

**APPROVAL OF DRAFT FINANCIAL STATEMENTS AND CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020,  
CALL OF ORDINARY AND EXTRAORDINARY SHAREHOLDERS'  
MEETING FOR 29 APRIL, RESOLUTIONS OF THE BOARD OF  
DIRECTORS**

**Start of digital transformation process of the Business Model in accordance with  
the strategic guidelines disclosed in November**

- Consolidated net revenue € 9 million in 2020 versus € 31 million in 2019;
- Consolidated adjusted EBITDA € -3.4 million in 2020 versus € -2.1 million in 2019;
- Consolidated adjusted EBIT € -3.8 million in 2020 versus € -2.5 million in 2019;
- Consolidated net result € -3.0 million in 2020 versus € -3.7 million in 2019;
- Net Financial Position € 3.4 million in 2020 versus € 1.1 million at 31 December 2019.

Milan, 30 March 2021 - SG Company S.p.A. Società Benefit, one of Italy's top players in the Entertainment&Communication industry, listed on the AIM market of Borsa Italiana (ticker: SGC), announces that the meeting of the Board of Directors, chaired by Chairman Davide Ferruccio Verdesca, met remotely today and reviewed and approved the Draft Financial Statements and Consolidated Financial Statements for the year ended 31 December 2020.

The Consolidated Financial Statements of the SG Company S.p.A. Società Benefit Group for the year ended 31 December 2020 show **gross revenue of € 10,021 thousand** (versus € 37,441 thousand in 2019). A result attributable mainly to the decrease in the business line dedicated to the M.I.C.E. segment, caused by the Covid-19 pandemic.

The pandemic and the resulting lockdown have impacted severely on the national economy, which the Group is deeply interconnected with, especially in the live communication area, which overlaps in many ways with the tourism industry. The year just left behind should therefore be considered a **one-off in the Group's history**, in no way comparable with the past and especially with the future history. Concurrently, the highly adverse context has led to major internal changes, accelerating processes already underway; the Group, with its distinctive proactive approach, has reacted readily to external challenges, leveraging on its know-how to launch new products able to read the changed mood and the different needs of the market.

CFO Francesco Merone, on the sidelines of the Board meeting: "In 2020 the company was completely

reshaped: Management and the structure have changed deeply with the entry of new top senior professionals, new business lines have been created from the new Business Plan for the three-year period 2021-2023, taking the first steps on a path that will transform us into a tech company. The business margin closed at 33% versus 26% in 2019, clearly showing that the company is developing new lines of business that are more profitable than the previous, which had, instead, far greater volumes. This proves that the targets laid out in the Business Plan are being achieved and can already be seen in the 2020 figures. The reduction in fixed costs as the break-even point is lowered is structural in nature, whereas the loss of revenue is cyclical, thus bound to eventually end. If we combine the increase in margin, thanks to the new lines, with the reduction in fixed costs, the SG Group is perfectly poised to achieve healthy and highly profitable growth as soon as the Covid context subsides. With the return of the M.I.C.E. business line (core to our company) and a strong recovery in sales volumes, we expect a reduction in the first business margin from today's 33%, higher however than the 26% we had achieved in 2019. We are focusing our efforts on getting closer and closer to the high end (33%) from the usual pre-Covid 26% performance. At the next extraordinary Shareholders' Meeting on 29 April, we will ask our shareholders to give us the green light to issue financial instruments to be subscribed by Invitalia (Development Decree 2020), which could bring up to € 4.6 million in additional financial resources. Lastly, again on the financial front, the Group is moving ahead with capital increases for its subsidiaries too; in light of the relief legislation of 2020, we expect a possible positive impact of between € 1-1.4 million in 2021 as tax receivables/non-repayable grants".

In 2020, SG Company S.p.A. Società Benefit became firstly an Innovative SME and a few weeks later also a Benefit Company, embarking on a path to become ESG compliant.

**Adjusted EBITDA** came to € -3,370 thousand (€ 2,085 thousand at 31 December 2019).

**Consolidated adjusted EBIT** came to € -3,826 thousand in 2020 versus € -2,512 thousand in 2019. This result offsets the effect of provisions alone; in fact, in application of the temporary provisions regarding the calculation of amortization/depreciation due to the Covid-19 health emergency, the Group chose not to include statutory amortization/depreciation in the consolidated financial statements. In this regard, it should be noted that the Group has decided to take advantage of the provisions on the transitional suspension of amortization/depreciation provided by Law no. 126 of 13 October 2020, suspending the amortization/depreciation of tangible and intangible assets, with a benefit of € 372,134 in the income statement.

The **net result** in 2020 shows a consolidated loss for the period of € 3,076 thousand (a loss of € 3,649 thousand at 31 December 2019).

The Group's **net financial position** at 31 December 2020 stood at € 3,351 thousand versus € 1,080 thousand at 31 December 2019. Outlays, therefore, amounted to approximately € 2.3 million, in line with the trend in operations, alleviated by working capital management.

The Board of Directors, which met today, also:

1. Confirmed payment of the extraordinary bonus of € 161,500 to group employees;
2. Updated the Bylaws to reflect the new rules and regulations for AIM Italia issuers;
3. Updated the "Internal Dealing" procedures and transactions with related parties, bringing them into line with the recently issued AIM Italia regulations;
4. Confirmed the appointment of Alessandro Sabolo, Chairman of the Board of Statutory Auditors, as "Person in charge" pursuant to the "Internal Dealing" procedure;

5. Provided for the annual assessment of the integrity and professional requirements of the members of the Board of Directors and the Board of Statutory Auditors;
6. Performed the quarterly update on transactions with related parties pursuant to Article 10 of the related procedure;
7. Granted the Chairman of the Board of Directors, Davide Ferruccio Verdesca, the powers required to proceed with the purchase, by the Company, of the stakes held by Alessandra Pozzi and Salvatore Iannello, equal to 20% of the share capital of Double S.r.l..

This press release is publicly available in the Investor Relations section of the Company website [Comunicati Stampa Price Sensitive | SG Company Società Benefit S.p.A.](#)

**SG Company S.p.A. Società Benefit**, ISO 9001 certified and listed on the AIM market of Borsa Italiana (ticker: SGC), is an Innovative SME and, in keeping with its mission of "Sharing Growth", has also embarked on the ESG (Environmental, Social and Governance) path to ensure an increasingly future-oriented sustainable management of the Company, firmly believing in the value of business for the collective benefit. One of Italy's top players for over 20 years now in the Entertainment&Communication industry, it specializes in the areas of Digital & Live Communications, Hybrid Events, Video Production, Consumer Format, and Meetings & Events Industry. In its 2021-2023 Business Plan, it has embarked on a path of digital transformation, integrating a data valorization strategy on each business area thanks to the implementation of Marketing Technology solutions on every activity. Its distinctive positioning hinges on the synergy between data and content, as well as on the ability to offer a single direction over creativity, production and technology natively for each project, guaranteeing clients constant integration between physical and digital. The Company boasts a portfolio of high-standing clients at global level. It has planned, promoted and produced many successful national and international formats such as Milano Food Week, Obecity, Sneakerness, Digital Design Days, Business Tech Forum and others.

**For information**

Francesco Merone (I.R.)

[ir@sg-company.it](mailto:ir@sg-company.it)

**Nomad:** Integrae Sim S.p.A.

[info@integraesim.it](mailto:info@integraesim.it)

+39 02 8720872

**Financial Media:** IR Top Consulting

Domenico Gentile – [d.gentile@irtop.com](mailto:d.gentile@irtop.com)

+39 02 45473883/4