



Sustainability Report

2021



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LETTER TO STAKEHOLDERS

Dear Stakeholder,

It is a pleasure for me to present the second edition of TService SpA sustainability report. With a renewed graphic asset, this 2021 report offers further contents versus 2020 edition. Over the past few months, we have been constantly questioning ourselves on how to represent effectively the value generated by our company in its different declinations, but, in particular, on how to provide evidence of the achieved, the missed and the planned targets. Therefore, we have decided to revise the structure of 2020 report, inserting further indicators included in GRI (Global Reporting Indicator), the deviation on previous year but, especially, to inform you on the future plans T Service is working on to achieve the ambitious targets we have set. Looking at the future optimistically but cautiously, we operate daily with a constant focus on the sustainability of Tservice services, since more than before we need to study them by questioning ourselves about the impacts they can have on the environment, community and people: the investments allocated for this fiscal year represent the evidence of the consistency of this thought.

The purchase of Scoobics represent a real turnaround in the organized distribution. It is indeed the first fleet of two wheeled vehicles, totally powered by electrical sources, suitable for last-mile delivery services and urban mobility, based on a pay-per-use model. At the same time Scoobic will employ the digital data to provide advanced and proactive maintenance services to the clients. We talk about our very first bet: a revolution of the vehicles bringing with it the redefinition of Tservice business model, which aims at the creation of proximity hubs enhancing the reduction of distances. Combining the company's growth of a 40% on the previous year with a saving in terms of emissions of about 9 million tons of CO2 not released into the atmosphere, has not been easy at all. We had to pull out of the hat the best alchemy between customer satisfaction, assets and service optimization. Quantifying the efforts made so far in environmental terms provides the perception of the contribution of our organization to protect the environment and future generations. But we have declared our goal and we are continuing to build it: achieving climate neutrality is certainly an ambitious long-term target, a challenge for a company operating in the logistics and transport sector. We are absolutely convinced that with everyone's effort we can certainly aspire to something that can touch the NET ZERO if we continue to invest with the same strength and the same firmness in a value chain powered by green energy.

All this was possible thanks to a team that has grown of 40% this year, made up of women and men who have made the company mission their own by putting it into practice every day of the year. I want to thank them sincerely.

Enjoy the reading

Tommaso Liggi
Tservice

7. HIGHLIGHTS

-9t

CO2 EMISSIONS
2021

51.459

TURNOVER
2021

3.544

EBITDA
2021

490

HR
2021

21

BRANCHES AT
31.12.2021

BRANCHES



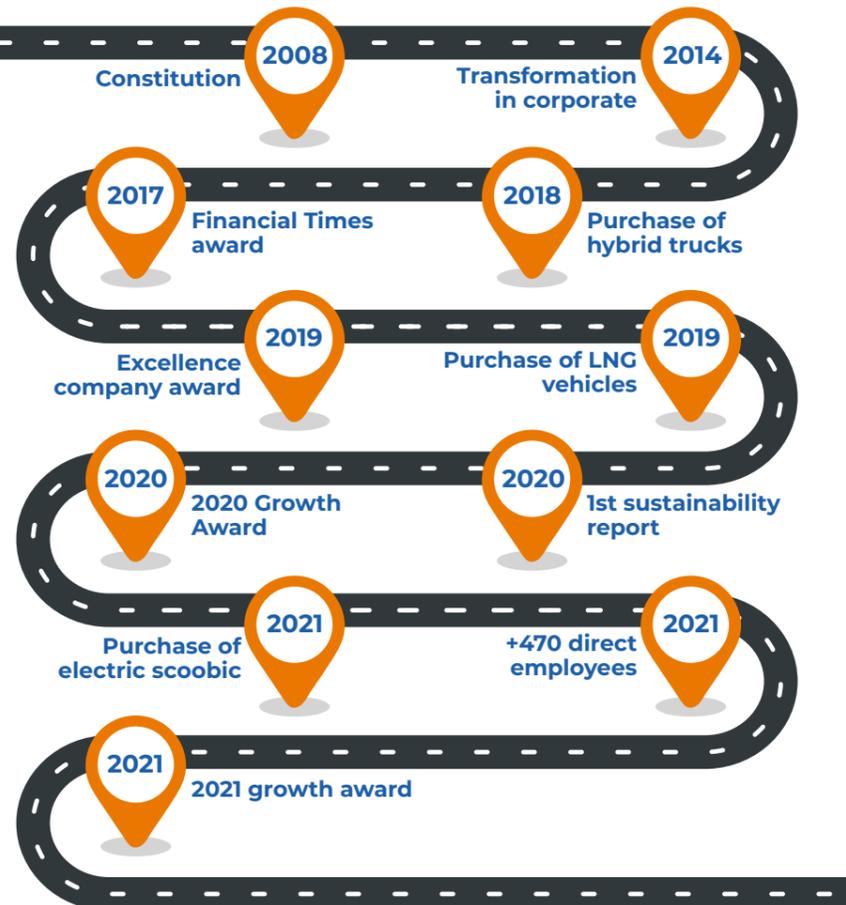


TSERVICE Our history

TService carries out freight transport services through owned vehicles, direct human resources and international logistics platforms, and it deals with complementary activities like consulting and specific support services.

Based in Milan, in via Andrea Doria 5 it operates through the twenty territorial units distributed throughout the national territory. Since 2008 TService has been growing unceasingly: it has expanded the specialized categories by investing in assets and know-how, useful for operating professionally in new sectors: food & beverage, automotive, hi-tech and sports equipment.

TService is the story of an entrepreneurial project focused on innovation and professionalism, starting from a very simple gesture: listening to the customer.



Over the years the company has been awarded with many external prizes: in 2017 Financial Times recognizes TService as one of first Italian excellences in their sector, reaching the fastest growth in Europe between 2012 - 2015. This ranking sees TService excel among the 34 Milanese companies, a city that follows the award-winning London and Paris. Berlin will close the ranking with 32 awarded companies. Innovative and fast-growing companies have been identified as the driving force of the European economy in the 21st century: they generate jobs and support Europe's competitiveness. In 2021, TService achieves the legality rating. This is a recognition issued by the Competition and Market Authority based on the verification of the ethical behaviour in the company. On May 25 2021, the score obtained is equal to ** on a maximum scale of ***.

TSERVICE SYSTEM OF VALUES AND GOVERNANCE

The attention TService pays to the integrity and transparency of company dynamics is contained in a system of rules and procedures promoting a virtuous approach which prevents the occurrence of incorrect behaviour of employees, directors and all the subjects in relation with the company.

In particular:

ETHICAL CODE

Document approved and revised on 23/02/2021 which establishes the ethical principles and rules underlying the company's activity, which all recipients are required to comply with.

ORGANIZATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE 231 OF 2001

Document including the rules, procedures and operating methods that define an organizational, management and internal control system, aimed at forbidding or preventing the perpetration of the offenses sanctioned by the same decree.

QUALITY, ENVIRONMENT AND SAFETY MANAGEMENT SYSTEM

The integrated management system (SGI) represents the coordination element of ISO standards, generally in the field of quality, environment and safety in the workplace and allows a company to fully impact these three substantial areas and implement a process of continuous improvement.

COMPANY REGULATIONS AND INTERNAL CONTROL SYSTEMS

Specific regulations in various matters also containing tenets to which all recipients are required to comply, as identified therein.

TService has equipped itself with a set of indicators useful for monitoring the main company dynamics. In particular, the Risk Based approach made it possible to start monitoring a series of management, process, service, economic-financial, environmental and health and safety indicators of workers from 2020 financial year. All the indicators that affect the decision-making processes and the definition of corporate strategies are analysed, re-examined and, if necessary, periodically revised with the participation of the Company's management. On the Management review, the indicators are analysed and summarized together with all the elements of the management system, in terms of results achieved and critical issues.

OUR CERTIFICATIONS

During 2021 financial year, these indicators were subject to periodic quarterly checks from which no situations of attention and criticality emerged. The management system represents a formalized system capable of documenting processes, procedures and responsibilities for the achievement of quality policies and targets. TService system is structured as follows:

CERTIFICATION	YEAR OF ISSUE	SUBJECT	DESCRIPTION
	2017	System of management for Health and safety on the workplace	International standard specifying the requirements for a health and safety management system and provides guidance on its use, to enable organizations to provide safe and healthy jobs by preventing workplace injuries and health problems, as well as proactively improving SSL.
	2017	Certification for environmental	The standard specifies the requirements of a management system that a company can use to develop its environmental performance. The goal of this certification is the management of the company's environmental responsibilities in a systematic way that contributes to the environmental pillar of sustainability. Organizational benefits on the company and improvement of the company's environmental performance.
	2017	Certification for systems for quality management	It pursues the satisfaction of its customers concerning products and services provided, as well as the continuous improvement of the company performance, allowing the certified company to ensure its customers the maintenance and improvement of quality over time. <ul style="list-style-type: none"> - obtaining a competitive advantage over other players; satisfy specific requests from customers who require the supplier to be certified, just to be sure that the supplier respects certain levels of quality.

