

2020

Annual Report

ALFAPARF
GROUP





// New ideas, research, expert manufacturing processes: for forty years, we've worked to combine technical competencies with passion. It's our contribution to cultivating every professional's ability to produce beauty //

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The Company

One of the top 150 Italian leaders in sustainability

Making it possible for hairstylists and beauty centers to do their very best. With quality products that express Italian taste and creativity. Everything needed to enhance a woman's beauty.

Many things have changed since 1980, when the story of ALFAPARF GROUP began, but its mission and passion have not. Now as then, ALFAPARF GROUP is committed to hair, face and body care, by directly controlling the entire chain of value: research and innovation, production, and distribution throughout the world.

The history of ALFAPARF GROUP is a great story of Italian entrepreneurship, created by assisting professional operators, exchanging ideas with them, learning to recognize their needs. And it's also the result of collaboration with international professionals and the development of practically unrivalled know-how.

The Group's organization and numbers are global in scope: five production plants (Italy, Brazil, Mexico, Venezuela and Argentina), 2,433 employees, agents and consultants (640 of them in Italy), a sales network that serves about a hundred countries, and a portfolio of eleven brands: ALFAPARF MILANO, DIBI MILANO, BECOS, OLOS, TEN SCIENCE, IL SALONE MILANO, YELLOW, ALTA MODA È..., DECODERM, SOLARIUM and APG TECH. ALFAPARF MILANO is the most popular Italian-made brand in the world among professional hairstylists.

An integrated Group in which knowledge acquired from around the world powers the activity of four business divisions (Hair Care, Skin Care, production for third parties and Retail), transforming them into the best responses to market changes.

Various recent researches place ALFAPARF GROUP among the Italian companies distinguished by their strategy, skills and innovation, commitment and company culture, governance and growth, and internationalization.

According to the newspaper Il Sole 24 ORE, ALFAPARF GROUP is one of the top 150 Italian leaders in sustainability. The study, conducted in collaboration with Statista (a corporate leader in market research specialized in ranking and analysis of business data), selected the best of 1,200 operating enterprises in Italy, based on the 2019 sustainability report and financial statements.



Trajectory

A great Italian business story

ORIGINS

The ALFAPARF company was established in late 1980 in Vaprio d'Adda (Milan) based on an idea by Roberto Franchina, who, assisted by about ten Staff members, began to create products for professional hairdressers under the ALFAPARF brand.

During the 1980s ALFAPARF consolidated its production activity, in the meantime moving to Busnago (Monza e Brianza). In 1989 it launched the Semi di Lino line, which became its first great commercial success. A year later EVOLUTION OF THE COLOR permanent hair coloring arrived.

The company first ventured abroad in the late 1990s. It exported first to Spain and Latin America, and then established commercial affiliates in Brazil, Mexico, Argentina and Venezuela. Its first foreign production experience was in Venezuela, followed by plants in Brazil, Mexico and Argentina.

The establishment of commercial affiliates continued throughout almost the entire American continent. Affiliates were also established in Australia, Taiwan, Singapore and Malaysia, while in Europe expansion advanced as affiliates were opened in Portugal, Greece, Poland and Malta

DEVELOPMENT

In 2000, Italian production activity was transferred to Osio Sotto (Bergamo), and two years later the ALFAPARF GROUP was established: it has a turnover of about 60 million euros, over 90% of it generated abroad.

This strong international focus became even more acute in 2003 as business activity in China commenced. In 2008, expansion of plants in Italy, Mexico and Brazil began. The Private Label project also took off: its goal was to develop production for third parties, in particular coloring products, using Group know-how. ALFAPARF GROUP is now officially a multinational, with a direct presence (through subsidiaries) in more than 20 countries and coverage through important third parties in 80 other countries in the world.

In 2009 the company acquired GTS

Group, established in the 1970s, which produces and distributes professional skin care cosmetics and equipment for beauty salons. In the world cosmetics market, ALFAPARF became the largest completely Italian joint stock company.

GLOBALIZATION

After the acquisition of GTS, the Group continued to focus decisively on globalization. Exports increased to Eastern Europe (Russia, Baltic and Balkan countries, countries of the former Soviet Union), India, the Middle East, and Africa. The organizational structure was revamped to create two geographical entities: the Americas and Eurasia/Africa/Oceania. The goal: to accelerate global growth.

In 2015 the ALFAPARF GROUP, which had always focused on the professional channel, made its debut in Brazil's retail channel with the ALTA MODA E'... (Hair Care) brand, distributed in specialized hair care shops, drugstores, and perfume shops.

Production capacity significantly increased, including through reorganization of the plan-

ts in Argentina and Venezuela.

Production for third parties increased significantly due in part to the Group's research efforts and the level of quality achieved by production. The Private Label made a crucial contribution to growth by boosting ALFAPARF GROUP's ability to innovate and achieve standards of excellence.

In 2020, ALFAPARF GROUP acquired D.E.A. Project, a highly technological research and development, planning, design, and production company specialized in cutting-edge equipment and devices for the beauty and medical industries.

Business Areas

Hair Care and Skin Care: eleven brands and a product offer with few equals

ALFAPARF GROUP's journey began with hair care. Over the years, the company was able to build an extraordinary wealth of skills and technological know-how that have translated into great commercial success and a solid market position.

Brands like ALFAPARF MILANO and products like SEMI DI LINO and EVOLUTION OF THE COLOR have contributed to the history of professional hairstyling in Italy and the world.

Subsequently, the company went even farther: spurred on by its passion for beauty, even before any need for diversification, it thus included body beauty in addition to hair care, initially by launching its own brands, and then through the acquisition of a national market leader.

Today, ALFAPARF GROUP has eleven brands and a portfolio of products with few equals in the cosmetics industry in terms of completeness and quality. The best foundation for continuing its path of international growth.



Hair Care

ALFAPARF
MILANO

Your Partner in Beauty.

Beauty should be a source of pleasure: this helps to meet other challenges in life.

ALFAPARF MILANO expresses a unique, human and independent point of view that comes from its local presence. For 40 years, ALFAPARF MILANO has assisted hairdressers with effective services and products that make their work easier and offer people the ability to express themselves the way they like. ALFAPARF MILANO products offer a wealth of different solutions to meet every need: color, shape, treatment, styling, and a men's line. Everything made with care, based on the ALFAPARF GROUP's philosophy: Italian dynamism, innovation, and openness to diversity.

YELLOW

Created in Brazil to meet local needs, Yellow is now a professional brand distributed all over the world. It owes its success to formulas that offer an optimal combination of advanced technologies and natural ingredients. A product line that's easy to use with an excellent quality-price ratio.

IL SALONE
MILANO
THE LEGENDARY COLLECTION

It's found in both the professional channel (through beauty salons) and the retail channel (in select beauty chain stores). The products combine the best traditional ingredients with technological innovation, guaranteeing exceptional performance at competitive prices.

Alta Moda
é...

This is the first ALFAPARF GROUP brand designed and created for the retail market. It made its debut in Brazil and is also distributed in Central America and Latin America. It offers a wide range of B2C products, for both hair care and hair coloring, guaranteeing quality and performance through professional Italian technology.

DECODERM
MAKE UP | CARE

DECODERM defies the limits of color through a make-up line that understands the skin and designs the beauty of every woman, while also offering protection. Created through a perfect union of skin care and make-up, it embodies the desire for beauty, color and protection through a combination of formulations that offer treatment, textures, latest generation applicators, and a harmonious range of shades.



Skin Care



Beauty in a Method

The beauty solution for over forty years: technological innovation, scientific research and experience come together to ensure maximum effectiveness through a method and a program made to measure. DIBI MILANO is the benchmark in professional beauty in terms of quality and innovation. At DIBI CENTERS throughout Italy and in many countries, the Dibi method allows professional beauticians to fully express themselves through the combination of the best cosmetic formulations and the most advanced face and body skin diagnosis and treatment technologies.



Technology and Nature

The beauty secrets of TEN SCIENCE are the result of a fusion of technology and nature that raises the combination to the level of science. A complete, high-performing product range, made with the finest natural ingredients and mixed using advanced technological processes. A brand that makes green minimalism its distinctive trait, including through the selection of ingredients and the low environmental impact packaging. TEN Institutes are the professional location of the brand



The professional cosmetic, holistic, and sensory response: nature takes center stage at OLOS, mother of the most precious and effective active ingredients for the beauty of your face and body, as well as a source of inspiration for product lines. A brand that looks to the future, where beauty means harmony, balance, and lifestyle.



