



SPAFID CONNECT

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Testo del comunicato

Vedi allegato.

**THE BOARD OF DIRECTORS APPROVES THE FINANCIAL RESULTS
FOR THE YEAR 2019**

**CORONAVIRUS AND THE GROUP'S ACTIVITIES
LIMITED IMPACTS IN CHINA
CONTAINMENT ACTIONS TAKEN IN THE REST OF THE WORLD
TO DATE, NO SIGNIFICANT IMPACTS ON THE BUSINESS**

**NORTH AMERICA: 2019 RESULTS ABOVE EXPECTATIONS
EXPECTED SAVINGS OF ABOUT €2.5 MILLION IN 2020**

**ASIA AND OCEANIA: INTEGRATION OF THE INVISTA BUSINESS COMPLETED
EXPECTED SAVINGS OF ABOUT €1.0 MILLION IN 2020**

**EMEA – REORGANISATION OF MANUFACTURING ACTIVITIES
EXPECTED SAVINGS OF ABOUT €4.0 MILLION IN 2020**

**ECONYL® REGENERATION PROCESS
INCREASED PRODUCTION CAPACITY IN SLOVENIA
ONGOING IMPROVEMENT IN ACTIVITIES OF CARPET RECOVERY (ACR# USA)
EXPECTED SAVINGS OF ABOUT €2.5 MILLION IN 2020**

MAIN INDICATORS AT DECEMBER 31, 2019:

- **Revenues: €549.0 million (-1.1% compared to €555.2 million in 2018);**
- **EBITDA¹: €69.4 million (-10.9% compared to €77.9 million in 2018);**
- **Adjusted EBIT¹: €31.1 million (-39.3% compared to €41.2 million in 2018);**
- **Net result: €9.0 million (-70.1% compared to €30.1 million in 2018);**
- **Adjusted net result²: €17.2 million (-51.2% compared to €35.2 million in 2018);**
- **Net financial position: €249.6 million (€273.2 million at September 30, 2019). Excluding the effect of IFRS16 and the acquisition of O'Mara Incorporated, Net financial position would have amounted to €189.2 million compared to €207.3 million at September 30, 2019.**

¹ EBITDA and Adjusted EBIT are calculated as per the table in Appendix 1 to this press release.

² Adjusted net result is calculated by eliminating non-recurring components and the related taxes from Net result.

Arco, Friday, March 13, 2020 — The Board of Directors of Aquafil S.p.A. ("Aquafil" or the "Company") [ECNL:IM] approved the Consolidated Financial Statements for 2019.

Giulio Bonazzi, Chairman and Chief Executive Officer, stated:

To date the coronavirus has had essentially no impact on production and a very limited, or in some cases even positive, impact on the demand side.

With regard to production, at the time of the outbreak of the epidemic in China our establishment was operating at reduced capacity (50%) due to the traditional holiday period. This legitimately permitted us to maintain production levels while observing, and even improving on, the very strict safety levels imposed by the authorities. Since 9 February, as restrictions on the movement of individuals have been lifted, a gradual resumption of full production has been possible. At present, we have 99% of our personnel at work and fortunately no one has been affected, confirming that precautions are the right means of containing the virus. We are seeking to draw on this experience to ensure the safety our personnel worldwide, in addition, of course, to the continuity of production, while applying the most effective safety levels everywhere in accordance with local legislation.

Demand for fibre from the automotive industry in China, approximately 10% of Asian revenues, has been very limited if not non-existent for five weeks, and this has allowed us to focus production on other customers in Asia and Oceania, who thus have not encountered any service issues.

Textile yarns in Europe is performing positively, most likely due to the lack of production and shipment from China, although the end market has certainly been affected by the coronavirus.

With regard to the year that has just come to an end, we are highly satisfied with the results achieved on the US market, where growth was outstanding, despite the General Motors strike in the fourth quarter. The increase in US production capacity will allow us to eliminate yarns imports, with a savings of approximately €2.5 million in 2020, while also ensuring full support for planned growth in the next three years.

The new subsidiary Aquafil O'Mara will reach full consolidation of its results in 2020, while also gradually reaping the benefits of the cost savings arising from the integration (labour and raw materials) and the development projects launched in the fourth quarter.

The Asia Oceania market experienced a period of slowdown of the automotive sector in China and the residential sector in Oceania. In the second half of the year we completed integration of production previously acquired from Invista, resulting in considerable qualitative satisfaction amongst customers and savings starting in 2020 of approximately €1 million.

