in operating margins of the three divisions and the absence in first quarter 2021 of two non-recurring events that took place in first quarter 2020. In fact, *Other revenue* at 31 March 2021 amounted to € 573 thousand (€ 3,946 thousand at 31 March 2020), down by € 3,373 thousand. The following is a breakdown of the two non-recurring events at 31 March 2020:

- insurance reimbursement for damages suffered by the subsidiary Bio Energia Guarcino S.r.l. amounting to € 2,350 thousand;
- release of the Stock Grant reserve for € 1,204 thousand.

Consolidated net profit amounted to € 1,758 thousand (€ 2,254 thousand at 31 March 2020), down by 22%. However, as mentioned for EBITDA, the result reflects both the improvements in the margins of the Company's operations and the impact of non-recurring events that occurred in first quarter 2020.

Consolidated net financial debt at 31 March 2021 amounted to € 37,428 thousand (€ 39,906 thousand at 31 December 2020). The decrease of € 2,478 thousand is due mainly to:

- The reduced use of short-term facilities;
- The repayment of medium/long-term loans.

The difference recorded from the figure at 31 March 2020 is even more significant, down by € 8,205 thousand, and is linked to four main factors:

- With regard to the increase in *cash and cash equivalents*, dividends amounting to € 1,882 thousand had already been paid at 31 March 2020, while in 2021 they will be paid in the second quarter;
- The reduction in *short-term debt* to banks is due to the Group's reduced use of lines of credit;
- The increase in *non-current bank payables* is due to the new loans taken out in second half 2020;
- With regard to *other current and non-current financial payables*, the subsidiary, Bio Energia Guarcino S.r.l., obtained a suspension of the principal portion of its lease obligations on the plants until March 2021.

Consolidated net working capital at 31 March 2021 amounted to € 27,786 thousand, while at 31 December 2020 it amounted to € 28,355 thousand. The main effect that contributed to the decrease of € 569 thousand is the slight increase in trade payables of € 851 thousand, only partly offset by an increase in trade receivables of € 499 thousand, in line with the increase in turnover (+19.3%) and, as a result, in the cost of raw materials (+12.3%).

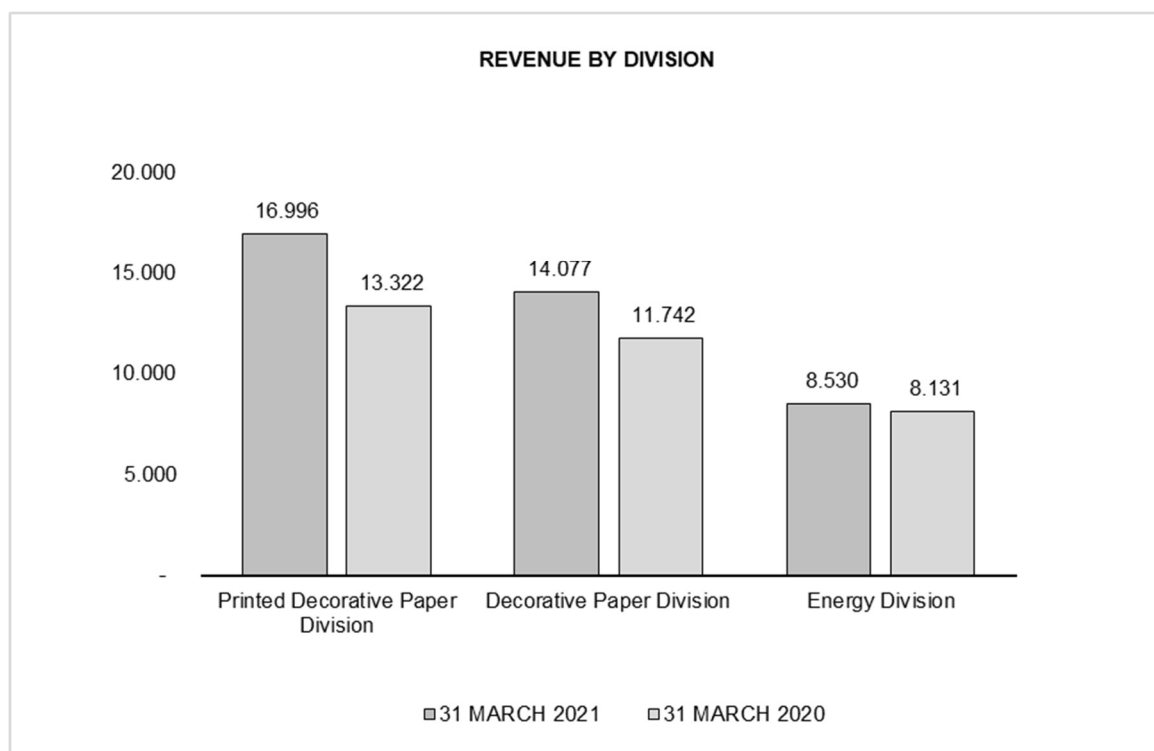
Consolidated equity at 31 March 2021 amounted to € 63,508 thousand (€ 61,658 thousand at 31 December 2020). The main effect impacting on the item was the allocation of profit for the quarter.