With almost forty years of experience in the professional beauty channel, ALFAPARF GROUP develops and markets latest generation technologies and equipment to meet the modern beauty center's every need. Design, development, production and assembly: everything made in Italy to assure partners the best guarantees of certification and quality. In 2019, ALFAPARF GROUP's innovative and production capacity in medical devices and equipment for beauty centers added to its competencies and strength with the acquisition of a very dynamic and innovative local firm specialized in laser technologies.



Love your Beauty

BECOS has offered high quality face and body products at beauty institutes for over thirty years. BECOS has distinguished itself in the cosmetics sector as a brand that looks to fashion trends and constantly focuses on innovation. The Becos line was relaunched in 2018, in particular with the new image of the testimonial Francesca Sofia Novello and an offer more in line with the brand's professional specialization. BECOS Clubs are where to find the expertise and customized solutions you need to begin your journey to beauty.



Sun protection that offers a safe, uniform, long-lasting tan. SOLARIUM is the sun specialist at beauty institutes: a wide range of protective products for every need, after sun and tan intensifiers. The brand is distinguished by its high quality, wide range of products and original style



Research

Ideas, competencies and investments for constant innovation

The focus on innovation is part of ALFAPARF GROUP's identity and has been a leitmotif throughout its history. Working alongside professional operators from around the world has generated the ability to grasp demand trends and translate them into research. This is what has given rise to many products and solutions that over the years have become a benchmark for hairstylists and beauty professionals all over the world.

Investments in research and innovation have grown over time, making it possible to expand activity and increase staff, which now exceeds fifty extremely professional, highly experienced workers.

ALFAPARF GROUP conducts its research primarily in the laboratory at Osio Sotto (Bergamo), where raw materials are assessed and selected, product formulas are developed, and tests are performed through a technical center for Hair Care and a pilot center for Skin Care.

During the year, the pandemic limited operations at the technical center and the pilot center, final stops in product development and a transit point for many people for formula verification tests, as it was impossible to use outside volunteers to perform the tests.

The health emergency also made it difficult to obtain raw materials, in particular colorings, produced primarily in China. This difficulty continued throughout the year and into the first quarter of 2021.

In 2020 the department worked on important development projects, such as DIBI ACID INFUSION, the bioactivating and rejuvenating face treatment. In the color area, the innovative arginine technology, launched in COLOR WEAR semi-permanent hair coloring, also appeared in a liquid formulation to expand the possibilities of in-salon technical services.

Also of note in Hair Care is development of the innovative "climate proof" technology, used across the board in the new SHAPE dimension of the SEMI DI LINO product, which protects the hair from climate conditions. The technology was also adopted in the two lines for curly and straight hair, which have increased the ability to personalize treatment.

Research for the Private Label division also continued with important projects. Finally, in response to market needs, a significant part of activity was dedicated to cosmetics for cleansing and sanitizing. ALFAPARF GROUP has donated many of these products to local communities.



Production

Five plants in the world with the highest standards of quality

Five plants in Italy, Brazil, Mexico, Venezuela and Argentina. Almost 100,000 square meters of production area: 35,000 in Brazil, 35,000 in Mexico, 15,000 in Italy, 3,500 in Venezuela, 10,000 in Argentina. A production system that in 2020 produced about 116 million items.

Over the years, ALFAPARF GROUP has built a production structure that adequately meets global distribution needs. The progressive increase in the size of the plants has been accompanied by the adoption of management systems that have made it possible to achieve high standards of quality.

The plant in Osio Sotto (Bergamo), where the most complex production takes place and where products are made for the markets of Europe, Asia, Africa and Australia, have obtained ISO 9001 and ISO 22716 certifications that establish methods, equipment, means and rules for managing production processes to ensure appropriate standards of quality.

In Italy, production activity complies with Good Manufacturing Practices (GMP), Total Productive Maintenance (TPM) and Overall Equipment Effectiveness (OEE) guidelines. ALFAPARF GROUP was recently qualified as an Authorized Economic Operator (AEO), which certifies its reliability before customs authorities. The other four plants (Mexico, Brazil, Venezuela and Argentina) have also received or are about to receive certifications of excellence.

Over recent years, the Group has made significant efforts to increase production capacity, efficiency, quality control, and traceability of processes. It has also perfected the Laboratory Information Management System (LIMS) that provides integrated information management in the Research & Development and Quality Control Areas.

ALFAPARF GROUP has also received UNI CEI EN ISO 13485 – Medical Devices certification, which proves its capability and reliability in supplying medical devices and services in compliance with laws and regulations.

Innovations in the production area were developed to be applied to all plants, with the goal of achieving common process and quality standards. Compliance with quality standards is handled by the Total Quality Office, located in Italy. Each plant also has a quality laboratory for individual components, unfinished products, raw materials, packaging and finished products.

Know-how, presence in strategic geographical areas, and operational flexibility have made the ALFAPARF GROUP an ideal industrial partner for cosmetics multinationals and large-scale retail operators, who more and more frequently delegate their production activities to the Group.



Distribution

An organization that serves over 53,000 professional operators in the world

ALFAPARF GROUP's global mindset is one of its distinguishing features. The first exports to Spain and Latin America were soon followed by the construction of commercial and production bases in geographic areas considered to be strategic. Internationality evolved into globalization. Over recent years, it has focused particular attention eastward: first Russia, Baltic and Balkan countries, then the former Soviet republics, the Middle East, and India. Activity has also begun in certain African countries. Today ALFAPARF GROUP products are distributed in over one hundred nations.

Commercial activity has developed either through affiliates (in 25 countries) or third party distributors (over 100). The preference for one model or the other depends on the market (characteristics of demand, company's position, growth objectives).

Affiliates directed by ALFAPARF GROUP management include about 800 direct and 400 indirect agents (working for distributors). This task force interacts daily with over 53,000 professional operators, adding to the wealth of knowledge and experience indispensable to understanding new needs

and promoting innovation. The activity of distributors is supported by marketing services, training, and sales assistance.

2020 was a difficult year for affiliates, who had to deal with distribution blocks due to the lockdown and the increase in distribution generated by e-commerce and retail sales.

Despite these difficulties, the distribution network grew in 2020. In Brazil and Argentina, six new distribution centers were created to better serve both professional and retail customers. This action made it possible to increase customers and volumes in the second half of the year and the first quarter of 2021.

In emerging countries, after a temporary reduction in work force, the number of agents began to grow again, at levels greater than 2019, making it possible to strengthen distribution despite the permanent closure of thousands of salons (many hairstylists moved to home service, becoming customers of points of sale for professionals).

In more advanced countries, multi-year collaboration relationships were commenced

with salon chains and flagship salons to strengthen the image of the ALFAPARF MILANO and SEMI DI LINO brands. Services and training offerings for world partner salons in the Color Workshop program were also expanded.

The limitations of 2020 resulted in strong growth in sales on proprietary e-commerce and third party channels. Affiliates and distributors entered into distribution agreements with the principal e-commerce players in the countries where the Group operates. From late 2020 to early 2021, ALFAPARF GROUP entered into agreements with multi-channel customers, strengthening its presence outside the professional channel, in particular in perfume shops and specialized stores.



Operator Training

Technical and managerial programs for beauty professionals

Assisting professional operators is the foundation of ALFAPARF GROUP's work. In addition to a broad geographical presence, the Group can count on a network of persons who attentively listen to the needs of hairstylists and beauty professionals, who assist them in doing their very best work, and who gather useful information for refining product quality.

The ability to move from product supply to the breadth of services has become strategically important in professional cosmetics: response speed and quality of solutions are crucial weapons for competing.

Based on this vision, ALFAPARF GROUP has constructed a broad offer of technical-professional and managerial training. Hairstylists and beauticians can find the solutions that best meet their needs for growth, based on their experience and abilities, through courses organized by over 50 training centers used by the Group.

In Hair Care, training includes all aspects of the profession: technical (color, cut, style, treatment), raw materials used in the products, personalized service, and management. The courses are designed to increase skills and master work instruments.

2020 was also a year of transition to digital training, through webinars, video tutorials and social media content developed for hair stylists by the global network of ALFAPARF GROUP ambassadors. The activity also involved the sales force, international trainers, and consumers, with ad hoc formats. In Milan, the new Accademia Internazionale was opened, providing a place to meet, exchange information and train for alfaparpeople all over the world.

Accademia. Formazione & Bellezza provides training for Skin Care professionals, offering professional and managerial subject matter (beauty center and salon management, visual merchandising & shopping experience, communication). Accademia. Formazione & Bellezza is also a contact point for agents and sales managers (whose company career path it assists), distributors and affiliates.