The European carpet fibres market had a difficult year on the demand side but was essentially stable in the second half of the year. Our largest global competitor announced and implemented its partial — but in effect nearly total — withdrawal from the market, allowing us to increase our share, which will become more evident in 2020. The German Aqualeuna facility was permanently closed in September, yielding a significant savings of €4 million in 2020. Textile fibres saw significant projects launched in the luxury market through the use of ECONYL® brand fibres by important fashion houses such as Prada, Burberry, Napapijri and others that will ensure considerable volumes in the coming years.

Revenues on ECONYL® brand products are up by 3.2% on an annual basis and account for 37.5% of synthetic fibre revenues, also including the revenues of the recently acquired Aquafil

O'Mara. We expect a further increase in 2020 and have therefore concluded significant investments in increasing our capacity. These investments yielded one-off costs in 2019 but will allow us to meet expected growth in the next two or three years. In November, we began to implement an extraordinary plan for our ACR# facilities in the United States, which began to yield positive results, such as an end to personnel turnover, and which we expect will gradually yield savings of approximately €2.5 million in 2020.

In the fourth quarter we reinforced our working capital reduction policies, which of course also had consequences at the level of margins. These measures have already resulted in a partial reduction in debt, which is expected to come to a significantly lower level at the end of 2020."

Main economic indicators – Aquafil Group

Revenues

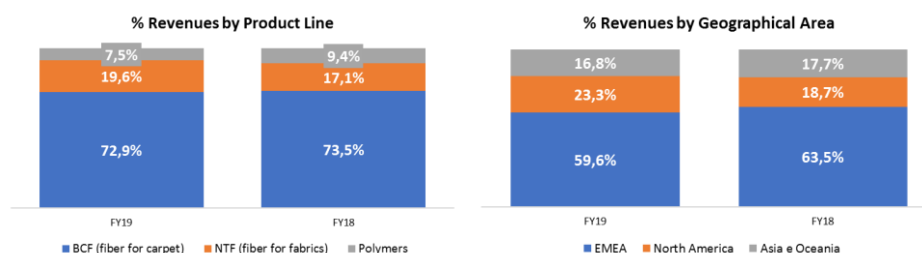
Revenues amounted to €549.0 million at December 31, 2019, of which €129.4 million referring to the fourth quarter alone, marking a decrease of 1.1% (€6.3 million) compared to the previous year but increasing by 4.1% (€5.1 million) over the fourth quarter of 2018.

On a like-for-like consolidation basis, thus excluding the acquisition of the company O'Mara Incorporated occurred on May 31, 2019, the decline in revenues would have been 4.3% (€23.8 million) and 1.5% (€1.9 million), respectively.

Revenues from sales of **ECONYL®** branded products increased by **3.2%** at **December 31, 2019** compared to the previous year, accounting for **37.5%** of total fibre sales.

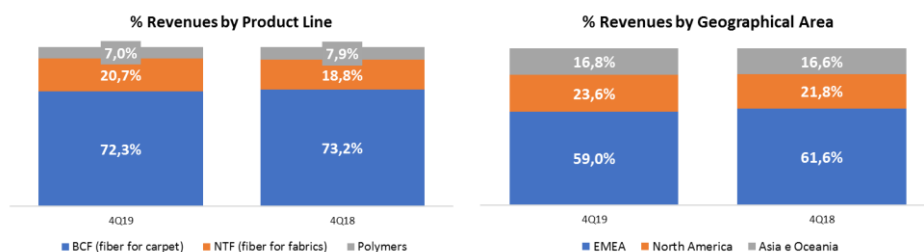
Sales in percentage and absolute terms by Product Line and Geographical Area, together with the changes compared with the same periods of the previous year, are reported below:

a) At December 31, 2019 (€ million)



	BCF (fiber for carpet)				NTF (fiber for fabrics)				Polymers				TOTAL			
	FY19	FY18	Δ	Δ%	FY19	FY18	Δ	Δ%	FY19	FY18	Δ	Δ%	FY19	FY18	Δ	Δ%
EMEA	203,9	216,1	(12,2)	(5,7)%	87,9	92,9	(5,0)	(5,4)%	35,5	43,8	(8,3)	(19,1)%	327,2	352,8	(25,6)	(7,3)%
North America	106,1	95,3	10,8	11,4 %	16,4	0,1	16,3	N.A.	5,4	8,4	(3,0)	(36,0)%	127,9	103,7	24,2	23,3 %
Asia e Oceania	89,8	96,6	(6,8)	(7,1)%	1,9	1,5	0,4	30,0 %	0,5	0,2	0,3	N.A.	92,2	98,3	(6,1)	(6,2)%
RoW	0,2	0,1	0,1	67,0 %	1,5	0,3	1,2	N.A.	0,0	0,0	0,0	N.A.	1,7	0,4	1,3	N.A.
TOTAL	400,0	408,1	(8,1)	(2,0)%	107,7	94,7	13,0	13,7 %	41,3	52,4	(11,1)	(21,2)%	549,0	555,2	(6,3)	(1,1)%

b) In Q4 2019 (€ million):