CERTIFICATION	YEAR OF ISSUE	SUBJECT	DESCRIPTION
	2020	Road safety management systems certification	All road users will benefit. A social goal for safer roads. Fewer accidents mean reducing costs for citizens and organizations. <ul style="list-style-type: none"> - Reduction of sick leave; - Reduction of the risks of legal summons for negligence; - Reduction of insurance claims; - Improvement of credentials for social responsibility; - Consumer confidence;

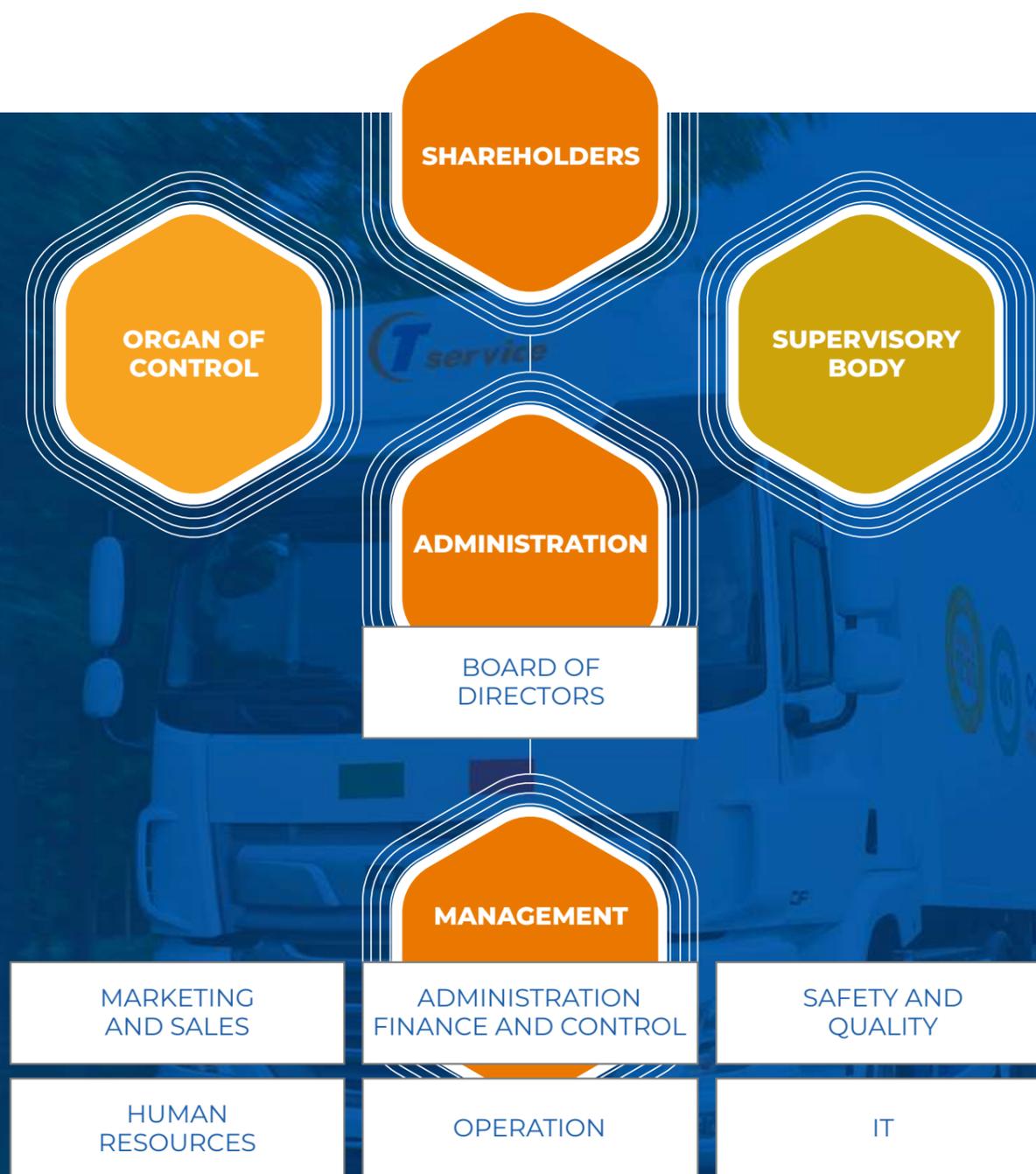
	2019	Management system to prevent corruption	This is the international standard for corruption management systems. It provides a framework for companies operating anywhere in the world to assess their internal corruption prevention processes and manage their continuous improvement. Prevents corruption phenomena.
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	2021	TAPA requirements on transport safety (TSR LV.1) specify minimum acceptable standards for security throughout the supply chain, using transport by trucks and associated operations, including methods to be used to maintain those standards.	Raising their rate for the management of high-value or high-risk products; Reducing losses; Increasing satisfaction and trust of customers and stakeholders.
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	2017	Certifies some aspects of corporate management relating to corporate social responsibility with specific reference: <ul style="list-style-type: none"> - Respect for human rights - Respect for labour law - Protection against child exploitation - Guarantees of safety and health in the workplace 	Increase in credibility, transparency and corporate image on the reference market, a reputational benefit; <ul style="list-style-type: none"> - Greater trust in customers, improvement of the relationship with institutions and social organizations; a control of ethics and social adequateness in the supply chain; - An improvement in company environment; - An improvement in internal and external communication, through reports made publicly available.
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ORGANIZATIONAL CHART

The Board for Communication, Broadcasting and Postal Services of the Economic Development Ministry issued the authorization for postal services to Tservice in 2018. The Company's organization chart as on 31st December 2021 is shown below. The organizational structure allows you to operate directly with the administrative body. The control and inspection bodies represent the main control unit for the protection of the Shareholders and all the stakeholders.



The share capital amount is of 1,5 mln euros and is entirely held by Giuseppe Terracciano, sole director of the company. With the Minutes of Meeting the board of statutory auditors has been appointed and will rest in force until the approval of the financial statement in December 2022.

Pasquale Raimo

President of the board of statutory auditors

Saverio Granato

Auditor

Pasquale Raimo

Auditor

Sebastiano Coppola

Alternate auditor

Antonio Sasso

Alternate auditor

The organization and control model pursuant to Legislative Decree 231/01 is constantly supervised by the verification activities carried out by the supervisory body appointed in date 01/05/2021 and is composed as follows until the expiry of the assignment scheduled for 01/05/2023:

att. Sonia Orvieto

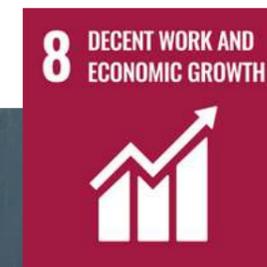
Monocratic supervisory body

BUSINESS MODEL

The review of TService's business model launched the previous year accelerated the transition towards a strategy based on a sustainable value chain mainly from an environmental point of view. This strategy can only be pursued by through a massive investment campaign aimed at dismantling the most polluting vehicles and leaving room for vehicles powered by alternative energy sources. The need to make planned investments compatible with the deadlines defined by the European Union have led to a review of the company's strategy also from ESG point of view, making necessary to review the growth targets, declining them into sustainable development goals. In line with what has been stated, TService is firmly convinced that it can provide its positive contribution on the goals highlighted below:

The action program for people, the planet and prosperity including the 17 Sustainable Development Goals (SDGs) was signed in 2015 by UN member countries. This document, which has been called the 2030 Agenda for Sustainable Development, contains the goals that the member countries are committed to achieve by 2030. These targets represent a necessary and urgent joint action to promote prosperity and protect the planet. With the awareness of the paradigm shift, TService intends to promote the pursuit of its targets by:

- Understanding the selected goals by constantly evaluating the points of tight convergence in terms of business;
- The choice of priorities, that is to say the internal implementation of an assessment activity of positive and negative externalities that led TService to assign the right priorities to pursue in strategic terms;
- The definition of targets, that is to say the alignment between priorities and SDGs in order to be able to perceive the contribution offered by TService to sustainable development;
- Sharing of the SDGs objectives, not only internally, with the governance members and the different organizational units, but also externally, along the supply chain and within the sector in which the company operates, interacting with an extended social community;
- Reporting and communication, using a system of KPIs, capable of informing the stakeholder on the results and performances achieved and to be achieved with concerning the 8 goals selected and shown in the table.



Decent work and Economic growth

- Increase in the number of collaborators

2021



number of human resources compared to 2020



Businesses, innovation and infrastructures

- Digitalization process
- Investments 4.0

2021



training hours 4.0



Fight against climate change

- Renewal of the fleet
- Choice of intermodal transport vs long routes.