In first quarter 2021, capital expenditure in tangible and intangible fixed assets amounted to € 1,747 thousand. In the same period of 2020, capital expenditure amounted to € 2,324 thousand, down by € 577 thousand.

Revenue by division, type of business and geographical area

The table below shows **consolidated revenue by operating segment**.

(Euro thousands)	31 MARCH 2021	%	31 MARCH 2020	%	Chg.	% change
Printed Decorative Paper Division	16.996	43%	13.322	40%	3.674	27,6%
Decorative Paper Division	14.077	36%	11.742	35%	2.335	19,9%
Energy Division	8.530	22%	8.131	24%	399	4,9%
Total	39.603	100%	33.194	100%	6.409	19,3%

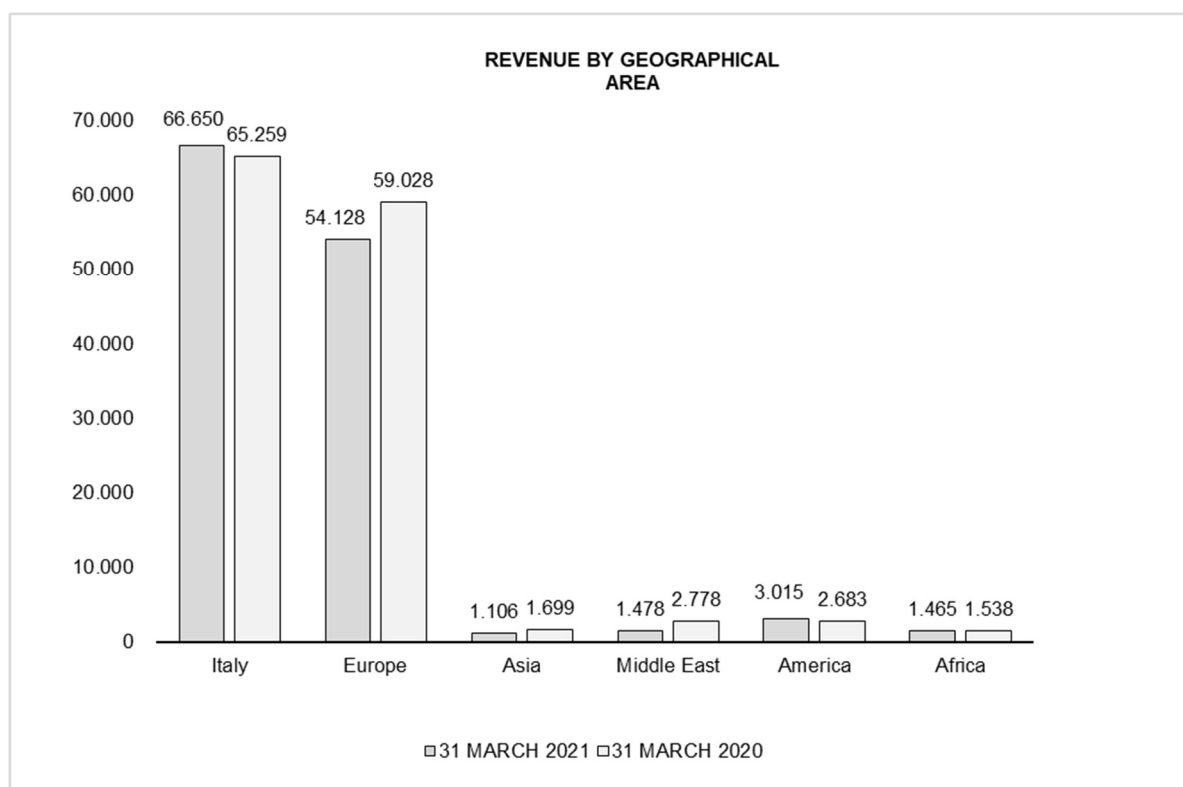


At 31 March 2021, the table below shows **consolidated revenue broken down by type of business**:

(Euro thousands)	Printed Decorative Paper	Decorative Paper Division	Energy Division	Consolidated
Revenue from the sale of goods	14.705	13.855		28.560
Revenue from services	2.291	222		2.513
Revenue from the sale of electricity and steam			1.407	1.407
Revenue from incentives			7.123	7.123
Total by segment	16.996	14.077	8.530	39.603

The table below shows **consolidated revenue by geographical area**.

(Euro thousands)	31 MARCH 2021	%	31 MARCH 2020	%	Chg.	% change
Italy	20.840	52,6%	17.484	52,7%	3.356	19,2%
Europe	15.531	39,2%	12.201	36,8%	3.330	27,3%
Asia	135	0,3%	370	1,1%	(234)	(63,4%)
Middle East	1.696	4,3%	1.722	5,2%	(26)	(1,5%)
America	1.014	2,6%	1.033	3,1%	(19)	(1,8%)
Africa	386	1,0%	384	1,2%	2	0,5%
Total	39.603	100,0%	33.194	100,0%	6.409	19,3%



Related party transactions

Transactions carried out by Neodecortech S.p.A. and other Group companies with related parties, as identified by IAS 24, including transactions with subsidiaries, are neither atypical nor unusual and fall within the ordinary course of business of the Company. These transactions were carried out on market terms. It should be noted that transactions with subsidiaries are not shown as they are derecognized at the consolidation level, while transactions with related parties at 31 March 2021 are shown, the details of which are given below.

<i>(Euro thousands)</i>				
	Trade receivables 31 March 2021	Financial receivables 31 March 2021	Trade payables 31 March 2021	Financial payables 31 March 2021
Finanziaria Valentini	0	1.478	0	(890)
Industrie Valentini	132	0	0	0
Valinvest	0	144	0	0
ISFRE	0	444	0	0
Loma	936	0	(37)	0
Total	1.068	2.066	(37)	(890)

<i>(Euro thousands)</i>		
	Revenue and income 31 March 2021	Costs and expense 31 March 2021
Finanziaria Valentini	0	0
Industrie Valentini	8	0
Valinvest	1	(26)
Loma	718	(40)
Total	727	(26)

Financial receivables, amounting to € 2,066 thousand, include € 1,478 thousand for a tax consolidation receivable claimed by the subsidiary Bio Energia Guarcino S.r.l., € 144 thousand for a financial receivable granted by the Parent Company to the related party Valinvest S.r.l. to renovate the property located in Casoli d'Atri (TE), and € 444 thousand for a receivable claimed by the subsidiary Cartiere di Guarcino S.p.A. from the related party ISFRE in liquidation, the amount of which remained unchanged and for which a provision for risks was set up owing to collection difficulties, while financial payables, amounting to € 890 thousand, refers to the tax consolidation payable of the Parent Company and the subsidiary Cartiere di Guarcino S.p.A..

Trade receivables, amounting to € 1,068 thousand, include € 132 thousand from Industrie Valentini for the sale of products (receivables partly guaranteed by Finanziaria Valentini for € 100 thousand and partly written down for the remainder), and € 936 thousand from Loma S.r.l., a Group customer with business advisory relationships, which became a related party following the appointment of one of the Group's executives as a "key management personnel".

As for revenue and income, amounting to € 727 thousand, most (€ 718 thousand) is represented by revenue from sales to Loma S.r.l..

With regard to the business advisory agreement in place with Loma S.r.l., Neodecortech S.p.A. recorded trade payables of € 37 thousand and costs of € 40 thousand.

The following table shows the fees to the Group's directors and key management personnel at 31 March 2021:

Subjects	Compensation payable 31 March 2021
Luigi Cologni	18.044
Massimo Giorgilli	12.701
Riccardo Bruno	12.837
Paola Carrara	8.256
Paolo Pietrogrande	4.238
Laura Calini	3.747
Cristina Valentini	4.060
Key management personnel	45.450
Total	109.333

Subjects	Compensation cost 31 March 2021
Luigi Cologni	106.475
Massimo Giorgilli	81.958
Riccardo Bruno	24.325
Paola Carrara	7.725
Paolo Pietrogrande	7.725
Laura Calini	7.425
Cristina Valentini	6.250
Key management personnel	149.148
Total	391.031

Other supplementary information

Atypical and/or unusual transactions during the quarter

In first quarter 2021, the Group did not carry out any significant transactions qualifying as non-recurring, atypical and/or unusual.