	BCF (fiber for carpet)				NTF (fiber for fabrics)				Polymers				TOTAL			
	Q419	Q418	Δ	Δ%	Q419	Q418	Δ	Δ%	Q419	Q418	Δ	Δ%	Q419	Q418	Δ	Δ%
EMEA	48,6	44,8	3,8	8,5%	19,6	22,7	(3,1)	(13,8)%	8,3	9,0	(0,8)	(8,4)%	76,4	76,5	(0,1)	(0,1)%
North America	23,6	26,3	(2,7)	(10,4)%	6,4	(0,0)	6,4	N.A.	0,6	0,8	(0,2)	(24,4)%	30,6	27,1	3,5	12,9%
Asia e Oceania	21,3	20,0	1,4	6,9%	0,3	0,7	(0,4)	(61,0)%	0,1	0,0	0,1	N.A.	21,8	20,7	1,1	5,3%
RoW	0,1	0,0	0,1	N.A.	0,6	0,0	0,6	N.A.	0,0	0,0	0,0	N.A.	0,6	0,0	0,6	N.A.
TOTAL	93,6	91,0	2,5	2,8%	26,8	23,4	3,4	14,6%	9,0	9,8	(0,8)	(8,2)%	129,4	124,3	5,1	4,1%

The comparison shows that:

- a) revenues generated in **EMEA** declined by 7.3% (€25.6 million) at December 31, 2019, virtually unchanged compared to the fourth quarter of the previous year, in detail:
- i. the BCF Product Line (fiber for carpets) fell by 5.7% (€12.2 million) at December 31, 2019, despite a 8.5% recovery in Q4 2019 (€3.8 million);
 - ii. the NTF Product Line (fiber for fabrics) dropped by 5.4% (€5.0 million) at December 31, 2019 and by 13.8% (€3.1 million) in Q4 2019 alone, due to the downtrend in the market of reference;
 - iii. the Polymers Product Line decreased by 19.1% (€8.3 million) at December 31, 2019 and by 8.4% (€0.8 million) in Q4 2019 as a result of both the decision, taken in the first half of the year, to allocate the internally manufactured polymers to fibre production instead of selling them on the market, and the lower sales generated due to the final market performance;
- b) revenues generated in **North America** grew by 23.3% (€24.2 million) at December 31, 2019 and by 12.9% (€3.5 million) in Q4 2019. On a like-for-like consolidation basis, thus excluding the acquisition of the company O'Mara Incorporated occurred on May 31, 2019, revenues would have increased by 7.5% (€7.8 million) at December 31, 2019, despite a 10.8% decrease (€2.9 million) in Q4 2019, in detail:
- i. the BCF Product Line (fiber for carpets) rose by 11.4% (€10.8 million) at December 31, 2019 and declined by 10.4% (€2.7 million) in Q4 2019. The YoY change was attributable to the consolidation of the market share achieved in the automotive sector, whereas the QoQ comparison was chiefly impacted by the general strike at General Motors in the period;
 - ii. the Polymers Product Line decreased by 36% (€3.0 million) at December 31, 2019 and by 24.4% (€0.2 million) in Q4 2019 due to the lower sales generated due to the final market performance;

- c) revenues generated in **Asia and Oceania** decreased by 6.2% (€6.1 million) at December 31, 2019 whereas increased by 5.3% (€1.1 million) in Q4 2019, in detail:
- i. the BCF Product Line (fiber for carpets) fell by 4.5% (€4.0 million) at December 31, 2019 and by 2.4% (€0.4 million) in Q4 2019 following the slowdown in the end market already reported and attributable to the world trade slowdown and the tariff war;
 - ii. Compared to the same periods of the previous year, revenues generated by Aquafil Engineering GmbH — a company providing chemical industrial plant engineering — dropped by 31.2% (€2.9 million) at December 31, 2019 but increased by 164% (€1.8 million) in Q4 2019.