2021



Latest generation trucks and vans



scoobic



full electric vans

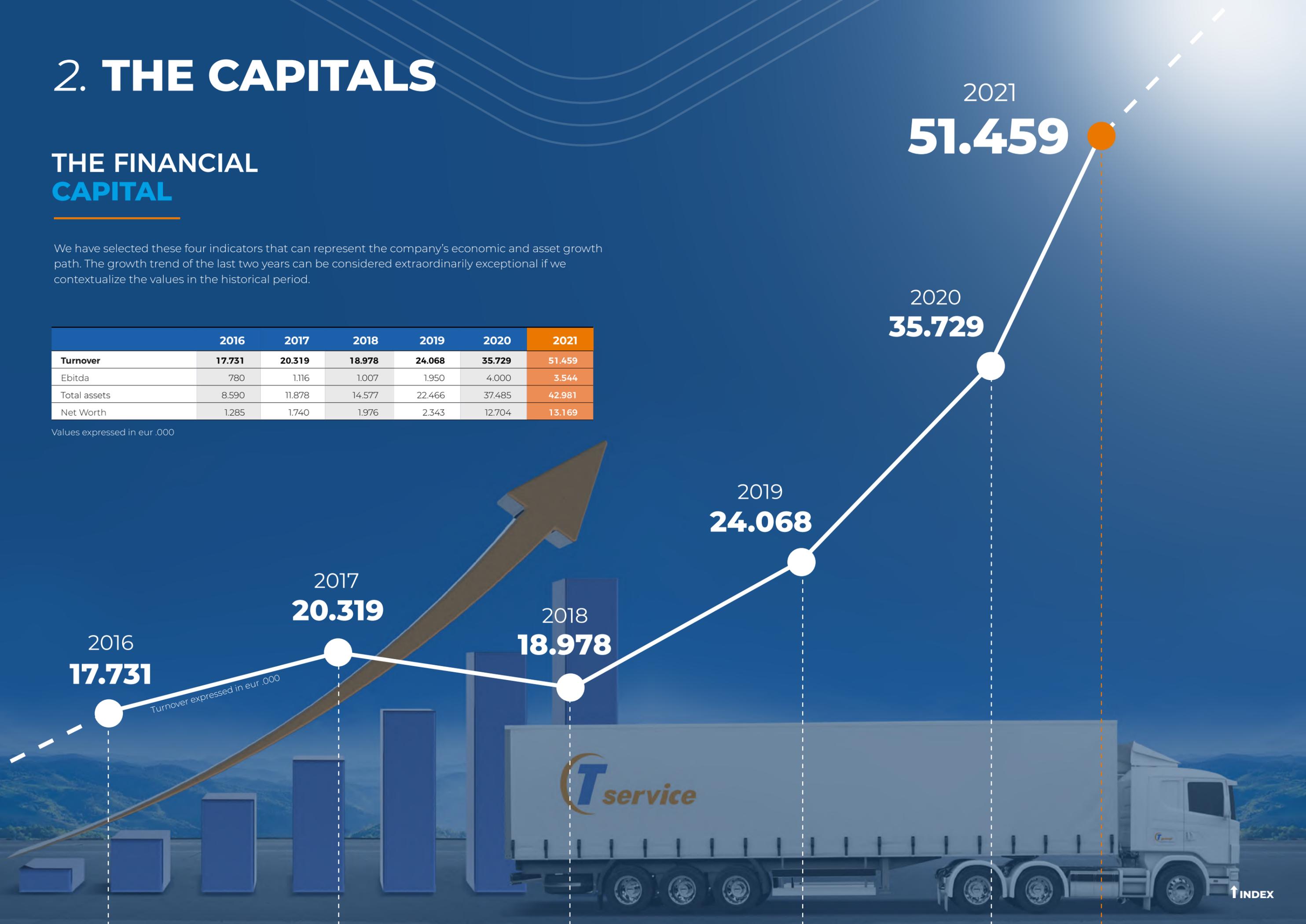
2. THE CAPITALS

THE FINANCIAL CAPITAL

We have selected these four indicators that can represent the company's economic and asset growth path. The growth trend of the last two years can be considered extraordinarily exceptional if we contextualize the values in the historical period.

	2016	2017	2018	2019	2020	2021
Turnover	17.731	20.319	18.978	24.068	35.729	51.459
Ebitda	780	1.116	1.007	1.950	4.000	3.544
Total assets	8.590	11.878	14.577	22.466	37.485	42.981
Net Worth	1.285	1.740	1.976	2.343	12.704	13.169

Values expressed in eur .000



An even more effective measure of Service's growth is represented by CAGR: it returns the annual growth rate of a determined quantity in a defined time frame. On 31st December 2021 the rate was: 23.75%

Index	2021	2020	DELTA
REVENUES FROM GOODS TRANSPORT	49,6	34,8	14,8
REVENUES FROM RENTALS	1,4	0,8	0,6
REVENUES FROM LOGISTICS	0,1	0,2	(0,1)
DIFFERENT SERVICES	0,4	-	0,4
Total	51,5	35,8	15,7

Values expressed in € Mln

The composition of 2021 revenues are 96% generated by the core activities of the company. Although, Tservice has started a diversification of the services which granted the increase of collateral services required by clients and arranged promptly.

Geographic Area	2021	2020	DELTA	DELTA %
Italy	30.698	19.340	11.358	58,7
Europe	19.177	16.193	2.984	18,4
Extra Ue	1.583	195	1.388	7,1
Total	51.459	35.728	15.731	44,1

Values expressed in €.000



The analysis of revenue generation by geographical area also shows a diversification of markets which, despite the growth in volumes on the Italian market, shows a net increase in the European and non-European markets. Absolutely favorable dynamics with respect to country risk mitigation.

Description	2021	2020	DELTA	DELTA %
Net sales revenues	51.458	35.729	15.731	44,1
Operating grants	1.297	1.290	7	0,5
Production value	52.756	37.019	15.737	42,5
Net purchases	9.690	6.620	3.070	46,4
Change in inventories of raw materials, ancillaries and goods	(41)	(8)	(33)	
Costs for services and use of third-party assets	20.237	10.322	9.915	96,1
Operational Added Value	23.240	20.084	3.156	15,7
Cost of labor	19.696	16.084	3.612	22,4
Gross Operating Margin (M.O.L. - EBITDA)	3.544	4.000	(456)	(11,4)
Depreciation of tangible fixed assets	400	434	(34)	(7,8)
Writedowns of working capital	-	100	(100)	
Net Operating Margin (M.O.N.)	3.144	3.467	(323)	(9,3)
Result before financial management	1.141	1.893	(752)	(39,7)
Result before taxes	718	1.495	(777)	(51,9)
Tax management	253	(137)	390	
Net result for the year	465	1.631	(1.166)	(71,4)

The reclassification of the value-added income statement allows to read the company dynamics leading to the composition of the average marginality. It is evident indeed the effect generated by the increase of the costs of complementary service in transportation impacting negatively on the company margin. We can see below the distribution of the generated value for each type of stakeholder:

REMUNERATION OF THE COMPANY

2020 771 ↑ 2021 1.094

REMUNERATION OF THE STAFF

2020 16.083 ↑ 2021 19.696

REMUNERATION OF THE CREDIT CAPITAL

2020 400 ↑ 2021 424

REMUNERATION OF P.A.

2020 137 ↑ 2021 253

REMUNERATION OF RISK CAPITAL

2020 1.631 ↓ 2021 464

The almost total remuneration appears to be in favour of third parties, withholding approximately 5% of the generated value for the company. 100% of the risk capital remuneration remains at the service of the growth and capitalization of the company.

Index	2021	2020	VARIATION
ROE - Return On Equity	3,53	12,84	(9,31)
ROI - Return on Investment	2,85	7,09	(4,24)
ROS - Return on sales	2,22	5,30	(3,08)
ROA - Return On Assets	2,66	5,05	(2,39)
Incidence rate of out-of-current management - Tigex	40,66	86,12	(45,46)
Degree of financial leverage	3,26	2,95	0,31
Rotation rate of invested capital (Operating turnover)	1,20	0,95	0,25

The proposed set of indicators allows to appreciate the level of the entire performance on the economic, financial and patrimonial point of view.

The ROE determination highlights the degree of return on the Company's own capital as a result of the business activity. ROI allows you to focus on the level of overall profitability of investments typically related to operating activities. As far as it concerns ROS, through its quantification it is possible to analyse the quality of sales on the economic convenience point of view and, therefore, in close connection with the pricing policy implemented by the company.

Index	2021	2020	VARIATION
Degree of capitalization	93,16	110,69	(17,53)
Incidence rate of short-term financial debt	24,10	7,55	16,55
Coverage rate of technical fixed assets	385,23	471,88	(86,65)
Coverage rate of fixed assets	187,50	184,21	3,29
Financial debt intensity rate	27,47	32,12	(4,65)
Coverage rate of financial charges	11,98	10,00	1,98

The financial structure indices measure the company's ability to meet the commitments undertaken with its own capital. In particular, the degree of capitalization represents the coverage rate of the liabilities contracted: the positive delta compared to the previous year indicates the increasing capitalization of TService.