In 2020 ALFAPARF GROUP used digital technology to train over 3,000 Skin Care professionals through courses, seminars and events, for a total of about 500 days. The Accademia Carrara in Bergamo, which daily hosted owners and staff of Italian and foreign beauty centers, was converted into a digital training center, with areas set up to produce streamed video training. The activity of the team of beauty specialists was also digitalized to ensure training and support to beauty centers and distributors.

Of particular importance during the year was the transition of technical training to training that could help professionals run their businesses and surmount the difficulties caused by the pandemic (concentration on retail sales, creating an online presence for beauty centers while they were closed to the public, economic and fiscal management of centers).

While the building was temporarily closed to the public, remodeling work was done that allowed the Accademia Carrara's structure to better meet training needs



People and Organization

The value of individuals at the center of the corporate plan

ALFAPARF GROUP has become a multinational in terms of size and organization, but it continues to focus on individual talents. The Group believes that nurturing people's growth by developing their qualities is fundamental in order to create lasting sustainable value. The policies of the Human Resources function have the following objectives:

- to guarantee occupational safety, health and hygiene, working together with the Health, Safety & Environment office (HSE);
- to encourage individual growth in harmony with company characteristics and objectives;
- to attract the best professional resources;
- to increase know-how by disseminating knowledge and best operating practices;
- to consolidate the value system and wealth of competencies through in-house communication and training.

MANAGING THE HEALTH EMERGENCY

In 2020, the Group faced pandemic-related difficulties by training managers and workers responsible for prevention and intervention systems involving personal protection equipment and its proper use. The ability to quickly comply with new safety rules encouraged a partial return to operations.

Effective management of the emergency was also the result of the approach to responsible management of health, safety and hygiene, expressed in the principles and commitments of the company Code of Ethics, the Social Responsibility policy (Health, Safety, Environment and Labor Rights), and the Quality policy. Principles and commitments are communicated to all workers and published in the Sustainability section of the company website.

The Group gives managers a central role in preventing risks, in the belief that their conduct should be a model for all workers.

The safety program includes actions to improve the organizational structure, clarify duties and roles, give workers responsibility, improve communications, share objectives, and motivate people.

Compliance with laws on safety and administrative liability (Legislative Decrees 81/2008, 152/2006, and 231/2001) is pursued through the HSE division, which for some time now has had its own manager and operating and decision-making autonomy. Increased awareness of employees

and improvement of performance are some of the division's priority objectives.

AREAS OF ACTION IN 2020

In 2020, the Human Resources function continued its activity to ensure the role of guidance, coordination and control, including through development and integration of instruments to support strategic decision-making processes.

Particular attention was focused on the organization of remote work and improving operating efficiency, an aspect that assumed strategic importance due to the inevitable drop in revenues. Despite the difficulties, action taken in the area of managing people and processes made it possible to achieve important value creation objectives.

In the final months of 2020 and early in 2021, the actions of the Human Resources function focused on three areas:

- planning lean, fast and effective organizational processes and structures;
- increasing the value of human capital;
- aligning and motivating management.

ALFAPARF GROUP's development model is based on diffuse leadership with a management team deeply involved in developing human capital. The goal is to ensure that skills and knowledge are continuously adapted to business development and that resources adequately meet the challenges of competition. Even during the year of the pandemic, the investment in training still remained high, distinguished by its quality and focus.

Seeking a balance between Group and individual goals is a best practice in the area of management incentives and is aimed at promoting leadership and individual initiative.

ALFAPARF GROUP considers this culture to be a decisive factor in increasing competitiveness and creating long-term value.

Approach to Sustainability

ALFAPARF GROUP's trajectory

In 2020 ALFAPARF GROUP strengthened its commitment to sustainability by continuing to build an organizational structure capable of managing every aspect of it: establishing and sharing objectives, monitoring results, coordinating initiatives, and including stakeholders' expectations in company policy. ALFAPARF GROUP is committed to actively promoting a business culture that can combine business development needs with sustainability, integrating the principles of economic and financial efficiency and socio-environmental protection into company decisions.

The second sustainability report was published in 2020 and reports the economic, social and environmental performance of 2019. The scope of the report was expanded to the commercial affiliates in Spain and Portugal, to gradually bring them into alignment with financial consolidation.

One new aspect is the involvement of management and Italian staff in creating a materiality matrix.

ALFAPARF GROUP prepares the sustainability report based on the guidelines (Sustainability Reporting Standards) of the Global Reporting Initiative (GRI) (Core Option). The document, published on a voluntary basis, is an assumption of responsibility to all stakeholders, who are offered an opportunity to assess the results achieved compared to objectives and to understand future goals.

Non-financial reporting will continue in 2021 through publication of the third annual sustainability report, covering the year 2020, whose scope will include five new commercial affiliates: Colombia, Costa Rica, Ecuador, Poland and the United States.

The materiality matrix will be created with the participation of management, staff and customers in all countries included within the scope.

ALFAPARF GROUP's commitment in this area is also expressed through preparation of the 2022-2023 three-year sustainability plan, which clearly identifies the priority areas of action. Staff and management were involved in the first phase (identification of potential areas). In 2021 the second phase of the project will conclude, with the goal of assigning a priority level to each area of action, with the participation of management, staff and customers



The Group

Structure, shareholders, governance

Assets and brands are owned by Alfa Parf Group S.p.a., a company with subscribed and paid-in share capital of 31.5 million euros.

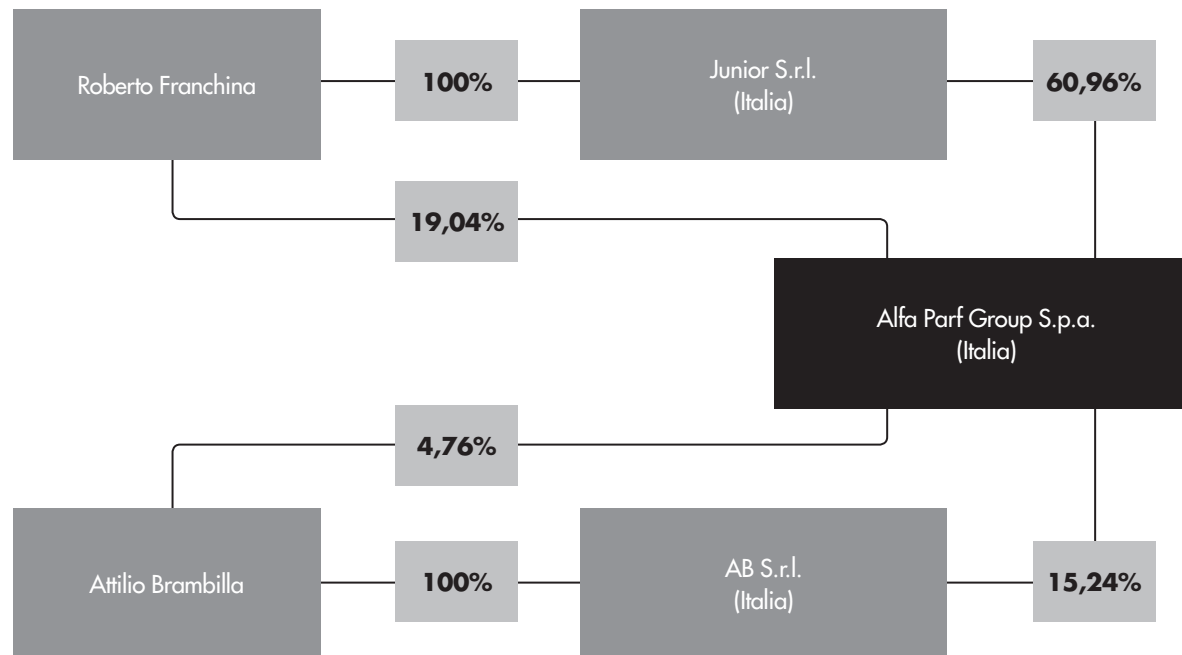
Alfa Parf Group S.p.a. shareholders are Roberto Franchina (Chairman of the Board of Directors), who owns an 80% shareholding, directly and through Junior S.r.l.; and Attilio Brambilla (Vice-Chairman), who holds 20%, directly and through AB S.r.l.