EBITDA amounted to €69.4 million at December 31, 2019, of which €14.5 million in Q4 2019, with a decline of 10.9% (€8.5 million) and 14.8% (€2.5 million), respectively, compared to the same periods of the previous year. Excluding the effect of IFRS16 and the acquisition of the company O'Mara Incorporated, EBITDA would have amounted to €60.1 million at December 31, 2019, of which €12.2 million in Q4 2019, down 22.8% (€17.8 million) and 28.4% (€4.8 million), respectively, compared to the same periods of the previous year.

EBITDA for the period was impacted by the effect of lower sales and by the ensuing **higher costs**, which had **markedly characterised the year under review**:

- a) **€6.0 million** referring to the **ECONYL® regeneration process** due both to the innovative, yet complex start of operation at Aquafil's Carpet Recycling plant in Phoenix, dedicated to the recovery of carpets, and to the extraordinary halting of operation of the ECONYL® caprolactam in Slovenia to increase the production capacity. A gradual **reduction of said costs is expected in 2020, with savings totalling about €2.5 million**;
- b) **€5.0 million** arising from the **decrease in EMEA production facilities' saturation** due to the slowdown of demand within the end market and the gradual launch of new production capabilities in the United States. Following the reorganisation of the BCF Product Line (yarn for carpets), EMEA is expected to report **savings for about €4.0 million in 2020**;
- c) **€2.5 million** for **shipping** costs and costs and **import duties** associated with productions temporarily made in Europe to meet the marked demand increase on the North American market. In 2020, following the completion of the process to increase capacity within the United States, the Company expects to report **savings equal to the total amount of costs incurred**.

EBITDA margin was 12.6% at December 31, 2019 and 11.2% in Q4 2019. Excluding the effect of the application of IFRS16 and the acquisition of the company O'Mara Incorporated, EBITDA margin would have been 11.3% at December 31, 2019 and 9.9% in Q4 2019 compared to 14.0% and 13.7%, respectively, for the same periods of the previous year.

Amortisation, depreciation and write-downs amounted to €37.8 million at December 31, 2019, of which €11.8 million in Q4 2019, with an increase of €11.4 million and by €4.4 million, respectively, compared to the same periods of the previous year. These changes are mostly attributable to the start of operation at the facilities where new investments were made, the effects of the application of IFRS16 (€6.5 million) and the consolidation of the company O'Mara Incorporated (€1.3 million).

Adjusted EBIT amounted to €31.1 million at December 31, 2019, of which €2.4 million in Q4 2019, with a decline of 39.3% and 77.7%, respectively, compared to the same periods of the previous year. Excluding the effect of the application of IFRS16 and the acquisition of the company O'Mara Incorporated, adjusted EBIT would have amounted to €29.6 million at December 31, 2019, of which €2.5 million in Q4 2019, down 42.3% and 76.3%, respectively, compared to the same periods of the previous year.

Non-recurring components amounted to €10.5 million at December 31, 2019, of which €1.2 million in Q4 2019, with an increase of €4.1 million and a decline of €1.8 million, respectively, compared to the same periods of the previous year. The increase was primarily attributable to the provision allocated to the income statement for charges related to the reorganisation of the BCF Product Line (yarn for carpets) in EMEA, in addition to other non-recurring charges associated with the Group's expansion and other extraordinary transactions.

EBIT amounted to €17.4 million at December 31, 2019, of which €0.4 million in Q4 2019, with a decline of 57.8% and 93.8%, respectively, compared to the same periods of the previous year.

Net interest expenses amounted to €6.4 million at December 31, 2019, of which €1.3 million in Q4 2019. Excluding the contribution of a €1.1 million non-recurring income and the effect of the IFRS16 application, this item would have increased by €1.0 million compared with the previous year, despite declining by €0.5 million compared to Q4 2018. The annual change was almost entirely attributable to the increase in net financial debt, whereas QoQ change benefited from the mark-to-market (M2M) adjustment of interest rate hedging instruments.

FX gains and losses: FX losses amounted to €0.5 million at December 31, 2019, of which €1.9 million in Q4 2019, with a negative impact on the result of €2.2 million and €3.2 million, respectively, compared to the same periods of the previous year.

Income taxes amounted to €1.5 million at December 31, 2019 and were positive for €2.2 million in Q4 2019, with a positive impact on the result of €5.5 million and €3.0 million, respectively, compared to the same periods of the previous year. The tax rate, calculated as the ratio of income taxes (net of the non-recurring component) to the profit before taxes, was 21.6% at December 31, 2019 compared to 21.0% for the same period of the previous year.

