

# SPARK44 S.R.L.

## Financial statements to 31-03-2020

Name and id code	
Company site	ROMA
Fiscal code	11353340018
Registration number	ROMA 1450858
VAT number	11353340018
Share capital Euro	10.000 f.p.
Legal form	SOCIETA' A RESPONSABILITA' LIMITATA
Company being wound up	no
Company with a single shareholder	no
Company subject to the management and coordination of others	no
Belonging to a group	no

## Abbreviated balance sheet

	31-03-2020	31-03-2019
Balance sheet (mandatory scheme)		
Assets		
A) receivables due from shareholders	0	0
B) Fixed assets		
I - Intangible fixed assets	119.194	134.358
II - Tangible fixed assets	143.815	181.582
III - Financial fixed assets	0	0
Total fixed assets (B)	263.009	315.940
C) Current assets		
I - Inventories	2.907	11.595
II - Receivables		
due within the following year	257.412	489.658
due beyond the following year	47.868	50.399
Total receivables	305.280	540.057
III - Current financial assets	0	0
IV - Liquid funds	43.256	53.608
Total current assets (C)	351.443	605.260
D) Accrued income and prepayments	209.988	38.808
Total assets	824.440	960.008
Liabilities and shareholders' equity		
A) Shareholders' equity		
I - Share capital	10.000	10.000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	0	362
V - Statutory reserves	0	0
VI - Other reserves	1	6.356
VII - Reserve for hedging expected cash flow operations	0	0
VIII - Retained earnings (accumulated losses)	0	0
IX - Net profit (loss) for the year	8.925	(130.589)
Minimised loss for the year	0	0
X - Negative reserve for own portfolio shares	0	0
Total shareholders' equity	18.926	(113.871)
B) Reserves for contingencies and other charges	0	0
Total reserve for severance indemnities (TFR)	189.372	334.877
D) Payables		
due within the following year	604.912	622.742
due beyond the following year	0	97.171
Total payables (D)	604.912	719.913
E) Accrued liabilities and deferred income	11.230	19.089
Total liabilities and shareholders' equity	824.440	960.008

## Abbreviated income statement

	31-03-2020	31-03-2019
Income statement (value and cost of production)		
A) Value of production		
1) Revenues from sales and services	3.328.399	3.871.721
5) Other income and revenues		
other	0	1
Total Other income and revenues	0	1
Total value of production	3.328.399	3.871.722
B) Costs of production		
6) Raw, ancillary and consumable materials and goods for resale	1.513	3.723
7) Services	1.744.703	1.920.710
8) Use of third party assets	143.180	145.796
9) personnel		
a) wages and salaries	994.215	1.241.636
b) related salaries	284.419	435.597
severance, pensions and similar commitments and other costs	89.434	180.295
c) severance	73.972	162.295
e) other costs	15.462	18.000
Total payroll and related costs	1.368.068	1.857.528
10) depreciation, amortisation and write downs		
a, b, c) amortisation of intangible fixed assets, depreciation of tangible fixed assets and other amounts written off fixed assets	53.871	53.255
a) amortisation of intangible fixed assets	15.164	15.017
b) depreciation of tangible fixed assets	38.707	38.238
Total Amortisation, depreciation and write-downs	53.871	53.255
14) Other operating expenses	0	16.150
Total cost of production	3.311.335	3.997.162
Difference between value and cost of production (A - B)	17.064	(125.440)
C) Financial income and charges		
17) Interest and other financial expense		
other	5.174	5.149
Total interest and other financial expense	5.174	5.149
Total financial income and expense (15 + 16 - 17 + - 17-bis)	(5.174)	(5.149)
D) Value adjustments to financial assets and liabilities		
Total value adjustments to financial assets and liabilities (18 - 19)	0	0
Pre-tax result (A - B + - C + - D)	11.890	(130.589)
20) Income tax for the year, current, deferred and prepaid		
Current taxes	2.965	0
Total taxes on the income for the year	2.965	0
21) Profit (loss) for the year	8.925	(130.589)