Index	2021	2020	VARIATION
Net financial working capital (CCNf)	12.456	11.834	623
Trade net working capital (CCNc)	15.818	12.243	3.575
Cash balance	24.607	22.246	2.361
Treasury margin (MT)	11.726	11.514	212
Structure margin (MS)	(1.067)	(1.349)	281
Tangible equity	3.535	2.408	1.127

The capital margins measure the solvency and liquidity conditions of the company. Therefore, they represent TService's ability to meet short-term debt maturities with its liquid assets.



HUMAN CAPITAL

The doctrine defines human capital as the universe of skills, competences, knowledge, professional and relational skills possessed, acquired mainly through on-the-job training and workplace experience. Although they cannot be measured univocally, the components of human and relational capital nevertheless determine the quality of the service provided by the company that owns this wealth, helping to increase its productivity and qualify it, influencing its results. This is TService's main asset: rigorous selection of the best resources and continuous training. The movement of human capital during the year 2021 is shown below:



The average age of TService collaborators for 2020 is below forty years: the figure is significantly lower than the average.

AGE RANGES

	2021	2020
61 +	12	12
51 to 60		60
41 to 50	107	90
31 to 40	132	83
Up to 30	168	106
Total	490	351

SENIORITY RANGES

	2021	2020
30+	1	1
10 to 29	8	8
5 to 9	45	43
2 to 4	150	60
1 year	186	118
Less than 1 year	100	121
Total	490	351

TYPE OF CONTRACT

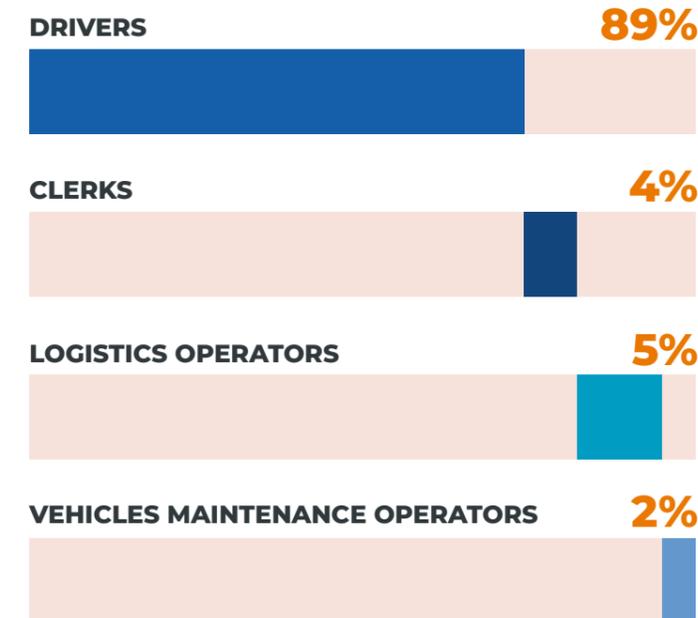
	2021	%
Fixed Term	141	28,7%
Permanent	349	71,3%

EDUCATION

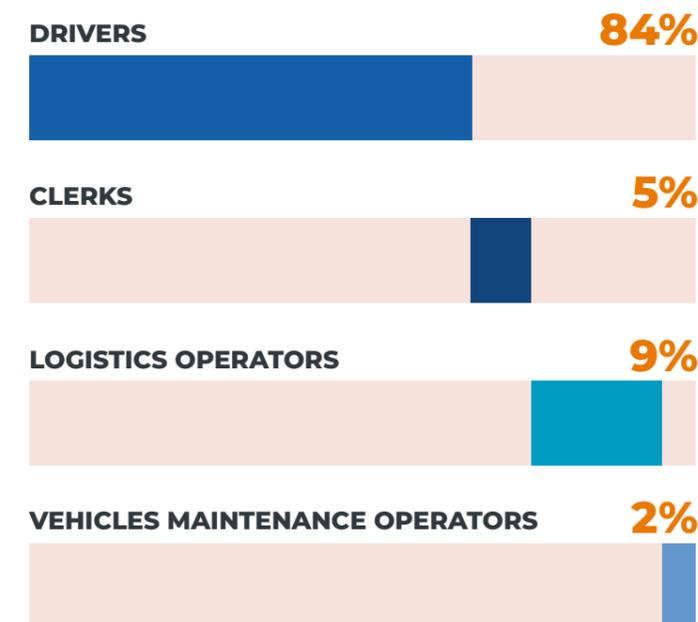
	2021
Laurea(College Graduation)	3%
Diploma (High school grd)	63%
Others	34%

We consider useful to report below the human capital of TService divided into operational areas. These data are enriched by the comparison with the previous year where we can notice a reinforcement of the staff directly involved in the vehicle management activity.

2021



2020

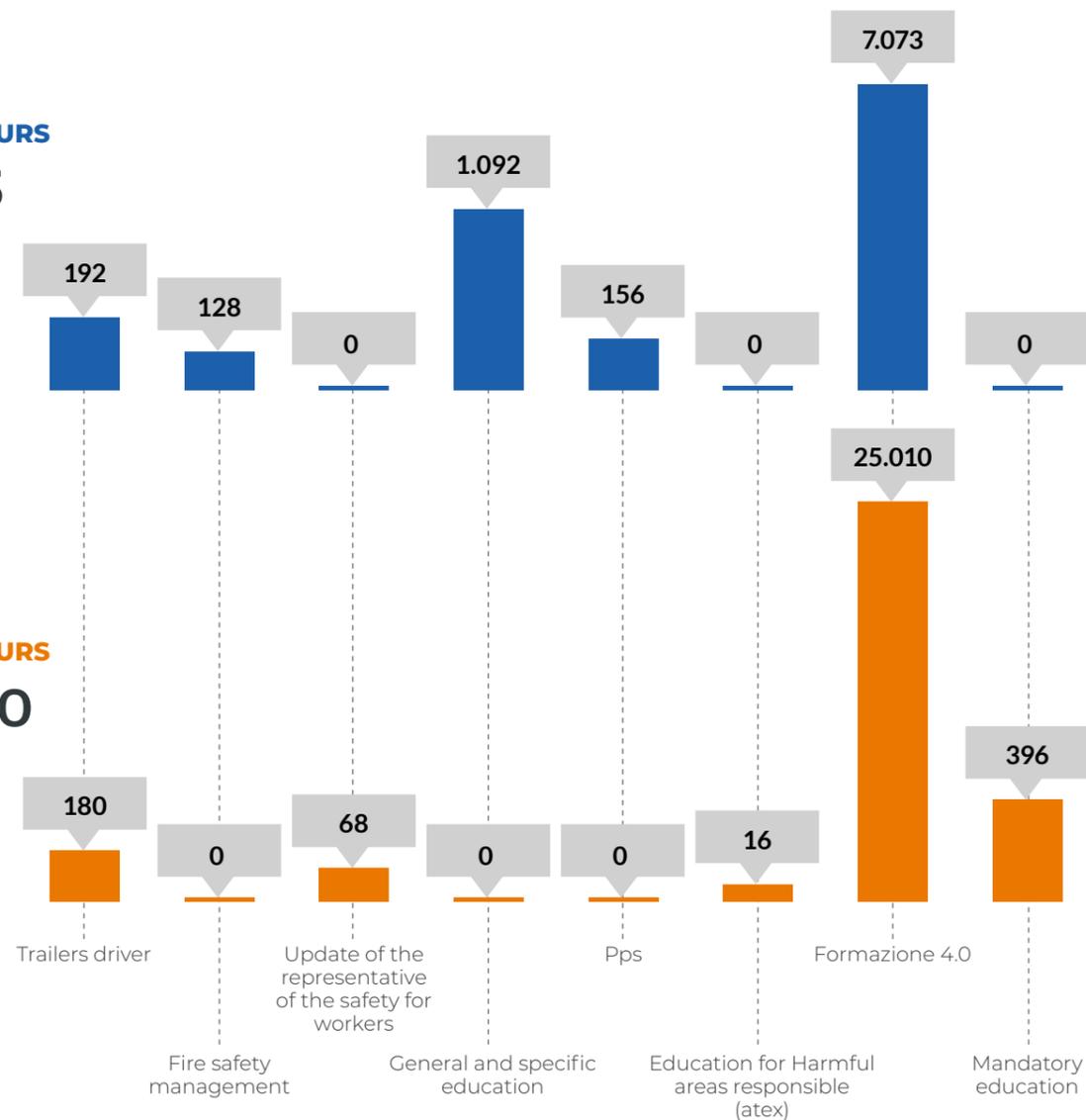


EDUCATION

The ability of a company to cope with constant changes and the ever-increasing needs of customers goes through a process of constant and continuous updating of human capital. Each company that intends to compete with the challenges of its reference product sector will necessarily have to invest in training. The positive wind accelerating these virtuous actions has brought a fiscal incentive policy able to best combine the thirst for knowledge of the human capital of Italian companies with the urgent need to review and digitalize many of the processes of the business. TService has been able to effectively seize this opportunity by intervening already in 2020 with a massive training and unrepeatably campaign because it consisted of 25 thousand hours of training. 2021 following the previous year continues to aim at increasing knowledge on technological innovation with specific reference to the digitalization of processes, will allow, starting from the current year, to measure the positive effects both on the profitability of the company and on a better life-work balance for the human resources.