Net profit amounted to €9.0 million at December 31, 2019, whereas Q4 2019 reported a net loss of €0.5 million, with a decline of 70.1% and 109.2%, respectively, compared to the same periods of the previous year. It will be allocated to the reserves.

Adjusted net profit amounted to €17.2 million at December 31, 2019, of which €0.4 million in Q4 2019, with a decline of 51.2% and 92.8%, respectively, compared to the same periods of the previous year. This indicator is calculated by eliminating non-recurring components and the related taxes from Net result.

Main capital and financial indicators - Aquafil Group

Investments for the year, excluding the acquisition of O'Mara Incorporated, amounted to €55.9 million at December 31, 2019, of which €0.9 million for the increase in the year following the adoption of IFRS16.

They are chiefly a consequence of: (a) the measure adopted to increase the production capacity of ECONYL® regenerated caprolactam in Slovenia, in addition to the construction of the two Carpet Recycling plants in Phoenix and Woodland, (b) the expansion of the production capacity of fiber for carpets in the United States and in China, and (c) the projects aimed to improve the production, shipping and industrial efficiency.

Net working capital, excluding the contribution generated by the acquisition of the company O'Mara Incorporated, grew by €5.1 million. The change was mainly attributable to the higher Net working capital allocated to the North American operations, as well as a lower supplier exposure for raw materials purchased, both in terms of value and volume.

Net financial position amounted to **€249.6 million** at December 31, 2019 compared to **€273.2 million at September 30, 2019**. Excluding the effect of the application of IFRS16 and the acquisition of O'Mara Incorporated, **Net financial position** would have amounted to **€189.2 million compared to €207.3 million** at September 30, 2019.

Excluding the IFRS effects and the acquisition of O'Mara Incorporated, the change in Net financial position at December 31, 2019 compared to December 31, 2018 was mainly attributable to the following cash flows (in euro million):

- (a) +55.2 from operation activities;
- (b) -55.9 from investments;
- (c) -5.1 from change in net working capital;
- (d) -12.3 from dividend payment;
- (e) -9.0 from interest and taxes paid.

* * *

The situation regarding Coronavirus and the Group's activity

The spread of Covid-19 (coronavirus) in China during the month of January 2020 and subsequently in Italy and in other countries of the world is creating a great deal of concern for the health consequences of the population involved and of the entire world economy. Its effect on the evolution of the management of the current year is not foreseeable. At present, Aquafil Group has not suffered significant negative effects on the production, logistics and commercial levels in terms of sales volumes and the entry of new orders from its customers, however the current evolution of the phenomenon does not allow today to express assessments on its future evolution.

The Chinese plant of Aquafil Synthetic Fibers and Polymers (Jiaxing) Co. Ltd., located in Jiaxing, Zhejiang province, benefited greatly from the fact that it was not closed during the week of the Chinese New Year, contrary to most Chinese manufacturing companies, having to continue production to support sales outside China; exports which represent the predominant part of the company's revenues. Thanks to this, after returning from the New Year holidays, when the Chinese government decided not to reopen economic, logistical and production activities, as well as limiting the mobility of the population, Aquafil Jiaxing was able to continue its production activity, provided that in the site all the measures necessary to ensure the non-

propagation of the virus were implemented and that there were no cases of contagion among the employees. To date, the company has always continued its production activity without significant slowdowns, with the exception of a reduction regarding products destined for the domestic market; shipments of finished products to customers in Oceania and Far East Asia were also carried out within acceptable times.

In the other companies of the Group we are applying all the preventive measures recommended by the competent authorities and considered the most suitable and effective to protect the health of our workers, while preserving the production, logistics and commercial activities.

* * *

Authorisation to buy back and dispose of treasury shares

The Board of Directors resolved to submit to the General Shareholders' Meeting the proposal for the authorisation to buy back and dispose of the Company's treasury shares, pursuant to applicable regulatory and statutory legislation in force.

The aforementioned authorisation aimed at allowing the Company to buy back and dispose of ordinary shares, in strict compliance with the applicable EU and Italian laws in force, as well as the market best practices recognised, from time to time, by Article 13 of MAR, for the following purposes:

- i) undertaking any investments, directly or through intermediaries, including aimed at containing abnormal movements in stock prices, stabilizing stock trading and prices, supporting the liquidity of Company's stock on the market, so as to foster the regular conduct of trading beyond normal fluctuations related to market performance, without prejudice in any case to compliance with applicable statutory provisions; and
- ii) keeping liquidity for subsequent uses (creation of a so-called securities reserve), including: consideration for extraordinary transactions, including share swaps or disposal of equity investments to be performed through barter, conferment or other deeds of disposal and/or use, with respect to other subjects, including the allocation for the service of bonds convertible into Company shares or bonds with warrants.