## Financial statement, indirect method

**31-03-2020 31-03-2019**

Financial statement, indirect method		
A) Cash flows from current activities (indirect method)		
Profit (loss) for the year	8.925	(130.589)
Income tax	2.965	0
Payable (receivable) interest	5.174	5.149
(Dividends)	0	0
(Capital gains)/Capital losses from business conveyance	0	0
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances.	17.064	(125.440)
Adjustments to non monetary items that were not offset in the net working capital.		
Allocations to preserves	0	0
Fixed asset depreciation/amortisation	53.871	53.255
Write-downs for long-term value depreciation	0	0
Adjustments to financial assets and liabilities for derivative financial instruments that do not involve monetary transactions	0	0
Other adjustments to increase/(decrease) non-monetary items	0	0
total adjustments for non-monetary items that were not offset in the net working capital	53.871	53.255
2) Cash flow before changing net working capital	70.935	(72.185)
Changes to the net working capital		
Decrease/(increase) in inventory	8.688	7.593
Decrease/(increase) in payables to customers	231.239	10.883
Increase/(decrease) in trade payables	(188.290)	(41.430)
Increase/(decrease) from prepayments and accrued income	(171.180)	30.272
Increase/(decrease) from accruals and deferred income	(7.859)	1.384
Other decreases/(other increases) in net working capital	73.862	(260.963)
Total changes to net working capital	(53.540)	(252.261)
3) Cash flow after changes to net working capital	17.395	(324.446)
Other adjustments		
Interest received/(paid)	(5.174)	(5.149)
(Income tax paid)	0	0
Dividends received	0	0
(Use of reserves)	(145.505)	177.924
Other collections/(payments)	0	0
Total other adjustments	(150.679)	172.775
Cash flow from current activities	(133.284)	(151.671)
B) Cash flows from investments		
Tangible fixed assets		
(Investments)	(940)	(8.142)
Disposals	0	0
Intangible fixed assets		
(Investments)	0	(3.752)
Disposals	0	0
Financial fixed assets		
(Investments)	0	0
Disposals	0	0
Short term financial assets		
(Investments)	0	0
Disposals	0	0

(Acquisition of branches of business net of liquid assets)	0	0
Transfer of branches of business net of liquid assets	0	0
Cash flows from investments (B)	(940)	(11.894)
C) Cash flows from financing activities		
Loan capital		
Increase/(decrease) in short term bank loans	0	0
New loans	0	0
(Loan repayments)	0	0
Equity		
Capital increase payments	123.872	2
(Capital repayments)	0	0
Transfer/(purchase) of own shares	0	0
(Dividends and advances on dividends paid)	0	0
Cash flows from financing activities ( C)	123.872	2
Increase (decrease) in liquid assets (A ± B ± C)	(10.352)	(163.563)
Exchange rate effect on liquid assets	0	0
Liquid assets at the start of the year		
Bank and post office deposits	53.608	217.171
Loans	0	0
Cash and valuables in hand	0	0
Total liquid assets at the start of the year	53.608	217.171
of which not freely available	0	0
Liquid assets at the end of the year		
Total liquid assets at the end of the year	43.256	53.608
of which not freely available	0	0

# Supplementary Notes to the Financial statements to 31-03-2020

## Supplementary notes, initial part

### NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2020 UNDER ARTICLE 2435 - BIS OF THE CIVILE CODE

#### INTRODUCTION

The Financial Statements as at 31/03/2020, of which this Note to the accounts is an integral part according to art. 2423, paragraph 1 of the Italian Civil Code, which correspond to the results for the book entries regularly made and which were drafted in compliance with articles 2423, 2423*b*, 2424, 2424*a*, 2425, 2425*a*, 2425*b* of the Italian Civil Code, in accordance with the accounting principles contained in art. 2423 and the valuation criteria defined as in art. 2426 of the Italian Civil Code.

The financial statements of the financial year have been drafted in a condensed form according to art. 2435 *a* of the Italian Civil Code, since the requirements as defined by paragraph 1 of the above mentioned article have been fulfilled.

Therefore, this note to the accounts include indications as defined by paragraph 1 of art. 2427, regarding the entries specified in paragraph 5 of art. 2435 *a* of the Italian Civil Code, is provided.

Moreover, this note to the accounts reports information required by numbers 3) and 4) of art. 2428 of the Italian Civil Code, therefore the management report has not been drafted according to art. 2435 *a*, paragraph 6 of the Italian Civil Code

## Publishing principles

#### DRAFTING CRITERIA

In order to prepare the financial statements clearly and to provide a truthful and correct representation of the equity and the financial situation, as well as of the economic result, the following steps were taken, in accordance with article 2423 *a* of the Civil Code:

- evaluate the single items prudently and with a view to presenting a common corporate continuity;
- include only the profits that were actually made during the financial year;
- determine the income and the costs on an accrual basis, regardless of their financial situation;
- include all the risks and the losses on an accrual basis, even if they became known after the end of the year;
- consider separately the heterogeneous elements included in the different categories of the financial statements, in order to evaluate them;
- maintain the same valuation criteria adopted in the previous financial year.