2021
TOTAL HOURS
8.605

2020
TOTAL HOURS
25.670



HEALTH AND SAFETY IN THE WORKPLACE

TService has voluntarily adopted a road safety management system (ISO 39001: 2012). This standard makes possible to further reduce the cases of death and serious injuries following road accidents. The goal of the standard under analysis is in line with the corporate policies of Tservice:

- Improve RTS performance (road traffic safety)
- Establish, implement, maintain and improve an adequate management system
- Ensure compliance policies with respect to RTS regulations
- Demonstrate Tservice compliance with international regulations.

Below is the number relating to accidents, occupational diseases detected during the year:



The first real sustainability indicator for a transport and logistics company is the accident rate. A company that moves over 400 vehicles for a total distance of well over 30 million km is clearly a company overexposed to the risk of road accidents. Roads accidents that bring with them not only the injury of the direct employee of Tservice but very often also the injury of third parties involved, the usury of infrastructures, chaos and road congestion. The social cost that each claim can generate is directly proportional to the size it assumes. The number of claims recorded in 2021 equal to zero therefore takes on a broad socio-economic value if it is analysed at 360 degrees.

ENVIRONMENTAL CAPITAL



The European Union has for several years been focused on implementing actions aimed at reducing carbon dioxide emissions into the atmosphere. The White Paper Climate-Energy 2030 adopted by the European Commission in 2011 represented a worrying and dangerous step back on the commitments undertaken so far by Europe to contain global warming below 2 ° C.

The proposed EU 2030 targets - 40% reduction of CO2 emissions and the non-binding increase for Member States to 27% for renewable energy, unfortunately did not allow Europe to implement a strong and coherent climate action capable of reversing the route. Transport is fundamental to our economy and our society. Mobility plays a vital role for the internal market and the quality of life of citizens who enjoy the freedom to travel. Transport is functional to economic growth and employment and must be sustainable in view of the new challenges we are experiencing. Given the global dimension of transport, the interventions, to be effective, require intense international cooperation.

The prospects for a competitive and sustainable transport system proposed with the 2011 White Paper of the European Union, estimated a growth in mobility with a goal of reducing emissions by 60%. The same document set out the ten goals for a competitive and resource-efficient transport system:

To develop and use innovative and sustainable fuels and propulsion systems:

- 1** Halve by 2030 the use of cars “fuelled with traditional fuels” in urban transport and eliminate it completely by 2050; achieve a zero urban logistics system in the main cities CO2 emissions by 2030.
- 2** In the aviation sector, use 40% of low-carbon fuels by 2050; again by 2050 reduce in the European Union by 40% (and if practicable by 50%) the CO2 emissions caused by fuel oils used in maritime transport.

Optimize the effectiveness of multimodal logistics chains, by increasing the use of more energy-efficient modes of transport:

- 3** On distances of over 300 km, 30% of road freight transport is expected to be shifted to other modes, such as rail or waterways, by 2030. In 2050 this percentage should increase to 50% thanks to efficient and ecological freight corridors. To achieve this target adequate infrastructures will have to be elaborated.
- 4** Complete the European high-speed rail network by 2050. Triple the existing high-speed rail network by 2030 and maintain a dense rail network in all the Member States. By 2050, most of the medium-distance passenger transport is expected by rail.
- 5** A multimodal TEN-T “essential network” should be fully operational throughout the European Union by 2030 and a quality and high capacity network by 2050 with a wide range of related information services.
- 6** By 2050, connect all the main airports in the network to the rail network, preferably the high-speed one; ensure that all major seaports are sufficiently connected to the rail freight system and, where possible, to inland waterways.

Improve the efficiency of transport and use of infrastructure through information systems and market incentives:

7 Operationalize in Europe the modernized infrastructure for air traffic by 2020 (SESAR12) and finish the common air space.

8 Define within 2020 a framework for a European information, handling and payment system for multimodal transport sector.

9 By 2050 approaching the target “zero casualties” on road transport. According to this target the number of victims should be halved within 2020 and EU should be the world leader concerning transport safety.

10 Apply fully the principles of “user pays” and “polluter pays” so that the private sector engages in the cancellation of distortions – including harmful subsidies – generating income and grant the loans for future investments in transport sector.

Approaching the goal of “zero casualties” in road transport by 2050. In line with this goal, the number of victims should be halved by 2020 and the European Union should establish itself as a world leader in safety in all modes of transport.

Move towards full application of the ‘user pays’ and ‘polluter pays’ principles, ensuring that the private sector is committed to eliminating distortions - including harmful subsidies - generate revenue and secure funding for future investments in the sector of transport.

On these issues, the advent of the pandemic has unquestionably altered the action plan of the European Union. The last twenty-four months have questioned all the priorities, the targets in quantitative terms. And here, almost ten years after the publication of the White Paper, the “Fit for 55” package took shape and concreteness a few weeks ago. It contains 13 legislative proposals on energy and climate, with the final aim of creating the best conditions for the European Union to achieve the goal of reducing greenhouse gas emissions by 55% by 2030 as required by the Climate Law. From the stop to petrol and diesel cars in 2035 to 3% of public buildings to be renovated every year, from the ETS for the transport and heating of buildings up to 3 billion new trees. The ambitious, and already contested, European package that should accompany Europe towards climate neutrality.

In this scenario, TService has a strong desire to contribute positively to the achievement of these objectives. In the belief that the scenario outlined by the European Union represents the perimeter within which the game of logistics and transport is played, Tservice is equally certain that the transport of goods by train cannot definitively replace the traditional means of road transport for the following evidence:

- **Objective lack of infrastructure: the railway network would not be able to absorb the entire freight traffic in Italy and Europe**
- **On medium distances, intermodal transport is not very convenient**
- **With specific reference to parcel shipments, intermodal transport necessarily requires the use of the road vehicle for the management of the last mile.**

Service's business is characterized by the need for a governance oriented towards environmental protection, starting from mandatory regulatory compliance up to the adoption of voluntary management tools useful for responding to the needs of this socio-environmental context.

The awareness on which this environmental governance bases its actions, starts from the assumption that the negative externalities produced by the transport of goods must necessarily be minimized and / or compensated by virtuous actions capable of receding to the environment and local communities where the company operates. In absolute transparency TService has started this reporting process, taking care to question the data that have the greatest impact on the environment. In Italy and Europe, the Company has already started to switch from road transport to intermodal transport. This allows to reduce CO2 emissions by approximately 70% by choosing to entrust the longest section of transport to the train, leaving only the first and last mile for road transportation. 2020, the pandemic year, left little room for transport optimization. Since the sector under analysis is considered indispensable, we had to put the care and attention of the service before the economic opportunity and management efficiency.

For TService sustainability is synonymous with environmental protection. In line with the average and long-term strategic objectives, the company has launched:

- A dismantling campaign for the most polluting vehicles
- The strengthening of electrically powered vehicles.

For the purposes of this report, it is useful to highlight some macro dynamics that marked 2021. As better described in the appropriate section of this report, TService noted an increase in turnover of 44% generated by a lower overall mileage.