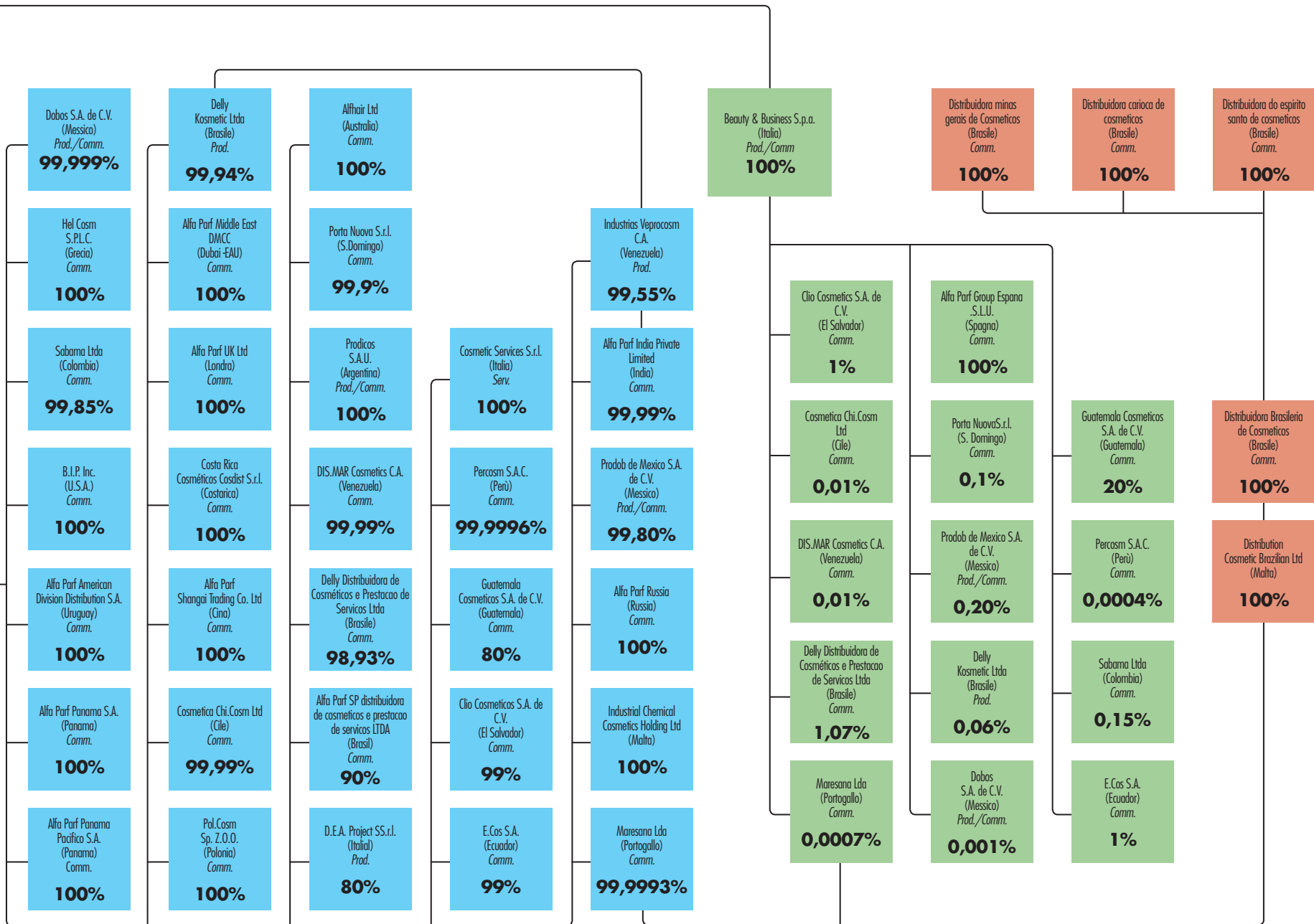
The Board of Auditors consists of Andrea Casarotti (Chairman), Alessandro Ricci, and Giuseppe Caldesi Valeri.

The auditing firm is EY S.p.a.

Company Structure

ALFAPARF GROUP consists of multiple companies that share the same goals of quality, excellence and performance, guided by common values and solid know-how.







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Letter from the Chairman

For ALFAPARF GROUP, as for all other companies, 2020 was an exceptionally difficult year, almost entirely characterized by the global health emergency that international organizations and governments all over the world declared early in the year. The Covid-19 pandemic severely affected operations and disrupted plans for the year. The Group focused on protecting the health and well-being of employees and staff and on taking steps to ensure continued operations and economic-financial security. The organization and production and operating procedures were revolutionized on the fly, thanks to a massive collective effort. ALFAPARF GROUP also took steps to support healthcare facilities and local volunteer associations, in line with the principle of participating in community life that inspires our way of doing business.

During the first part of the year, production and logistical-distribution operations were severely hindered by the restrictions government authorities imposed to address the emergency. The summer recovery was halted by the second wave of the pandemic in the fall. The drop in revenues reported during the year, accentuated by the adverse exchange rate for Latin American currencies, was the inevitable result of this scenario. Prompt steps to contain costs and increase efficiency nevertheless made it possible to protect the equilibrium of the income statement and balance sheet.

Despite these difficulties, operations reported important events. The product portfolio for the principal Hair Care and Skin Care brands was revamped. Steps were taken to reorganize and strengthen the distribution network in key countries. Training and assistance to professional operators continued, along with investments in research and development. All this was possible due to the acceleration of digital transformation, which began in 2018 and certainly contributed to dealing with the emergency.

Apart from the economic results achieved by the various business units in the geographical areas of operation, the principal highlight of the year was the Group's demonstrated ability to react, which also allowed it to seize new opportunities.

We consider the pandemic to be merely a lapse: ALFAPARF GROUP is fiercely determined to continue its growth and global expansion. Fiscal 2021 began still under the shadow of operating limitations, but with encouraging signs of a possible recovery.

The 2021 budget forecasts a return to pre-pandemic results, and data for the first quarter confirm this. The strategic priority is control of the professional channel (salons and beauty centers) in the markets of reference. A newly established business unit will develop multi-channel distribution with specific approaches for stores, beauty supply chains and digital sales, taking advantage of the positioning of the various brands. Particular attention will be focused on efficiency in both the use of resources and in functioning of the organization.

A strategic role will be played by the path to digital transformation, which will proceed in various directions: communication, education, distribution. Presence at digital touch points will increase, including through communities of customers, influencers, and ambassadors who talk about and promote the Group's brands. Customers and technical personnel will be supported by a training program with classes, seminars, and documentation conveyed through social profiles and the digital properties of the brands. The new orders management platform will be launched, supplemented with the Salesforce CRM to guide and strengthen commercial activity. Educational webinars and opportunities to share will increase the digital competencies of the entire organization. An internal policy will make working from home a component of our style of digital work.

The events of 2020 have spurred our organization to develop a model with a high degree of sustainability in the broad sense: not only environmental and economic-financial, but also social. ALFAPARF GROUP is well along on this path. According to a recent study by Il Sole 24 ORE in collaboration with Statista (a company leader in market research specialized in ranking and analysis of company data), based on 35 indicators, ALFAPARF GROUP is among the top 150 Italian leaders in sustainability.

The process of making stakeholders aware of company policies that contribute to the creation of lasting value (development of human capital, environmental protection, construction of positive relationships with the local community and the economic situation) continued in 2020 with the publication of the second edition of the sustainability report. The commitment to sustainability is also testified by preparation of the three-year plan that identifies the priority areas of action in this direction. This will be our principal challenge in the near future.

Roberto Franchina

Chairman ALFAPARF GROUP

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Management Report

Fiscal 2020 felt the effects of the health emergency caused by the Covid-19 pandemic. The principal indicators in the consolidated financial statements of Alfa Parf Group S.p.a., the company which owns the Group's assets and brands, were affected by the interruption of production and distribution activities all over the world. The somewhat desultory recovery in the latter part of the year was not enough to restore indicators to the Group's usual levels and created results difficult to compare with those of previous years.

Alfa Parf Group S.p.a. ended 2020 with net ordinary revenues of 203.8 million euros (-16% compared to 243.1 million in 2019). With the same exchange rates as 2019, turnover would have been 221.2 million, a drop of 9%.

During the year, purchases of raw materials came to 59.6 million euros (29% of turnover), compared to 68.2 million in 2019. Overheads came to 49 million (66.7 in 2019), accounting for 2.4% of turnover. Personnel cost came to 55.3 million (63.1 in 2019) with 2,433 employees, agents and consultants.

To limit the negative effects of the drop in sales volumes, management intervened in operating costs, reducing them by 25.5 million euros. The cost of labor was contained by using social "shock absorbers," while attempts were made to postpone to subsequent quarters all operating costs that could be deferred.