The following budgetary assumptions, as per OIC 11 para. 15, have been followed:

- a) prudence
- b) perspective of business continuity;
- c) substantial representation;
- d) competence;
- e) constancy in the evaluation criteria;

- f) relevance;
- g) comparability.

### **Perspective of business continuity**

With regard to this principle, the evaluation of the items included in the financial statement was carried out with a view to business continuity and, therefore, assuming that the company constitutes a functioning economic entity, likely to produce an income for at least the foreseeable future time frame (12 months from the closing date of the financial statement).

In the prospective assessment regarding the assumption of business continuity, no significant uncertainties nor reasonable alternatives to the cessation of the activity were identified.

## **Exceptional cases pursuant to art. 2423, fifth paragraph, of the Civil Code**

### **EXCEPTIONAL CASES EX ART. 2423, PARAGRAPH FIVE OF THE ITALIAN CIVIL CODE**

Any extraordinary events that required the use of derogations as defined by art 2423, paragraph 5, of the Italian Civil Code.

## **Changed accounting principles**

### **CHANGES IN ACCOUNTING PRINCIPLES**

There have been no changes in the accounting principles during the financial year.

## **Corrections to relevant errors**

### **CORRECTION OF RELEVANT ERRORS**

No significant errors in previous financial years emerged during the year.

## **Comparability and adaptability problems**

### **COMPARABILITY AND ADAPTATION PROBLEMS**

There are no elements belonging to either the assets or the liabilities that have included as different items in the balance sheet at the same time.

## **Applied evaluation criteria**

## **EVALUATION CRITERIA APPLIED**

The criteria applied for evaluating the items of the financial statements, reported as follows, are in compliance with the provisions of art. 2426 of the Italian Civil Code.

Evaluation criteria pursuant to art. 2426 of the Italian Civil Code are in compliance with those used in the preparation of the financial statements of the previous year.

### **Intangible fixed assets**

Intangible fixed assets are registered, to the extent of the recoverable amount, at their historical purchase value or internal production costs, including any directly attributable ancillary charges, and they are systematically amortised at constant rates according to the residual value of using the asset.

In particular, the set-up and expansion costs derive from the capitalisation of the charges regarding the phases of the start-up and the development of the operating capability.

### **Tangible fixed assets**

Tangible fixed assets are assessed at the date in which the transfer of risks and benefits connected to the purchased items are registered, and they are recorded, to the extent of their recoverable amount, at their historical purchase or production cost, net of their related amortisation funds, including any directly attributable ancillary costs and charges for internal indirect production costs, as well as the charges resulting from the financing of internal manufacturing incurred in the manufacturing period until the end of the useful life of the asset.

The cost of fixed assets whose useful life is limited is systematically amortised in each financial year according to economic-technical rates determined on the basis of their residual useful life.

The applied rates are as follows:

Plants and machinery: 12% to 30%

Industrial and commercial equipment: 15%

Other assets:

- fixtures and fittings: 12%
- electronic office machinery: 20%

### **Inventories**

Inventories are registered when the company transfers the risks and benefits associated with ownership of the goods, and are recorded at their lower value, that is either as the purchase cost, comprehensive of all directly attributable costs and ancillary charges and of indirect costs relating to internal production, or the estimated realisable value, with reference to the market value.

### **Receivables**

Receivables are classified either as fixed or current assets on the basis of their designation / origin, with respect to their ordinary activities, and they are recorded at their estimated realisable value.

### **Cash and cash equivalents**



Cash and cash equivalents are recorded at their nominal value.

### **Accruals and deferrals**

Accruals and deferrals were registered on the basis of accrual economic competence and include revenues / costs accrued and payable in future years, and revenues / costs incurred in the financial year but relating to future years.

Therefore, only the costs and revenues relating to two or more years, whose amount change in time, were registered.

At the end of the year it was verified that the conditions that led to the initial assessment have been met, and the necessary adjustments were made, if necessary, taking into account the elements of time and possible recoverability.

Accrued income, comparable to operating receivables, was valued at its estimated realisable value, causing, if the value is lower than the accounting value, as an impairment loss in the income statement. Accrued expenses, comparable to payables, were assessed at their nominal value.

As for prepaid expenses, the future economic benefit related to deferred costs was calculated and, if the resultant benefits were lower than the prepaid share, the value was adjusted.

### **Reserves for contingencies and other charges**

Reserves for contingencies represent liabilities related to conditions that existed at the date of financial statements, but whose occurrence is only probable.

Reserves for charges represent certain liabilities, related to negative components for profit made in the current year, but that will be recorded next year.