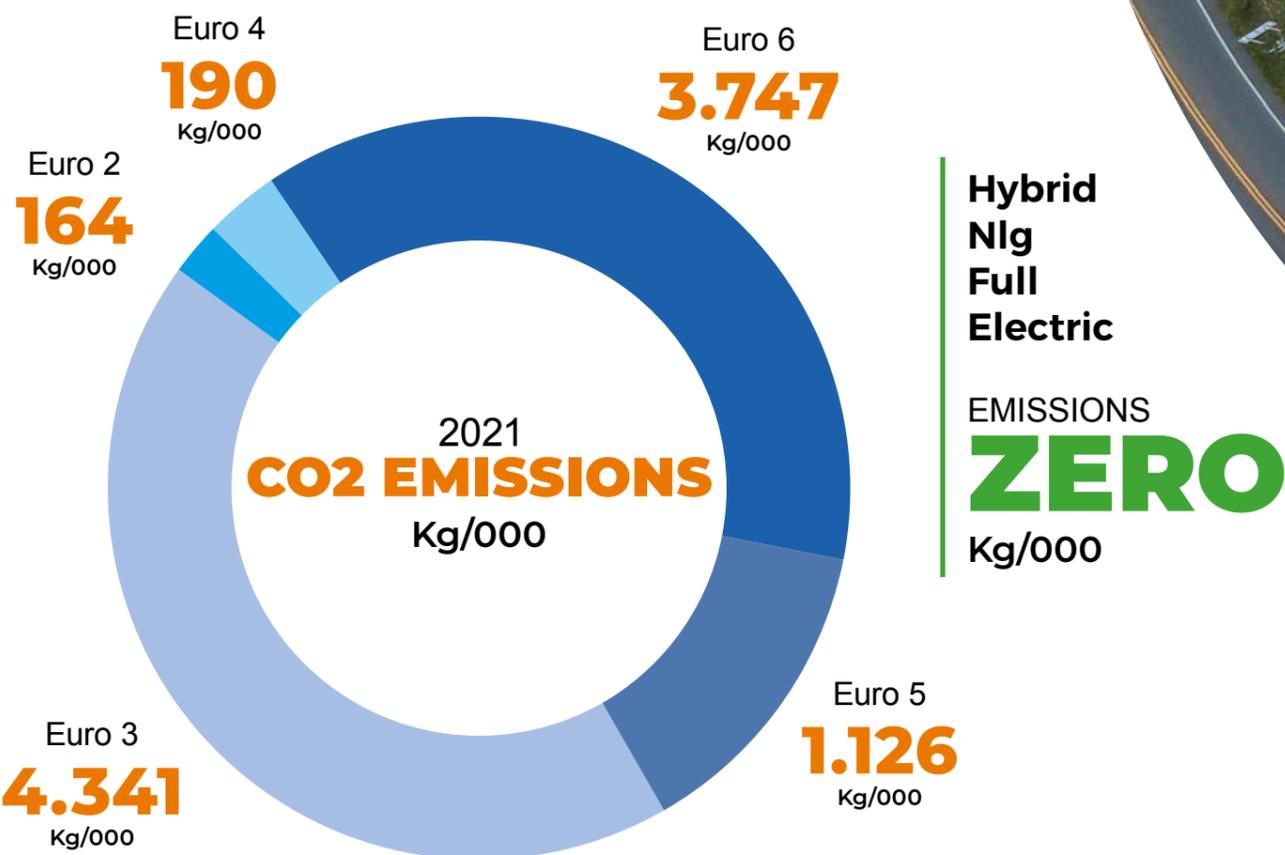
This effect evidently derives from a policy of optimization of services careful to minimize the empty journeys of the vehicles which has positively impacted on negative externalities

generated by the company. In continuity with the 2020 report, the mileage of the vehicles supplied by Tservice for the year 2021 are shown below.

Km	2021	2020	%
Euro 2	25.587	-	-
Euro 3	970.406	400.000	0,89%
Euro 4	31.238	-	-
Euro 5	1.109.139	2.838.000	6,33%
Euro 6	30.540.969	40.959.860	91,41%
Hybrid	282.306	230.040	0,51%
Nlg	86.153	206.000	0,46%
Full electric	42.000	174.720	0,39%
Electric	54.470	-	-
Total	33.142.268	44.808.620	100%

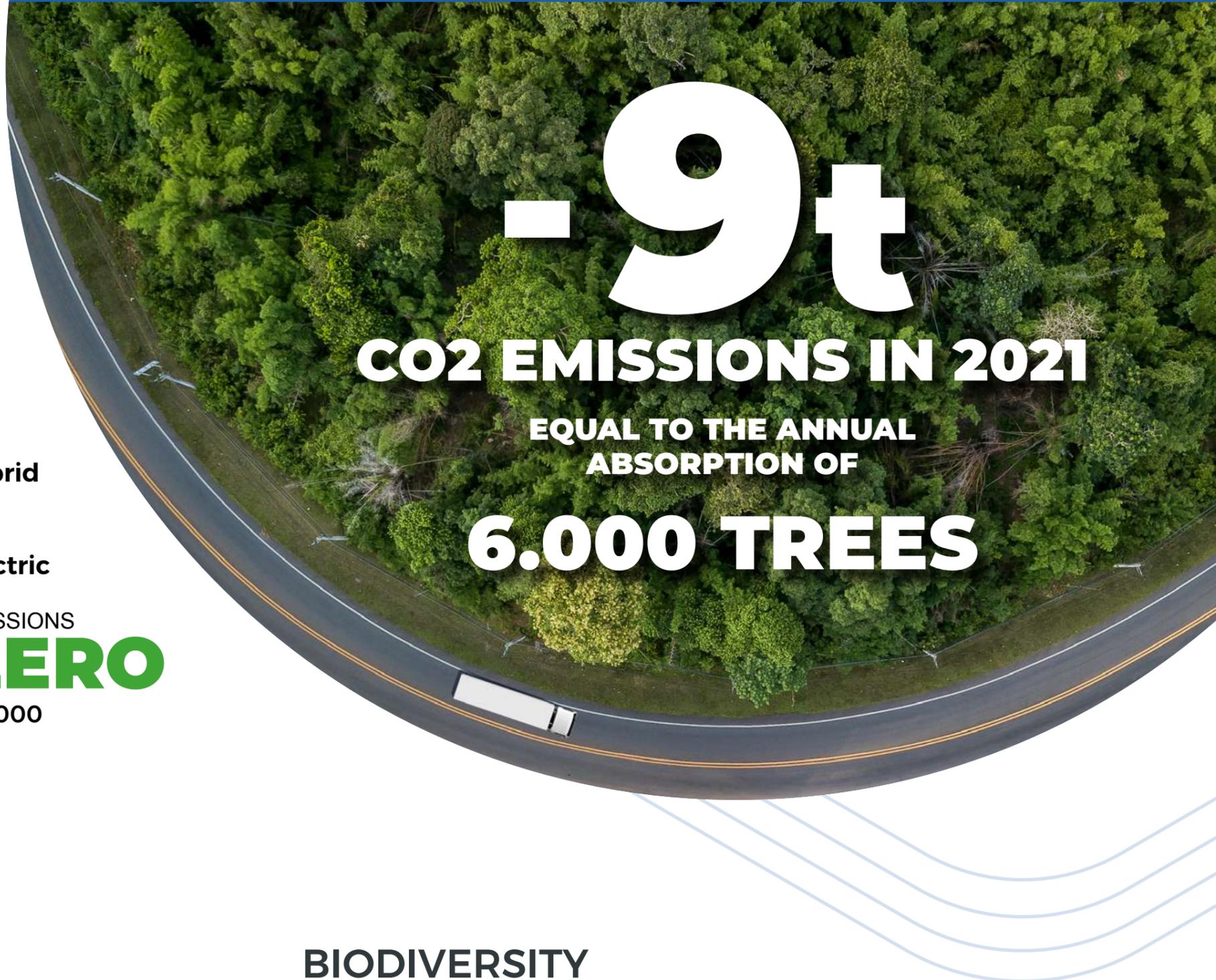
However, we detect and report in absolute transparency the use of vehicles with the greatest negative environmental impact Euro 2.3 and 4. Even in the awareness of a limited mileage equal to about 3% of the overall journey in 2021, this figure represents the obvious point of improvement for the year 2022. The use of these means was necessary in relation to the exceptional nature of some transports characterized by necessity and urgency.

Despite this, the positive contribution in terms of lack of CO2 emissions compared to the previous year is equal to approximately 9 tons not released into the atmosphere. This is the equivalent of the annual CO2 absorption of about 6,000 trees.



The company has considered appropriate to introduce, starting from 2021 financial year, the reporting of NOX emissions. These are polluting emissions attributable to nitrogen oxides generated during the internal combustion of engines. Since the conditions are not yet able to ensure the same transport performance that makes long-distance transport possible with full electric vehicles, TService has invested in the latest generation vehicles (€ 6 g) by purchasing 10 tractors and 56 vans. These vehicles, meeting the technical requirements of transport required by customers, are all equipped with catalysts or traps for the reduction of NOX.

In continuity with previous years, TService continued to favour rail transport on long distances, relegating road transport to the so-called first and last mile, capable of connecting the port of arrival and destination respectively with the departure and arrival terminals. This option made possible to remove many vehicles from road traffic and contributed to avoid the emission of several thousand kg of CO2 into the atmosphere.



-9t
CO2 EMISSIONS IN 2021
 EQUAL TO THE ANNUAL
 ABSORPTION OF
6.000 TREES

BIODIVERSITY PROTECTION

There are no significant impacts deriving from the activities and / or services provided by TService on biodiversity. There are no branches and headquarters, or operating sites owned, leased, managed in protected areas and areas with a high biodiversity value outside the protected areas. In any case, it should be noted that there is no trace of the species listed in the "Red List" of the IUCN (International Union for the Conservation of Nature) and in the national lists that have their habitat in the areas of operation of the organization.