During the year, an added value of 95.2 million was generated, compared to 108.1 in 2019.

EBITDA for 2020 came to 39.9 million (45 in 2019), equal to 19.6% of revenues (18.5% in 2019). At December 31, 2020, Alfa Parf Group S.p.a. had a net profit for the year of 8.6 million compared to 12.9 in 2019.

At December 31 the net financial position had improved by 2.6 million over the 11.8 in 2019.

Performance of Business Areas

HAIR CARE

In 2020, the Hair Care business unit reported revenues of 117.3 million euros (a decrease of 17.7% compared to 142.5 in 2019), geographically generated as follows: 51 million in Europe and Asia, 11 in the United States, and 55 in Latin America. With the same exchange rate as 2019, turnover would have been 128 million euros (-10% compared to 2019).

Performance in Brazil (+15% given the same exchange rate as 2019) and Uruguay (+26%) was good. There were also positive results in Costa Rica (+6%), Chile (+2%) and Australia (+1.4%).

2020 was full of product innovations and development initiatives. Following the lockdown, the plan of action was revised on the fly to meet the new needs of professionals and end consumers.

Particular attention was focused on solutions to offer when salons reopened, through products, services and commercial initiatives adapted to the changed needs of consumers and the restrictions imposed on hairdressers.

The tactical offer thus strengthened a plan full of strategic projects.

One of the principal new things was the relaunch of COLOR WEAR, the ALFAPARF MILANO semi-permanent cream coloring, developed using a totally innovative approach reflecting the market's increased focus on natural products. The product, patented by ALFAPARF MILANO, is made using arginine, a completely natural alkalizer, and will be a finalist at the 2021 Global Beauty Awards.

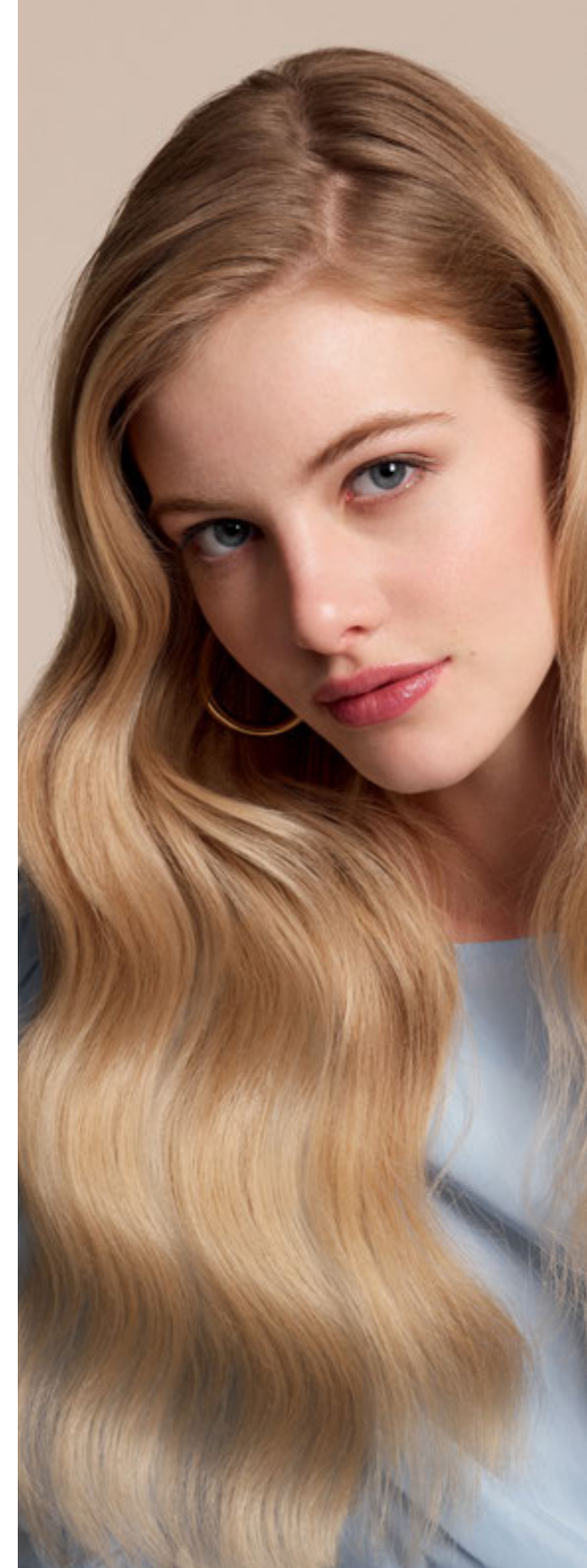
In hair care, the new SEMI DI LINO line for treating curly hair was successfully launched. The effectiveness of the formula, combined with training, offers professionals every tool for understanding and optimally treating any type of curly hair.

Commercial launches and initiatives were supported by communication projects, in particular digital. Visibility was boosted by sharing content published by alfaparf-people, who inspire ALFAPARF MILANO's actions.

Of note during the year was the development of partnerships with customers, for example with the Officina del Colore (Color Workshop) network, through which ALFAPARF MILANO organizes image, communication, and training projects every year.

2020 brought something new for the YELLOW brand as well. The main line, YELLOW COLOR, launched the new COOL NATURALS shades, a range of cool colors that is fundamental for growth in Latin American markets, where the brand is particularly popular. There was also something new in treatment, in particular for curly and afro hair, in a small but complete new line of products made using natural ingredients. The objective: simple and very effective treatment, in line with the brand's philosophy.

YELLOW also expanded in the area of education, with the new We Love You format, a smart and dynamic service to introduce professionals to new color techniques through international testimonials known as Yellow Lovers.



SKIN CARE

In 2020, the Skin Care business unit reported revenues of 22 million euros, a drop of 27.5% from 2019. In Italy, the greatest impact from the health emergency was felt between March and April (key months of the year for generating turnover). Compared to 2019, growth during the subsequent months of May to August did not compensate for the drop caused by the lockdown. The instability of the health situation between September and December, with the closure in Italy of beauty centers in red zones, did not permit a full recovery, despite continued relationships with more important customers.

Exports were down in Europe and Central America, but due to the rapid recovery in Asia and the expansion strategy set up before the pandemic, overall results were more than 17% better than in 2019.

In terms of brands, in January DIBI MILANO completely relaunched its brand image through a new testimonial and new digital and social media communication.

Despite the difficult market situation, the plan for launching and bringing the brand to life was full of initiatives, with a revamping of cleansing products (January), the new CELL REWIND and SHAPE REFINE lines for the body (presented in March and introduced in May/June), and an important launch in acid treatments (September) with the ACID INFUSION line, very popular with customers and consumers. During the year of the lockdown, DIBI MILANO strengthened direct digital distribution through the Alfa Parf Store app.

At the start of the year, DIBI Milano presented the new DIBI Centers project: with spaces and furnishings organized in a way that fully represents the brand's image. Customers reacted very positively to the new idea, although many only plan to introduce it when they become fully operational again.