The estimation process is carried out and / or adjusted at the balance sheet date based on past experience and relevant available information.

### **Reserves for pensions and similar commitments**

They represent the liabilities associated with the provisions for supplementary pension benefits and severance grants owed to employees, the self-employed and associates, according to the law or contract in vigour at the time of the termination of employment.

The provision for the year was determined, as an estimate, so as to allow for the progressive adjustment of the provision for the total share accrued at the end of the year.

### **Payables**

The division of the amounts due within and not after the financial year is made according to the contractual or legal maturity, and taking into account facts and/or events that might determine changes to the original maturity date.

Payables that originate from the purchase of assets are recorded when contingencies, other charges and benefits are transferred; those originating from services are recorded when they have been fulfilled; financial and/or other payables are registered when the bonds due to the counterparty arise.

Payables due to the tax authorities include liabilities for taxes which are certain and are of a fixed amount, as well as taxes withheld by a withholding agent and have not been allowed, in instances where compensation has been allowed, they are reported net of advances, also in the case of withheld taxes and tax credits.

### **Costs and revenues**

They are presented in accordance with the principle of prudent and economic competence.



## **Supplementary notes, abbreviated, assets**

### **INFORMATION REGARDING THE BALANCE SHEET - ASSETS**

#### **Fixed assets**

##### **FIXED ASSETS**

Fixed assets are equal to €263.009 €315.940 in the previous financial year).

#### **Movements in fixed assets**

The composition and movements of the single items are as follows:

	Intangible fixed assets	Tangible fixed assets	Financial fixed assets	Total fixed assets
<b>Year opening balance</b>				
Cost	173.309	279.117	0	452.426
Amortisation (amortisation fund)	38.951	97.535		136.486
Balance sheet value	134.358	181.582	0	315.940
<b>Changes during the year</b>				
Depreciation/amortisation for the year	15.164	38.707		53.871
Other changes	0	940	0	940
Total changes	(15.164)	(37.767)	0	(52.931)
<b>Year closing balance</b>				
Cost	173.309	280.057	0	453.366
Amortisation (amortisation fund)	54.115	136.242		190.357
Balance sheet value	119.194	143.815	0	263.009

#### **Current assets, abbreviated**

##### **CURRENT ASSETS**

#### **Receivables posted to current assets**

Changes and deadline of receivables posted to current assets

##### **Receivables - Division according to the expiration date**

Pursuant to art. 2426, paragraph 1 number 6 of the Italian Civil Code, data regarding the division of receivables according to the expiration date are hereby reported:

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Trade receivables included among current assets	422.708	(231.239)	191.469	191.469	0	0

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
<b>Tax receivables included among current assets</b>	12.465	7.812	20.277	17.707	2.570	0
<b>Other receivables included among current assets</b>	104.884	(11.350)	93.534	48.236	45.298	0
<b>Total receivables included among current assets</b>	540.057	(234.777)	305.280	257.412	47.868	0

## Supplementary notes, abbreviated, liabilities and net equity

### INFORMATION REGARDING THE BALANCE SHEET LIABILITIES AND NET EQUITY

#### Shareholders' equity, abbreviated

##### NET EQUITY

The existing net equity at the year end amounted to €18.926 (€-113.871 in the previous year).

#### Changes in shareholders' equity, abbreviated

The following tables show changes to the individual items during the financial year, which constitute the net equity and the breakdown of the 'Other reserves'.

	Year opening balance	Destination of the previous year's result		Other changes			Result for the year	Year closing balance
		Dividend allocations	Other destinations	Increases	Decreases	Reclassifications		
Capital	10.000	0	0	10.000	10.000	0		10.000
Share premium reserve	0	-	-	-	-	-		0
Write-down reserve	0	-	-	-	-	-		0
Legal reserve	362	0	0	0	362	0		0
Reserves provided by the articles of association	0	-	-	-	-	-		0
Other reserves								
Extraordinary reserve	6.354	0	0	0	6.354	0		0
Miscellaneous other reserves	2	0	0	0	0	(1)		1
Total other reserves	6.356	0	0	0	6.354	(1)		1
Reserve to hedge expected cash flow transactions	0	-	-	-	-	-		0
Profit (loss) carried forward	0	0	0	(130.589)	(130.589)	0		0
Profit (loss) for the year	(130.589)	0	0	0	(130.589)	0	8.925	8.925
Minimised loss for the year	0	-	-	-	-	-		0
Negative reserve for own portfolio shares	0	-	-	-	-	-		0
Total shareholders' equity	(113.871)	0	0	(120.589)	(244.462)	(1)	8.925	18.926