WASTE DISPOSAL

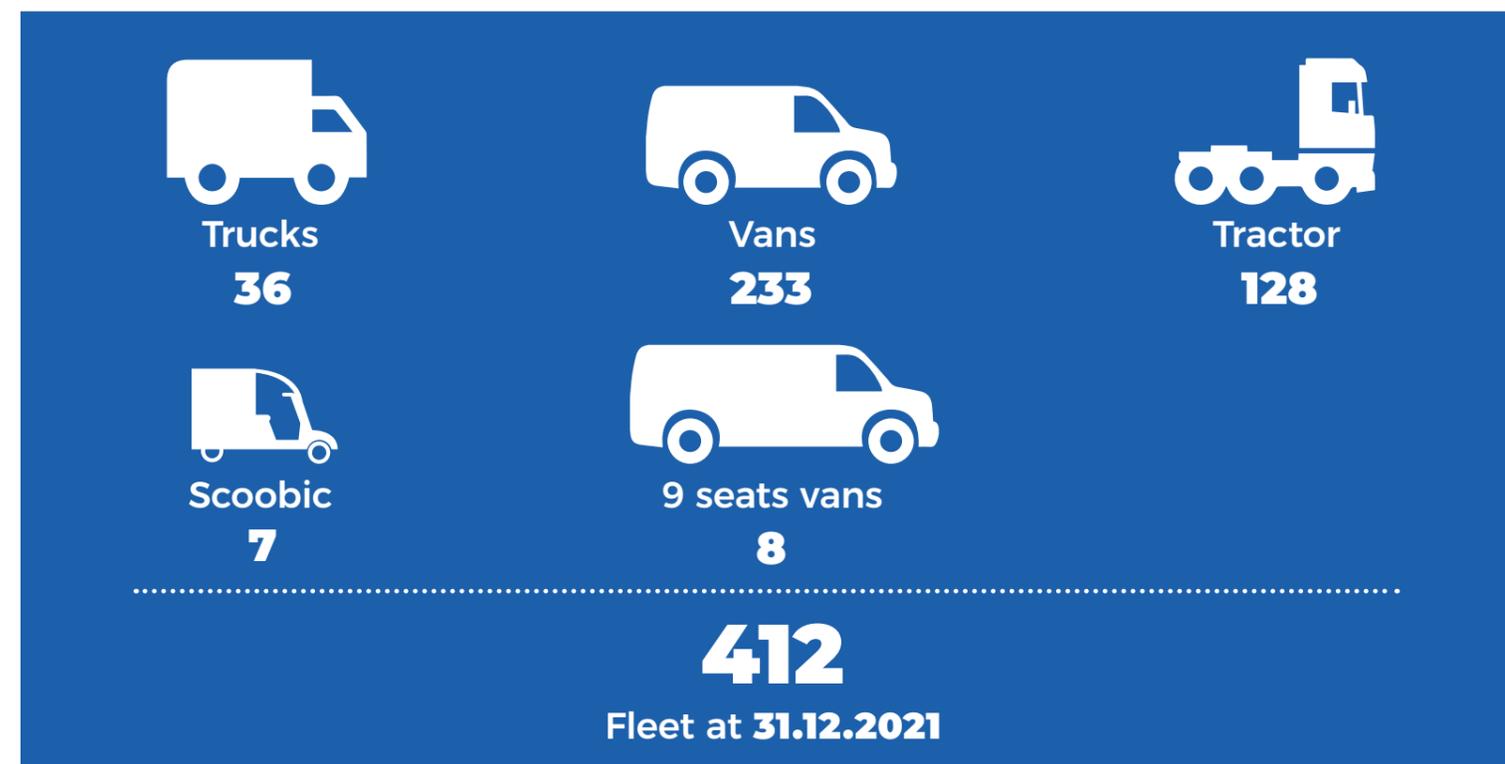
To support such an important fleet of vehicles there is a garage at the operational headquarters of the Nola freight village able to guarantee routine maintenance and prompt intervention in case of need. Therefore, it represents the main source of waste that is taken over and disposed of periodically by a qualified and specialized operator. Below is the summary data for each type of c.e.r. expressed in kg:

COD.CER.	DESCRIPTION	kg
13.02.08	Engine oils	6.500
15.01.03	Wooden packaging	5.020
16.01.19	Plastic	3.280
15.01.06	Mixed material packaging	1.652
16.01.07	Oil filters	1.436
15.02.02	Absorbing and filtering material (oil filters included), clothing and protection suits, contaminated by harmful substances	1.303
15.01.10	Packaging containing harmful substances or contaminated by harmful substances	1.005
16.01.22	Not specified components	640
16.06.01	Lead batteries	600
16.01.12	Brake pads, different from those listed in art. 16 01 11	240
16.01.20	Glass	210
20.03.07	Bulky waste	120
17.04.05	Iron and steel	100
20.01.21	Fluorescent tubes and waste containing mercury	5



PRODUCTION CAPITAL

The logistics and transport sector are by definition “capital intensive” to the extent that the company continues to invest incessantly in favor of expanding the fleet, preferring the latest generation ones with a lower environmental impact. As of December 31, 2021, TService fleet is structured as follows.



Only 100% electrical two- or three-wheeled vehicles can enter areas with strict emissions regulations.

The need to safeguard future generations and the environment are the driving force enhancing the replacement of the most polluting means of transport. All this, compatibly with the technical guarantees that the green vehicle can provide in terms of mileage and safety.

At the reporting date, less than 10% of the vehicles in use by TService were registered before 2018. The remainder refers to vehicles belonging to the Euro 6 class, hybrid, electric or nlg.

Category	Description	%
EURO 6	This standard applies to all cars registered since January 2016. CO emissions are equivalent at 0.5 g / km for diesel and 1 g / km for petrol. The quantities of NOX are fixed at 0.080 g / km for diesel and 0.060 for gasoline, those of particulate matter (PM10) at 0.005 g / km for both.	88%
ELECTRI	It uses as its primary energy source the chemical energy stored in one or more rechargeable batteries and made available by them to the engine in the form of electrical energy.	2%
HYBRID	Vehicles in which two or more forms of energy storage coexist, for the purpose of generating mechanical energy.	2%
NLG	These are heavy vehicles powered by ecological fuel whose sustainability is being investigated.	Less than 1%
ALTRE CATEGORIE	Vehicles registered before 2018.	7%

The distinctive place of companies operating in the logistics and transport sector is undoubtedly represented by the quality of the service in terms of punctuality and efficiency. TService makes hundreds of thousands of shipments every year. At the basis of customer loyalty there is the need to operate with adequate infrastructures able to better coordinate the resources available over time and space.

It is known to everyone which unpredictable variables can hinder the regular and correct execution of the service. TService intended to invest in its organization and technology by thinking of a real state-of-the-art operation centre. It is a control room that has been designed with a dual social and corporate value. It is no coincidence that it was immediately baptized by the Society as the room of "Gli scugnizzi perbene" ("Scugnizzi well educated"). It is an aquarium of about one hundred square meters where twelve stations are placed on a grandstand facing a maxi screen on which the positioning of each TService vehicle on the territory is reproduced in real time. The technology used also makes possible to verify in real time the adequate fuel consumption, the relation to the route travelled and the relative speed limits. This monitoring system also allows to make the anti-robbery measures provided on all vehicles particularly effective and therefore to make the security protocols to be implemented in the event of attempted theft or immediate kidnapping. "Gli scugnizzi perbene" or the group in charge of traffic monitoring is made up of boys and girls under 40 who were offered an alternative path of personal and professional growth.

METHODOLOGICAL NOTE

The sustainability report represents the tool for measuring and communicating the socio-environmental performance of the company as well as the economic and financial one.

TService voluntarily publishes its first sustainability report with the aim of illustrating how the company is committed to creating value in a broad and diversified sense not only in the short but also in the medium and long term for all stakeholders. The "extended" concept of value creation refers to all those results relevant to competitiveness (for example in terms of innovation and development of know-how, skills and sense of belonging of people, customer care, commitments for the protection of environment and biodiversity, reduction of consumption) but which are not sufficiently reflected in the traditional civil reporting tools.

The report was prepared according to the GRI Standards of the Global Reporting Initiative (GRI), with a "Core" coverage level (see GRI Table) and is inspired by the "International <IR> Framework" proposed by the International Integrated Reporting Commission (IIRC), illustrating the financial and sustainability performance, the business model, governance and risk management, compliance, the competitive context, as well as the strategy and capital that represent the evolution of TService during 2020. In addition, for this report TService has consulted the document "Linking the SDGs and the GRI Standards", in the new version of 2021 amended by GRI and supported by the Global Compact and the World Business Council for Sustainable Development, which related GRI Content Index with SDGs.

The proposed disclosure will be published annually and will correspond to the company's administrative year.

The document is presented to the reader as divided into three macro-sections:

- **The first one, introductory and methodological**
- **The second one presents the company at 360 degrees**
- **The third and last, reports the environmental, social and economic performance of the company.**

TService report was also issued in compliance with the provisions of art. 5, paragraph 1, lett. a) of Legislative Decree 254/16. As ruled by par. 1.14 of the International <IR> Framework, the information content established by art. 2428 of the Civil Code has been integrated for the management report with the additional information required by the aforementioned Framework.

The topics illustrated in this report are the result of the assessments carried out by the corporate functions that participate in the sustainability reporting process, based on the evidence found during the various activities of involvement and relationship with the stakeholders within the company perimeter. The information derives mainly from internal documents and information systems and only minimally from external sources.