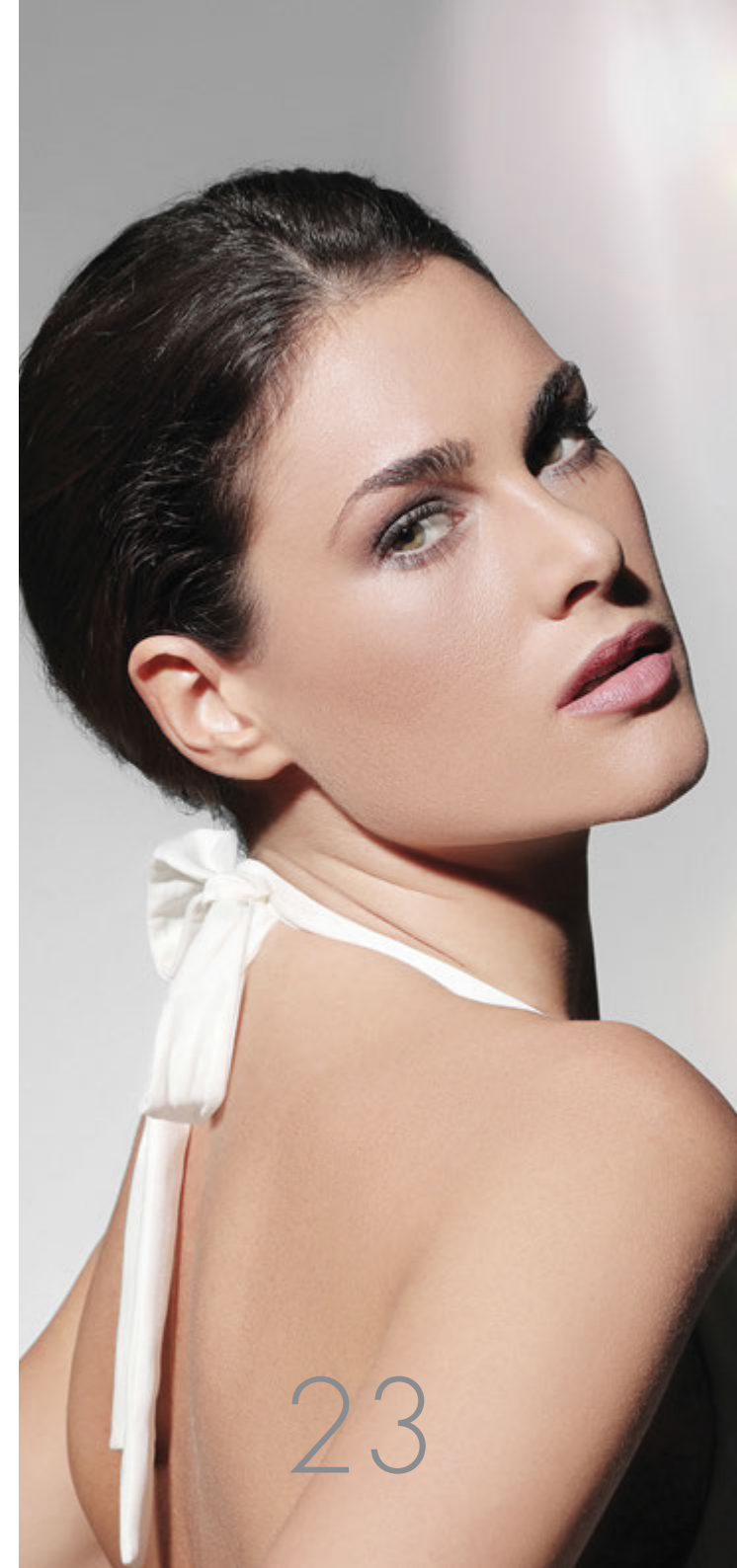
The BECOS brand confirmed its role as a benchmark for professional beauticians. In 2020, efforts continued in revamping the brand image and packaging and introducing new BECOS CLUBS, with over 30 opened in 2019.

There are various new offerings in the BECOS portfolio: relaunch (January) of the AQUA FACTOR line and strengthening of the line of body products (May) with the CELL & DREN and LIPO & DESIGN lines.

For the TEN SCIENCE brand, 2020 was dedicated to strengthening the Italian sales network with the introduction of new distributors to ensure a widespread presence in the territory. At year end, new distributors made it possible to increase the presence in China. Product revamping includes extension of the AGE STELLAR line and the launch of two new SHAPE STRATEGY body items.

As closures eased, promotional activities were carried out for the OLOS, SOLARIUM and ACCADEMIA lines.

Innovation in 2020 was particularly relevant in the area of APG TECH equipment, thanks to collaboration with D.E.A. Project, a company specialized in developing equipment and devices for the beauty sector, acquired by ALFAPARF GROUP.



Of particular note was the domestic and international market launch of EPILDREAM HIGH POWER equipment, a new generation of laser hair removal that reflects the Skin Care division's ability to keep up with new market trends.

RETAIL

The results of the business unit, which is primarily active in Latin America, were affected by the drop in consumption caused by the pandemic and the devaluation of local currencies. 2020 revenues came to 13.6 million euros (32.6% less than the 20 million in 2019). At 2019 exchange rates, turnover would have been 17.7 million euros, 11.7% less than in 2019. Optimization of costs and focusing of investments made it possible to achieve a margin in line with the previous year.

Despite the difficulties of the moment, ALTA MODA È... continued to innovate, consolidating its position as a quality brand in the Latin American market. The SUPER SCHIARENTI collection, launched in the color segment, employs Italian professional technology that uses a coconut oil formula to offer extra treatment action and maximum protection for hair during coloring.

In the hair care segment, INSTANT SOS was launched, an intensive instant conditioner for daily use offered in a line of three products based on Italian professional technology, using a concentrated vegan formula that reflects the "free from" philosophy.

The temporary closure of hair salons resulted in greater consumption of hair coloring during the year. Those who tried home hair coloring for the first time chose safe and reliable premium brands, a trend that powered the commercial growth of IL SALONE MILANO hair coloring products.

In 2020, updates of the portfolio of offerings continued with the launch of PLEX REBUILDER CARE, a highly innovative line for professional-level home care of bleached, colored and treated hair. PLEX REBUILDER



CARE restores capillary structure by reducing split ends by up to 93% compared to hair not treated with the new technology.

Finally, In 2020, investments continued to increase brand awareness through a digital advertising campaign offering incentives to try the product.

PRIVATE LABEL

Production for third parties (Private Label) confirmed its strategic importance for ALFAPARF GROUP, generating revenues of 52.1 million euros in 2020 (a 3.3% increase over 50.4 million in 2019). At the same exchange rate as 2019, turnover would have been 54.5 million euros, an 8% increase over 2019.

A decisive lever for development of the business unit is investments over recent years that have permitted the Group to achieve common standards of excellence in the five plants by increasing production capacity, efficiency, and quality control.

Know-how, presence in geographical areas and operating flexibility have made ALFAPARF GROUP an ideal industrial partner for cosmetics multinationals and large-scale retail operators. The American market remains the focal point for the business unit, but the European market's share of turnover is growing.

The permanent hair coloring kit, with its strong professional and technical traits, is a key product, and in global terms represents the area with the most potential for development. Also growing is the production of liquid color, which seems to be the new market trend in North America.



Principal Events of the First Quarter

The results of the first quarter still reflect the global operating limitations imposed by the health emergency.

At March 31, ALFAPARF GROUP reported revenues of 57.5 million euros, an 8% increase over 53.1 million in 2020, broken down as follows: 32 million in Hair Care, 6.7 in Skin Care, 15.6 in production for third parties (Private Label), and 3.4 in Retail. EBITDA was 11.6 million euros, an increase over the same period in 2020. Group turnover is recovering from 2019 levels, and with the same exchange rate would have been 66.4 million (+11%).

Hair Care ended the first quarter with a 4% drop from the 2020 quarter, a result affected by the closures in various countries (in particular Spain, Portugal and many Italian and Polish regions).

Activity of the business unit was characterized by the introduction of a series of innovations to support professionals in their business recovery.

For ALFAPARF MILANO, the year began with the launch of SEMI DI LINO SMOOTH, a new line for treating frizzy, unruly hair, which has strong growth potential in Italy for both salon services and for home use.

New fashion shades were launched for the YELLOW brand, accompanied by COLOR SPEED UP, a product that makes coloring time faster.

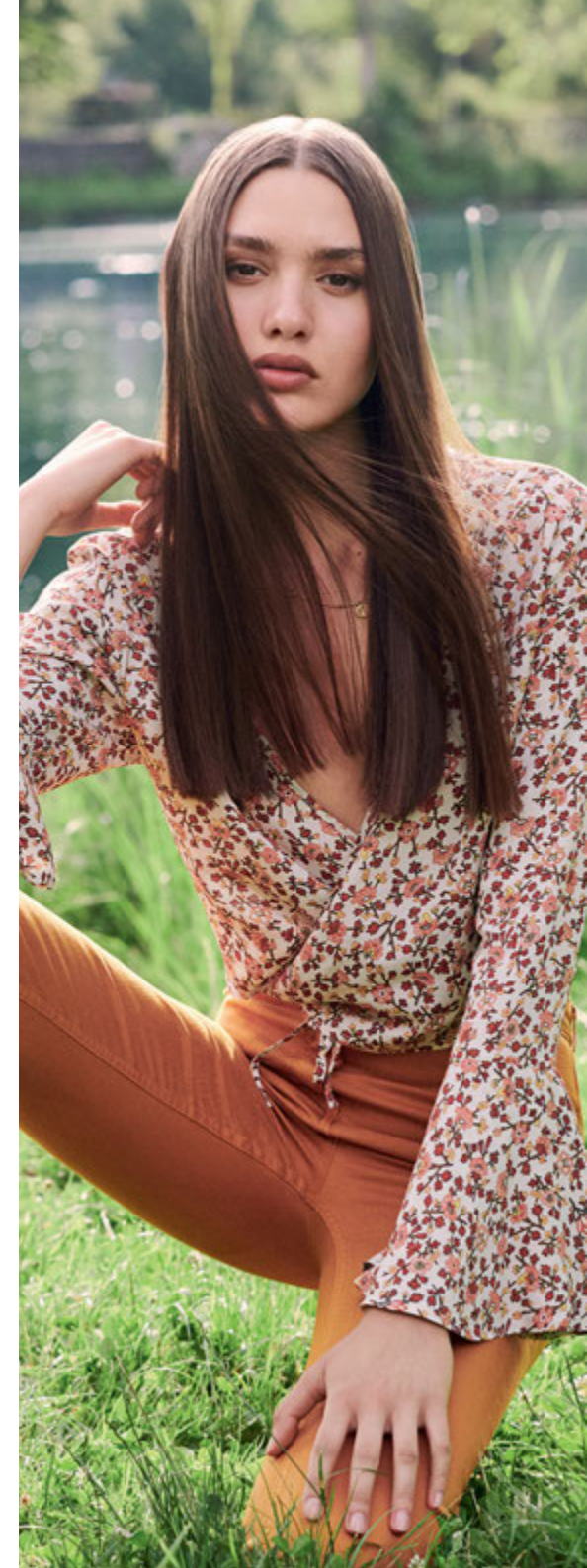
All professional brands introduced a mini-line of DEEP CLEANING products developed to meet new hygiene and cleaning needs.