The authorisation of the General Shareholders' Meeting will be required for a period of eighteen months as of the date of the approval of the proposal by the General Shareholders' Meeting, and will envisage the buy-back of ordinary shares, in one or more tranches, up to a maximum which, together with the treasury shares that the Company and its subsidiaries hold from time to time in portfolio, must not exceed 3% of share capital.

The buy-back of treasury shares shall be, in any case, carried out within the limits of distributable profits and available reserves, as per the latest approved Financial Statements at the time of each transaction.

Treasury shares shall be purchased on regulated markets, in compliance with the applicable statutory and regulatory legislation in force, particularly with regard to the principle of equal treatment of shareholders pursuant to Article 132 of TUF, Article 114-*bis* (excluding point c, paragraph 1) and Article 144-bis.1 of the Rules for Issuers, and any other EU and Italian law and allowed best practices.

The Company does not currently own any of its treasury shares.

For further information on the proposal for the authorisation to buy-back and dispose of treasury shares, reference should be made to the Director's Report, which will be published in accordance with terms and the manners contemplated under applicable statutory and regulatory provisions.

* * *

Directors' independence verified by the Board of Statutory Auditors

The Board of Statutory Auditors verified that the Board of Directors applied the procedures to assess the independence of its members in compliance with the Corporate Governance Code and also completed its own self-assessment process.

* * *

Declaration of the appointed manager

"The Manager responsible for preparing the Company's financial reports, Sergio Calliari, declares, pursuant to Paragraph 2 of Article 154-*bis* of the Consolidated Finance Law, that the accounting information contained in this press release corresponds to the company's records, ledgers and accounting entries."

* * *

Aquafil is a pioneer in the circular economy also thanks to the ECONYL® regeneration system, an innovative and sustainable process able to create new products from waste and give life to an endless cycle. The nylon waste is collected in locations all over the world and includes industrial waste but also products – such as fishing nets and rugs – that have reached the end of their useful life. Such waste is processed to obtain a raw material – caprolactam – with the same chemical and performance characteristics as those from fossil sources. The polymers produced from ECONYL® caprolactam are distributed to the Group's production plants, where they are transformed into yarn for rugs carpet flooring and for clothing.

Founded in 1965, Aquafil is one of the main producers of nylon in Italy and worldwide. The Group is present in seven countries and in three different continents, with over 2,800 employees at 16 production sites located in Italy, Scotland, Slovenia, Croatia, Unites States, Thailand and China.

For further information

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Appendix 1 - EBITDA e Adjusted Operating Results

RECONCILIATION FROM NET PROFIT TO EBITDA €/000	December 2019	December 2018	Forth Quarter 2019	Forth Quarter 2018
Net Profit (Including Portion Attr. to Minority)	9.005	30.097	(529)	5.742
Income Taxes	1.519	6.986	(2.195)	784
Amortisation & Depreciation	37.765	26.361	11.793	7.438
Write-downs & Write-backs of intangible and tangible assets	555	285	318	(1.148)
Financial items (*)	10.108	7.793	3.916	1.187
No recurring items (**)	10.457	6.373	1.192	3.004
EBITDA	69.408	77.896	14.497	17.008
Revenue	548.955	555.220	129.418	124.288
EBITDA Margin	12,6%	14,0%	11,2%	13,7%

RECONCILIATION FROM EBITDA TO EBIT ADJUSTED €/000	December 2019	December 2018	Forth Quarter 2019	Forth Quarter 2018
EBITDA	69.408	77.896	14.497	17.008
Amortisation & Depreciation	37.765	26.361	11.793	7.438
Write-downs & Write-backs of intangible and tangible assets	555	285	318	(1.148)
EBIT Adjusted	31.088	51.250	2.385	10.718
Revenue	548.955	555.220	129.418	124.288
EBIT Adjusted Margin	5,7%	9,2%	1,8%	8,6%

(*) The financial items include: (i) non-recurring financial income of Euro 1.1 million in the period ending December 31, 2019 (ii) financial charges of Euro 7.5 million and Euro 5.8 million respectively in the periods ending December 31, 2019 and December 31, 2018, (iii) cash discounts of Euro 3.2 million and Euro 3.7 million respectively in the periods ending December 31, 2019 and December 31, 2018, and (iv) exchange loss of Euro 0.5 million and exchange gains of Euro 1.7 million respectively in the periods ending December 31, 2019 and December 31, 2018.