The interdisciplinary team that collaborated in the preparation of this report is transversal with respect to the organizational structure of TService. The methodological technical support was provided by dr. Ciro Armigero. The graphic layout and editing were handled by TUTTUU ADV Srl.

Comments and opinions on TService's 2021 sustainability report can be sent to the following email address: csr@tservicespa.com

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BOARD OF STATUTORY CONSOLIDATED REPORT

To Tservice S.p.A. Shareholders

PREMISE

The Board of Statutory Auditors, for 2021 financial year, has carried out the functions pursuant art. 2403 c.c. and s.s. c.c. and art. 2409, paragraph c.c.

The present consolidated report contains in section A) the “Report of independent Auditor” pursuant art. 14 of D.Lgs. of 27th of January 2010, n.39” and in section B) the “Report pursuant to art. 2429, comma 2 c.c.

A) Report of independent auditor pursuant to art. 14 of D.Lgs. of 27th of January 2010 n. 39 Report on the audit of the financial statements

Audit opinion

We carried out the audit of the financial statements of TService S.p.A. consisting of the balance sheet at 31st December 2021, the income statement and the cash flow statement for the year ended on that date and from supplementary note.

In our opinion, the financial statements provide a true and correct representation of the equity and financial situation of TService S.p.A. to December 31st 2021, of the economic result and cash flows for the year ended on that date in compliance with the Italian regulations ruling the drafting criteria.

Elements at the basis of the audit statement

We performed the audit in accordance with the International auditing standards (ISA Italy). Our responsibilities under these principles are further described in the paragraph “Responsibility of the auditing firm for the audit of the financial statements” of this report. We are independent from the company in compliance with the relevant rules and principles of ethics and independence applicable by Italian legal system to auditing of the financial statement.

Responsibility of the Director and the Board of Statutory Auditors for the financial statements

The Director is responsible for the preparation of the financial statements which provides a true and correct representation in accordance with Italian law ruling the drafting criteria and, within the terms established

by law, for that part of internal control considered necessary by the same to allow the preparation of financial statements not containing significant errors due to fraud or unintentional behaviour or events. The Director is responsible for evaluating the Company’s ability to continue

to operate as a functioning entity and, in the preparation of the financial statements exercise, for the appropriateness of using the assumption of continuity company, as well as for adequate information on the matter. The Director uses the going concern assumption in the preparation of the financial statements unless they have assessed that there are the conditions for the liquidation of the Company or for a business interruption or they have no realistic alternatives to these options. The Board of Statutory Auditors is responsible for supervising, within the terms established by the law, on the process of preparing the Company’s financial information.

Responsibility of the auditing firm for the audit of the financial statements

Our goals are the acquisition of reasonable security that the financial statement as a whole does not contain significant errors, due to fraud or unintended behaviour or events, and the issuance of an audit report that includes our evaluation. Reasonable security means a high level of security which, however, does not provide the guarantee that an audit carried out in compliance with International Standards on Auditing (ISA Italy) always identifies a significant error. Mistakes can come from fraud or from unintentional behaviour or events and are considered significant if they, individually or as a whole, are expected to be able to influence the economic decisions of users made on the basis of the financial statements. As part of the audit carried out in accordance with the auditing international standards (ISA Italy), we have exercised professional judgment and we have maintained professional scepticism throughout the audit. In addition:

- we have identified and assessed the risks of significant errors in the financial statements, due to fraud or unintentional behaviour or events; we have defined and performed audit procedures in response to these risks; we have acquired enough and appropriate evidence on which to base our judgment. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying an error deriving from misbehaviour or intentional events, since fraud may imply the existence of collusion, falsification, intentional omissions, misleading representations, or forcing internal control;
- we have acquired an understanding of internal control relevant to the audit in

those circumstances and not to express an opinion on the effectiveness of the internal control of the Society;

- we have assessed the appropriateness of the accounting principles used as well as the reasonableness of the accounting estimates made by the Directors, including the related information;

- we have come to a conclusion on the appropriateness of use by the Director of the going concern assumption and, depending on the evidence acquired, on the possible existence of a significant uncertainty regarding events or circumstances that may give rise to significant doubts about the ability of the Company to continue to operate as a functioning entity.

In presence of a significant uncertainty, we are required to draw attention to the report by review of the related financial statement disclosure or, if such disclosure is inadequate, to reflect this circumstance in the formulation of our judgment. Our conclusions are based on the audit evidence obtained up to the date of this report. However, subsequent events or circumstances may cause that the Company ceases to operate as a functioning entity;

- we assessed the presentation, structure and content of the financial statements as a whole, including the disclosure, and whether the financial statements represent the underlying transactions and events in a correct way.

We communicated to the responsible people for governance, identified on an appropriate level as required by ISA, among other aspects, the scope and timing planned for the audit and the significant results that emerged, including any significant deficiencies in internal control identified during the auditing process.

Relationship

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

The Director of TService S.p.A. is responsible for the preparation of the report on the management of TService S.p.A. as of December 31, 2021, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures indicated in the auditing standard (SA Italy) 720B with the purpose to express an opinion on the consistency of the management report with the financial statements of TService S.p.A. at 31 December 2021 and on its compliance to the law, as well as to issue a declaration on any significant errors

In our opinion, the management report is consistent with the financial statements of TService S.p.A. at December 31, 2021 and is drawn up in compliance with the law.

In reference to the declaration in art. 14, comma 2, letter e), of D. Lgs. 39/10, released on the basis of knowledge and acknowledgement of the company and its context acquired during the auditing we do not have any reports.

B) Report on supervisory activities pursuant to art. 2429, comma 2 c.c.

Over the financial year closed on 31st December 2021, our activity has been aligned with the provisions of the law and the rules of the statutory board issued by the National Board of chartered accountants

B1) Supervisory Activity pursuant to art. 2403 and ss.cc.

Over the assignment and within the scope of our powers, we have supervised compliance with the Statute Law and the principles of good administration. We have participated in the shareholders' meetings and met with the sole director and in relation to these meetings we have not found any violations of the law, nor operations that were manifestly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the corporate assets. We have acquired from the sole director, during the meetings held, information on the general management trend and its foreseeable evolution, as well as on the most important operations, due to their size or characteristics, carried out by the company and based on the information acquired, we have not particular observations to report

We have acquired knowledge and supervised, within the scope of our powers and as far as possible, the adequacy of the organizational, administrative and accounting structure and its concrete functioning and with regard to the measures adopted by the sole director to deal with the emergency situation deriving from the Covid 19 pandemic, as well as the repercussions deriving from the war in Ukraine, also through the collection of information from the heads of the functions and in this regard we have no particular observations to report.

We have acquired knowledge and supervised, within the scope of our powers and as far as possible, on the adequacy and functioning of the administrative and accounting system, also with reference to the impacts of the covid 19 emergency on information and telematic systems, as well as on the reliability of the latter in correctly representing management facts, by obtaining information from function managers and the examination of company documents, and in this regard we have no particular observations to report. No complaints have been received from the shareholders pursuant to art. 2408 of the Italian Civil Code

During the year, we did not issue any opinions required by law. During the year, no reports were made to the management body pursuant to and for the purposes of art. 15 D.L. n. 118/2021.

In carrying out the supervisory activity, as described above, no other significant facts emerged such as to require mention in this report.

B2) Comments on the financial statements

To the best of our knowledge, the sole director, in drawing up the financial statements, did not derogate from the law pursuant to art. 2423, paragraph 5, of the Italian Civil Code

The shareholder has expressly waived the terms provided for by art. 2429 of the Italian Civil Code for the filing of this consolidated report, relieving us of any dispute.

Pursuant to art. 2426, n.6, of the Italian Civil Code we have expressed our consent to the registration in the balance sheet of the start-up and expansion costs for € 14842; development costs of € 718 132

Pursuant to art. 2426, n.6 of the Italian Civil Code we have expressed our consent to the registration in the assets of the balance sheet of a goodwill for € 231053

As for the revaluation of the brand carried out in the 2020 financial statements pursuant to and for the purposes of art. 11, paragraph 3, of Law 21 November 2000, n. 342, referred to by art. 110, paragraphs 1-7 of the D.L. 104 August 14, 2020 converted with amendments by Law October 13, 2020 no. 126, it should be noted that the company, following article 1 of the 2022 Budget Law, decided to amortize the amount revalued by the brand in shares equal to one fiftieth.

The results of the statutory audit of the financial statements carried out by us are contained in section A) of this report.

B3) Observations and proposals regarding the approval of the financial statements

Considering the results of the activity carried out, we invite the shareholder to approve the financial statements for the year ended 31 December 2021, as drawn up by the sole director.

The board agrees with the proposal for the allocation of the result for the year made by the sole director in the supplementary note.

San Vitaliano, 21st of April 2022

The board of statutory auditors

Signatures

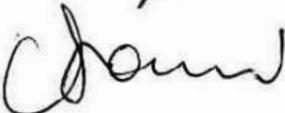
Pasquale Raimo (President)



Saverio Granato (Auditor)



Pasquale Raimo (Auditor)





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