The Education process begun in late 2020 with the team of ALFAPARF MILANO Ambassadors continued during the quarter. The goal is to enrich digital communication with useful tips to increase the professional skills of hairstylists in all salon services offered.

In Skin Care, 2021 began with various new products in portfolio, introduced to support partner beauty centers during the anticipated recovery after the end of the health emergency.

For DIBI MILANO, the year began by extending the range of the moisturizing line, and continued (March) by strengthening the new CELL REWIND and SHAPE REFINE lines. BECOS proposed revamping of the face cleansing line and launch of the new body care line, Anti Gravity and Tone. TEN launched the new anti-age Collage Supreme line (three items) and completely reworked the Cell Strike body lines.

DIBI MILANO received an important recognition when its TONIC LIFTER product, launched in 2019, was selected by Elle magazine's Italian readers to win the Elle Beauty Award prize in the body treatments category.



Stato patrimoniale

ASSETS	AT 12.31.20	AT 12.31.2019
A) Receivable from shareholders for payments still due	0	0
B) Non- current assets		
I) Intangible assets:		
1) Start-up and expansion costs	0	11,519
2) Development costs	4,267	125,789
3) Ind. patent rights and intellectual property rights	31,507,746	92,872
4) Concessions, licenses, trademarks and similar rights	5,353,881	5,259,620
5) Goodwill	572,666	645,330
6) Assets under construction and payments on account	47,140	268,753
7) Other	179,603	329,737
Total intangible assets	37,665,303	6,733,620
II) Tangible assets:		
1) Land and buildings	23,133,406	18,831,623
2) Plant and machinery	8,365,402	7,748,158
3) Industrial and commercial equipment	376,554	599,628
4) Other assets	1,790,303	2,087,561
5) Assets under construction and payments on account	583,641	376,508
Total tangible assets	34,249,306	29,643,478
III) Financial assets:		
1) Interests in:		
a) Subsidiaries	0	0
b) Associated enterprises	102,000	102,000
d) Other Group enterprises	13,396	13,141
2) Receivables:		
dbis) From others:		
- receivable within 12 months	0	0
- receivable after 12 months	93,880	73,126
3) Other securities	0	0
Total financial assets	209,276	188,267
Total non- current assets (B)	72,123,885	36,565,365
C) Current assets		
I) Stock in hand:		
1) Raw and secondary materials and consumables	14,667,403	12,564,387
2) Goods in process, unfinished goods	2,099,045	2,192,689

3) Contract work in progress	0	0
4) Finished products and goods	26,824,714	27,405,496
5) Payments on account	26,157	20,972
Total stock in hand	43,617,319	42,183,544
II) Receivables		
1) From customers:		
- receivable within 12 months	46,094,013	57,331,961
- receivable after 12 months	1,539,630	1,934,589
2) From other Group companies:		
- receivable within 12 months	245,069	267,619
- receivable after 12 months	0	0
5bis) Tax assets:		
- receivable within 12 months	15,411,428	14,294,964
- receivable after 12 months	0	0
5ter) Deferred tax assets:		
- receivable within 12 months	9,723,971	9,000,238
- receivable after 12 months	0	0
5quater) From others:		
- receivable within 12 months	15,018,504	17,846,384
- receivable after 12 months	0	0
Total receivables	88,032,615	100,675,755
III) Current financial assets:		
4) Other shareholdings	3,467	3,467
5) Financial derivative assets	0	0
6) Other securities	3,722,073	1,447,019
Total current financial assets	3,725,540	1,450,486
IV) Liquid assets:		
1) Bank and postal deposits	102,300,357	67,112,221
2) Checks	0	0
3) Cash and cash equivalents	25,848	83,968
Total liquid assets	102,326,205	67,196,189
TOTAL CURRENT ASSETS (C)	237,701,679	211,505,974
D) Prepayments and accrued income	1,197,440	1,344,941
TOTAL ASSETS (A+B+C+D)	311,023,004	249,416,280

Stato patrimoniale

LIABILITIES	AT 12.31.2020	AT 12.31.2019
A) Equity		
Group equity:		
I) Share Capital	31,500,000	31,500,000
III) Revaluation reserves	1,348,045	1,348,045
IV) Statutory reserve	3,352,724	2,544,241
VI) Other reserves, indicated separately:	79,955,284	46,657,296
- Indivisible profits	8,832,321	10,344,300
- Currency translation reserve	(23,417,546)	(11,250,386)
- Extraordinary reserve	30,452,208	15,816,274
- Other reserves	64,088,301	31,747,108
VII – Reserve for hedging expected financial flows	(598,055)	(108,563)
VIII) Profits (Losses) carried over	0	0
IX) Profits (Losses) for the year	8,577,528	12,954,913
Total Group Equity	124,135,526	94,895,932
X) Minority interests in capital and reserves	63,307	5,491
XI) Minority interests in Profits (losses) for the year	(16,254)	7,316
Total minority equity	47,053	12,807
Total equity (A)	124,182,579	94,908,739
B) Funds for risks and charges:		
1) for retirement pay and similar obligations	187,469	216,205
2) for taxes, including deferred	1,484,161	1,753,262
3) financial derivative liabilities	739,050	252,383
4) other	13,841,820	9,105,548
Total funds for risks and charges (B)	16,252,500	11,327,398
C) Employee severance pay	3,939,669	1,577,919
D) Payables:		
4) Due to banks:		
- payable within 12 months	41,525,679	38,486,010
- payable after 12 months	66,306,980	41,604,677
5) Due to other financiers :		
- payable within 12 months	0	50,722
- payable after 12 months	0	0
6) Payments on account:		
- payable within 12 months	1,750,292	2,211,120

- payable after 12 months	0	0
7) Due to suppliers:		
- payable within 12 months	29,849,498	29,376,453
- payable after 12 months	0	0
9) Due to subsidiaries:		
- payable within 12 months	0	0
- payable after 12 months	0	0
12) Taxes due:		
- payable within 12 months	4,837,011	6,846,767
- payable after 12 months	672,494	0
13) Due to pension and social security institutions:		
- payable within 12 months	1,994,459	2,097,096
14) Other payables:		
- payable within 12 months	18,416,147	19,828,207
- payable after 12 months	0	0
Total payables(D)	165,352,560	140,501,052
E) Deferred income and accrued expenses	1,295,696	1,101,172
TOTAL LIABILITIES AND EQUITY	311,023,004	249,416,280