(**) This includes (i) non-recurring charges related to the expansion of the Aquafil Group and other corporate transactions for Euro 4.5 million and 3.0 million respectively in the periods ending December 31, 2019 and December 31, 2018, (ii) non-recurring industrial charges of Euro 1.0 million for the period ending December 31, 2019, (iii) costs for restructuring for Euro 4.3 million and Euro 2.8 million respectively in the periods ending December 31, 2019 and December 31, 2018 and (iv) other non-recurring charges of Euro 0.6 million and Euro 0.6 million respectively in the periods ending December 31, 2019 and December 31, 2018.

Appendix 2 – Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET €/000	At December 31, 2019	At December 31, 2018
Intangible Assets	21.101	15.992
Goodwill	13.029	-
Tangible Assets	251.492	189.661
Financial Assets	765	404
<i>of which related parties</i>	<i>313</i>	<i>79</i>
Other Assets	2.189	2.189
Deferred Tax Assets	13.636	7.841
Total Non-Current Assets	302.212	216.087
Inventories	184.931	189.678
Trade Receivable	24.960	34.046
<i>of which related parties</i>	<i>69</i>	<i>66</i>
Financial Current Assets	1.637	2.878
Current Tax Receivables	1.639	451
Other Current Assets	12.126	14.297
<i>of which related parties</i>	<i>2.231</i>	<i>1.859</i>
Cash and Cash Equivalents	90.400	103.277
Asset held for sales	428	-
Total Current Assets	316.120	344.627
Total Current Assets	618.332	560.714
Share Capital	49.722	49.722
Reserves	81.813	62.969
Group Net Profit for the year	10.799	31.119
Group Shareholders Equity	142.335	143.810
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	-	0
Total Shareholders Equity	142.336	143.811
Employee Benefits	5.721	5.702
Non-Current Financial Liabilities	286.970	224.345
<i>of which related parties</i>	<i>9.624</i>	<i>-</i>
Provisions for Risks and Charges	1.508	1.169
Deferred Tax Liabilities	10.915	3.582
Other Payables	15.383	11.833
Total Non-Current Liabilities	320.497	246.631
Current Financial Liabilities	54.733	39.090
<i>of which related parties</i>	<i>3.572</i>	<i>-</i>
Current Tax Payables	1.127	2.270
Trade Payables	76.089	106.895
<i>of which related parties</i>	<i>127</i>	<i>762</i>
Other Liabilities	23.551	22.017
<i>of which related parties</i>	<i>236</i>	<i>230</i>
Total Current Liabilities	155.499	170.272
Total Equity and Liabilities	618.332	560.714

Appendix 3 – Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT €/000	December 2019	<i>of wich non- current</i>	December 2018	<i>of wich non- current</i>	Forth Quarter 2019	<i>of wich non- current</i>	Forth Quarter 2018	<i>of wich non- current</i>
Revenue	548.955		555.220		129.418		124.288	-
<i>of which related parties</i>	58		218		29		13	-
Other Revenue	2.555	229	2.591	856	963	117	2.172	437
Total Revenue and Other Revenue	551.509	229	557.811	856	130.380	117	126.461	437
Raw Material	(282.841)	(124)	(282.266)	(118)	(65.634)	(8)	(58.136)	93
Services	(100.412)	(3.584)	(100.935)	(2.918)	(24.825)	(201)	(27.296)	(637)
<i>of which related parties</i>	(491)		(3.586)		(148)		(901)	
Personel	(113.281)	(5.849)	(106.410)	(3.983)	(28.540)	(703)	(29.174)	(2.800)
Other Operating Costs	(4.194)	(1.129)	(2.438)	(211)	(1.491)	(396)	(720)	(97)
<i>of which related parties</i>	(70)		(70)		(32)		(18)	
Depreciation and Amortization	(37.765)		(26.361)		(11.793)		(7.438)	
Doubtful debt prevision	(325)		(93)		(196)		701	
Provisions for risks and charges	(230)		(192)		(123)		449	
Capitalization of Internal Construction Costs	4.927		2.071		2.643		1.948	
EBIT	17.389	(10.457)	41.187	(6.373)	422	(1.192)	6.794	(3.005)
Other Financial Income	1.195	1.082	45		75		14	
Interest Expenses	(7.573)		(5.816)		(1.337)		(1.547)	
<i>of which related parties</i>	(252)				(120)		-	
FX Gains and Losses	(488)		1.668		(1.884)		1.267	
Profit Before Taxes	10.524	(9.375)	37.084	(6.373)	(2.723)	(1.192)	6.528	(3.005)
Income Taxes	(1.519)	750	(6.986)		2.195	750	(785)	
Net Profit (Including Portion Attr. to Minority)	9.005	(8.625)	30.097	(6.373)	(528)	(442)	5.743	(3.005)
Net Profit Attributable to Minority Interest	0		-		0		-	
Net Profit Attributable to the Group	9.005		30.097		2.958		9.787	
<i>Basic earnings per share</i>	0,18		0,59		(0,01)		0,11	
<i>Diluted earnings per share</i>	0,18		0,59		(0,01)		0,11	