Compliance with the simplified system under Articles 70 and 71 of the Issuer Regulation

It should be noted that the Company, pursuant to articles 70, paragraph 8 and 71, paragraph 1-bis, of the Regulation adopted by CONSOB through resolution no. 11971/1999, as supplemented and amended (the "Issuer Regulation"), complies with the opt-out system provided for by the above articles, availing itself of the right to depart from the obligations to publish the information documents envisaged in Annex 3B of the Issuer Regulation on the occasion of significant transactions relating to mergers, spin-offs and capital increases through contribution of assets in kind, acquisitions and transfers.

Significant events after 31 March 2021

The Shareholders' Meeting held on 13 April 2021 of the Parent Company Neodecortech S.p.A. approved the Financial Statements at 31 December 2020, allocating profit for the year of € 3,555,413.49 as follows:

- € 177,771.00 to the legal reserve;
- € 2,104,610.40 to the non-distributable revaluation reserve for investments recorded pursuant to Legislative Decree no. 38/05 Article 6, paragraph 1;
- € 67,458.69 to the extraordinary reserve;
- the remainder of the profit as a dividend on the no. 13,515,260 outstanding ordinary shares for a total of € 1,205,573.40.

On 19 May 2021, Neodecortech S.p.A. will pay out dividends of € 1,205,573.40 (gross of the portion related to treasury shares held at the time of distribution).

The same Shareholders' Meeting, pursuant to Article 123-ter, paragraph 3-ter, of Legislative Decree no. 58/1998, approved Section One of the Report on Remuneration Policy and Compensation paid and, pursuant to Article 123-ter, paragraph 6, of the TUF, approved Section Two of the Report on Remuneration Policy and Compensation paid.

On 5 March 2021, Borsa Italiana, under provision no. 8746, assigned the ordinary shares and warrants of Neodecortech S.p.A. the STAR qualification as per the Company's application dated 4 March 2021. The first trading day on the STAR segment was 15 March 2021.

Treasury shares and shares of the Parent Company

Pursuant to Articles 2435-bis and 2428 of the Italian Civil Code, it should be noted that the Company held no. 120,000 treasury shares at 31 March 2021 for a value of € 422,030.

At 31 March 2021 and during the quarter, the Company did not purchase any shares of the parent company.

The Shareholders' Meeting held on 13 April 2021 approved the additional purchase of ordinary shares of the Company, up to a maximum of 10% of the Company's share capital, equal to a maximum of no. 1,351,526 ordinary shares. The purchase of treasury shares may be made, in one or more tranches, within eighteen months.

Certification by the Financial Reporting Manager IN ACCORDANCE WITH ARTICLE 154-bis, paragraph 2, of Legislative Decree 58/1998 (TUF)

Object: Interim Management Statement at 31 March 2021 approved on 11 May 2021.

I, the undersigned, Fabio Zanobini, Financial Reporting Manager of Neodecortech S.p.A.,

CERTIFY

pursuant to Article 154 bis, paragraph two, Part IV, Title III, Chapter II, Section V-bis, of Legislative Decree no. 58 of 24 February 1998, that, to the best of my knowledge, the Interim Management Statement at 31 March 2021 corresponds to the underlying records, books and accounting entries.

Fabio Zanobini

Financial Reporting Manager

Neodecortech S.p.A.

Review report on interim condensed
consolidated financial statements

31 March 2021

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.

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Review report on interim condensed consolidated financial statements at 31 March 2021

To the shareholders of
Neodecortech S.p.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements as of 31 March 2021, and the related consolidated income statement, consolidated income statement of comprehensive income, consolidated statement of financial position, consolidated statement of change in equity and consolidated cash flows for the three month period then ended, and related notes, of Neodecortech S.p.A. and its subsidiaries (Neodecortech Group). Management is responsible for the preparation of this interim condensed consolidated financial statements in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim condensed consolidated financial reporting based on our review.

Scope of review

We conducted our review in accordance with review standard recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Neodecortech Group as of 31 March 2021, are not prepared, in all material respects, in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 13 May 2021

BDO Italia S.p.A.

Signed by
Lelio Bigogno
Partner

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Palermo, Roma, Torino, Verona

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