Income Statement

	AT 12.31.2020	AT 12.31.2019
A) Value of production		
1) Revenues from sales and services	203,841,036	243,100,677
2) Changes in inventories of products in process, semi- finished and finished products	2,648,516	2,863,481
3) Change in contract work in process	0	0
4) Increases in non- current assets from in- house production	44,482	130,147
5) Other revenues and proceeds:		
- grants for current expenses	271,273	235,168
- other revenues and proceeds	2,013,049	3,542,747
Total value of production (A)	208,818,356	249,872,220
B) Costs of production		
6) For raw and secondary materials, consumables and goods	66,301,084	72,417,356
7) For services	45,308,789	63,575,703
8) For leased assets	3,778,910	3,163,357
9) For personnel:		
a) Wages and salaries	36,661,949	44,888,236
b) Social charges	8,950,533	10,463,484
c) Severance pay	4,098,476	1,546,686
d) Pension liabilities and similar		
e) Other costs	5,600,806	6,220,143
10) Amortization, depreciation and impairment		
a) Amortization of intangible assets	1,768,984	4,290,946
b) Depreciation of tangible assets	3,165,490	3,480,140
c) Other impairment of non- current assets	420	0
d) Impairment of current assets:		
- impairment of receivables	966,810	1,110,450
11) Changes in inventories of raw and secondary materials, consumables and goods	(4,065,245)	(1,307,616)
12) Allocation for risks	5,018,160	330,944
13) Other allocations	0	0
14) Sundry operating charges	6,359,207	7,674,159
Total costs of production (B)	183,914,373	217,853,988
DIFF. BETWEEN VALUE AND COSTS OF PROD. (A- B)	24,903,983	32,018,232

C) Financial proceeds and charges		
16) Other financial proceeds:		
d) Proceeds other than the above:		
- other financial proceeds	659,189	753,596
17) interest and other financial charges:		
- other interest and financial charges	4,038,270	5,085,209
17bis) Profits (losses) on exchange rates	(5,342,879)	267,478
Total financial profits and charges [15+16- 17+/- 17bis] (C)	(8,721,960)	(4,064,135)
D) Adjustments in value of financial assets		
18) revaluation:		
a) of shareholdings	0	0
b) of financial assets that do not constitute shareholdings	0	0
c) of securities reported under current assets that do not constitute shareholdings		148,057 0
d) of financial derivatives	0	0
19) impairment:		
a) of shareholdings	0	0
c) of securities reported under current assets that do not constitute shareholdings	363	6,216
d) of financial derivatives	0	0
Total adjustments in value of financial assets (18- 19)	147,694	(6,216)
BEFORE TAX RESULT (A- B+/- C+/- D+/- E)	16,329,717	27,947,881
20) Income taxes for the year:		
- current taxes	8,591,345	14,937,870
- taxes deferred and paid in advance	(822,902)	47,782
21) PROFIT (LOSS) FOR THE YEAR	8,561,274	12,962,229
- pertinent to the Group	8,577,528	12,954,913
- pertinent to minority interests	(16,254)	7,316

Cash Flow Statement

	12/31/20	12/31/19
Flow of operating activities determined using the indirect method		
A. Financial flows from operating activities (indirect method)		
Profit (loss) for the year	8,561,274	12,962,229
Income taxes	8,591,345	14,937,870
Interest payable/(interest receivable)	3,379,081	4,331,613
1. Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses from sale	20,531,700	32,231,712
<i>Adjustments for non-monetary elements that had no offsetting item in net current capital:</i>		
Allocations to funds	9,116,636	1,877,630
Depreciation of non-current assets	4,934,474	7,771,086
Impairment for permanent losses in value		
Other adjustments for non-monetary elements	873,752	(705,307)
2. Financial flow before changes in net working capital	35,456,562	41,175,121
<i>Changes in net working capital:</i>		
Decrease/(increase) in stock in hand	(1,433,775)	4,419,468
Decrease/(increase) in receivables from customers	10,666,097	3,614,860
Decrease/(increase) in other receivables	1,010,233	(6,848,122)
Increase/(decrease) payables to suppliers	473,045	4,833,799
Decrease/(increase) in prepayments and accrued income	147,501	88,798
Increase/(decrease) in deferred income and accrued expenses	194,524	379,060
Other changes in net working capital	(9,288,060)	10,096,445
3. Financial flow after changes in net working capital	37,226,127	57,759,429
<i>Other adjustments:</i>		
Interest collected/(paid)	(3,379,081)	(4,331,613)
(Income taxes paid)	(8,591,345)	(14,937,870)
4. Financial flow after other adjustments	25,255,701	38,489,946
Financial flow for operating activities (A)	25,255,701	38,489,946
B. Financial flow from investment activity		
<i>Intangible assets</i>		
(Investments)	(32,700,667)	(988,529)

<i>Tangible assets</i>		
(Investments)	(7,771,318)	(3,342,238)
<i>Financial assets</i>		
(Investments)	(21,009)	8,876
Short-term financial assets		
(Investments)	(2,275,054)	(16,367)
Realizable value of divestments		
<i>Acquisition or sale of subsidiaries or business branches net of liquid assets</i>		
Financial flow from investment activity (B)	(42,768,048)	(4,338,258)
C. Financial flow from financing activity		
Loan capital		
New financing	55,505,079	13,000,000
(Repayment of loans)	(23,575,282)	(29,773,128)
Shareholder equity		
Change in equity	21,712,566	(760,473)
Dividends and advances on dividends paid	(1,000,000)	(2,000,000)
Financial flow from financing activity (C)	52,642,363	(19,533,601)
Increase (decrease) in liquid assets (A ± B ± C)	35,130,016	14,618,088
Liquid assets at January 1, 2020	67,196,189	52,578,101
Liquid assets at December 31, 2020	102,326,205	67,196,189



Alfa Parf Group S.p.A.

Bilancio consolidato al 31 dicembre 2020

Relazione della società di revisione indipendente
ai sensi dell'art. 14 del D. Lgs. 27 gennaio 2010, n. 39



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Relazione della società di revisione indipendente
ai sensi dell'art. 14 del D. Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della
Alfa Parf Group S.p.A.

Relazione sulla revisione contabile del bilancio consolidato

Giudizio

Abbiamo svolto la revisione contabile del bilancio consolidato del Gruppo Alfa Parf Group (il Gruppo), costituito dallo stato patrimoniale al 31 dicembre 2020, dal conto economico e dal rendiconto finanziario per l'esercizio chiuso a tale data e dalla nota integrativa.

A nostro giudizio, il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo al 31 dicembre 2020, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data, in conformità alle norme italiane che ne disciplinano i criteri di redazione.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio consolidato* della presente relazione. Siamo indipendenti rispetto alla Alfa Parf Group S.p.A. in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

Responsabilità degli amministratori e del collegio sindacale per il bilancio consolidato

Gli amministratori sono responsabili per la redazione del bilancio consolidato che fornisca una rappresentazione veritiera e corretta in conformità alle norme italiane che ne disciplinano i criteri di redazione e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli amministratori sono responsabili per la valutazione della capacità del Gruppo di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio consolidato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio consolidato a meno che abbiano valutato che sussistono le condizioni per la liquidazione della capogruppo Alfa Parf Group S.p.A. o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria del Gruppo.

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Responsabilità della società di revisione per la revisione contabile del bilancio consolidato

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio consolidato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che tuttavia non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio consolidato.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio consolidato, dovuti a frodi o a comportamenti o eventi non intenzionali, abbiamo definito e svolto procedure di revisione in risposta a tali rischi, abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti od eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze, e non per esprimere un giudizio sull'efficacia del controllo interno del Gruppo;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli amministratori e della relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità del Gruppo di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che il Gruppo cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio consolidato nel suo complesso, inclusa l'informativa, e se il bilancio consolidato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione;
- abbiamo acquisito elementi probativi sufficienti e appropriati sulle informazioni finanziarie delle imprese o delle differenti attività economiche svolte all'interno del Gruppo per esprimere un giudizio sul bilancio consolidato. Siamo responsabili della direzione, della supervisione e dello svolgimento dell'incarico di revisione contabile del Gruppo. Siamo gli unici responsabili del giudizio di revisione sul bilancio consolidato.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dai principi di revisione internazionali (ISA Italia), tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.



Relazione su altre disposizioni di legge e regolamentari

Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D. Lgs. 27 gennaio 2010, n. 39

Gli amministratori della Alfa Parf Group S.p.A. sono responsabili per la predisposizione della relazione sulla gestione del Gruppo Alfa Parf Group al 31 dicembre 2020, inclusa la sua coerenza con il relativo bilancio consolidato e la sua conformità alle norme di legge.

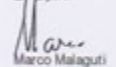
Abbiamo svolto le procedure indicate nel principio di revisione (ISA Italia) n. 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio consolidato del Gruppo Alfa Parf Group al 31 dicembre 2020 e sulla conformità della stessa alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio consolidato del Gruppo Alfa Parf Group al 31 dicembre 2020 ed è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, c.2, lettera e), del D. Lgs. 27 gennaio 2010, n. 39, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Bergamo, 11 giugno 2021

EY S.p.A.


Marco Malaguti
(Revisore Legale)

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