Appendix 4 – Consolidated Cash Flow Statement

CASH FLOW STATEMENT €/000	At December 31, 2019	At December 31, 2018
Operation Activities		
Net Profit (Including Portion Attr. to Minority)	9.005	30.097
<i>of which related parties</i>	(755)	(3.438)
Income Taxes	1.519	6.986
Other Financial Income	(1.195)	(45)
Interest Expenses	7.573	5.816
<i>of which related parties</i>	(252)	-
FX (Gains) and Losses	488	(1.668)
(Gain)/Loss on non - current asset Disposals	(476)	(303)
Provisions & write-downs	556	285
Amortisation, depreciation & write-downs	37.770	26.361
Cash Flow from Operating Activities Before Changes in NWC	55.238	67.531
Change in Inventories	10.177	(36.179)
Change in Trade and Other Receivables	(32.905)	12.418
<i>of which related parties</i>	(635)	46
Change in Trade and Other Payables	12.975	633
<i>of which related parties</i>	(3)	50
Change in Other Assets/Liabilities	5.440	3.617
<i>of which related parties</i>	(366)	(398)
Net Interest Expenses paid	(6.377)	(5.025)
Income Taxes paid	(2.548)	(6.335)
Change in Provisions for Risks and Charges	(830)	(1.271)
Cash Flow from Operating Activities (A)	41.169	35.389
Investing activities		
Investment in Tangible Assets	(48.196)	(60.881)
Disposal of Tangible Assets	1.017	2.708
Investment in Intangible Assets	(7.876)	(10.834)
Disposal of Intangible Assets	2	13
Investment in Right of Use	(5.794)	-
Disposal in Right of Use	4.893	-
Business Purchases Aquafil O'Mara	(36.076)	-
<i>of which Asset</i>	(18.687)	-
<i>of which Goodwill</i>	(13.029)	-
<i>of which cash</i>	116	-
<i>of which other assets and liabilities</i>	(4.476)	-
Cash Flow used in Investing Activities (B)	-92.031	-68.994
Financing Activities		
Increase in no current Loan and borrowing	103.000	120.000
Decrease in no current Loan and borrowing	(45.425)	(67.833)
Net variation in current financial Assets and Liability	(7.317)	(1.516)
<i>of which related parties</i>	1.275	-
Dividends Distribution	(12.273)	(12.241)
<i>of which related parties</i>	(7.316)	(7.369)
Increase (decrease) Share Capital	-	(600)
Merger contribution	-	50
Cash Flow from Financing Activities (C)	37.985	37.860
Net Cash Flow of the Year (A)+(B)+(C)	-12.877	4.255

Appendix 5 – Net Financial Debt

NET FINANCIAL DEBT €/000	At December 31, 2019	At December 31, 2018
A. Cash	90.400	103.277
B. Other cash equivalents	-	-
C. Securities held-for-trading	-	-
D. Liquidity (A + B + C)	90.400	103.277
E. Current financial receivables	1.637	2.878
F. Current bank loans and borrowing	(129)	(96)
G. Current portion of non-current loans and borrowing	(46.056)	(35.496)
H. Other current loans and borrowing	(8.547)	(3.498)
I. Current financial debt (F + G + H)	(54.733)	(39.090)
J. Net current financial debt (I + E+ D)	37.304	67.066
K. Non-current bank loans and borrowing	(169.796)	(159.492)
L. Bonds issued	(90.458)	(53.578)
M. Other non-current loans and borrowing	(26.619)	(11.274)
N. Non-current financial debt (K + L + M)	(286.874)	(224.344)
O. Net financial debt (J+N)	(249.570)	(157.279)

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