#### Detail of changes in other reserves (overview)

Description	Amount
Riserva da Arrotondamento	1
Total	1

In order to better understand the changes to the net equity, changes to net equity during the previous years are hereby described:

	Year opening balance	Dividend allocations	Other destinations	Increases
Capital	10.000	0	0	0
Legal reserve	0	0	0	362
Other reserves				
Extraordinary reserve	0	0	0	6.354
Miscellaneous other reserves	1	0	0	0
Total other reserves	1	0	0	6.354
Profit (loss) carried forward	-516	0	0	516
Profit (loss) for the year	7.231	0	0	0
Total shareholders' equity	16.716	0	0	7.232

	Decreases	Reclassifications	Result for the year	Year closing balance
Capital	0	0		10.000
Legal reserve	0	0		362
Other reserves				
Extraordinary reserve	0	0		6.354
Miscellaneous other reserves	0	1		2
Total other reserves	0	1		6.356
Profit (loss) carried forward	0	0		0
Profit (loss) for the year	7.231	0	-130.589	-130.589
Total shareholders' equity	7.231	1	-130.589	-113.871

## Use of shareholders' equity, abbreviated

### Statement of availability and use of net equity's items

The information required by article 2427, paragraph 1 no. 7a of the Italian Civil Code regarding the specification of the items included as net equity with reference to their origin, possibility of use and distribution, as well as their utilisation in previous years, can be ascertained from the tables below:

	Amount	Origin / nature	Possible use	Available amount	Summary of uses in the three previous years	
					to cover losses	for other reasons
Capital	10.000			0	0	0
Share premium reserve	0			-	-	-
Write-down reserve	0			-	-	-
Legal reserve	0			-	-	-
Reserves provided by the articles of association	0			-	-	-
Other reserves						
Extraordinary reserve	0			-	-	-
Miscellaneous other reserves	1			0	0	0
Total other reserves	1			0	0	0

	Amount	Origin / nature	Possible use	Available amount	Summary of uses in the three previous years	
					to cover losses	for other reasons
Reserve to hedge expected cash flow transactions	0			-	-	-
Negative reserve for own portfolio shares	0			-	-	-
<b>Total</b>	10.001			0	0	0

Key: A: for capital increase, B: to hedge losses, C: distribution to shareholders, D: for other article of association restraints, E: other

## Origin, possibility of use and leasability of miscellaneous other reserves (overview)

Description	Amount	Origin / nature	Possibility of use	Available amount	Summary of uses during the three previous years to cover losses	Summary of uses during the three previous years for other reasons
RISERVA DA ARROTONDAMENTO	1			0	0	0
<b>Total</b>	1					

Key: A: for capital increase, B: to hedge losses, C: distribution to shareholders, D: for other article of association restraints, E: other

## Payables, abbreviated

### PAYABLES

### Payables changes and due date

#### Payables- Division according to their maturity

According to art. 2427, paragraph 1, number 6 of the Italian Civil Code, data regarding the division of payables according to their maturity are hereby reported:

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Advances	97.171	142.829	240.000	240.000	0	0
Payables to suppliers	381.574	(188.290)	193.284	193.284	0	0
Payables due to social security and welfare institutions	80.747	(65.831)	14.916	14.916	0	0
Other payables	160.421	(3.709)	156.712	156.712	0	0
<b>Total payables (D)</b>	719.913	(115.001)	604.912	604.912	0	0

### Payables of duration of more than five years and payables assisted by real guarantees on company assets, abbreviated

#### Payables with a duration of more than five years and payables secured by collateral on corporate assets

Information regarding collateral on corporate assets is given below, pursuant to art. 2427, paragraph 1 number 6 of the Italian Civil Code:

	Payables not covered by real guarantees	Total
Advances	240.000	240.000
Payables to suppliers	193.284	193.284
Payables due to social security and welfare institutions	14.916	14.916
Other payables	156.712	156.712
Total payables (D)	604.912	604.912



## **Abbreviated supplementary notes, other information**

### **OTHER INFORMATION**

#### **Proposed use of profits or hedging of losses**

##### **Allocation of the operating profit**

We recommend that you approve the Financial Statements at 31/03/2020 as presented. We propose to cover the loss for the year through the actions provided for by Article 2482-TER of the Civil Code.

## **Supplementary notes, final part**

### **The Board of Directors**

ANFOSSI ANTONIO

SHARMA AVANESH

## **Balance sheet conformity statement**

### **Declaration of conformity**

This is a truthful copy of the documents filed by the company.