



GEFRAN

BEYOND TECHNOLOGY

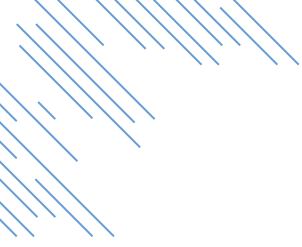


GEFRAN GROUP INTERIM FINANCIAL STATEMENTS

AT 31 March 2020

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1. CORPORATE BODIES

Board of Directors

Honorary Chairman	Ennio Franceschetti
Chairman	Maria Chiara Franceschetti
Vice Chairman	Andrea Franceschetti
Vice Chairman	Giovanna Franceschetti
Chief Executive Officer	Marcello Perini
Director	Daniele Piccolo (*)
Director	Monica Vecchiati (*)
Director	Cristina Mollis (*)
Director	Giorgio Metta (*)

Board of Statutory Auditors

Chairman	Marco Gregorini
Standing Auditor	Primo Ceppellini
Standing Auditor	Roberta Dell'Apa
Deputy Auditor	Guido Ballerio
Deputy Auditor	Luisa Anselmi

Control and Risks Committee

- Monica Vecchiati
- Daniele Piccolo
- Giorgio Metta

Appointments and Remuneration Committee

- Daniele Piccolo
- Monica Vecchiati
- Cristina Mollis

External auditor

PricewaterhouseCoopers S.p.A..

On 21 April 2016, the ordinary shareholders' meeting of Gefran S.p.A. engaged the external auditor PricewaterhouseCoopers S.p.A. to audit the separate annual financial report of Gefran S.p.A., as well as the consolidated annual and half-yearly financial reports of the Gefran Group for a period of nine years until the approval of the financial statements report for 2024, in accordance with Italian Legislative Decree 39/2010.

(*) Independent directors pursuant to the Consolidated Law on Finance (TUF) and the Code of Conduct

2. ALTERNATIVE PERFORMANCE INDICATORS

In addition to the standard financial schedules and indicators required under IFRS, this document includes reclassified schedules and alternative performance indicators. These are intended to enable a better assessment of the Group's economic and financial management. However, these tables and indicators must not be considered as a substitute for those required under IFRS.

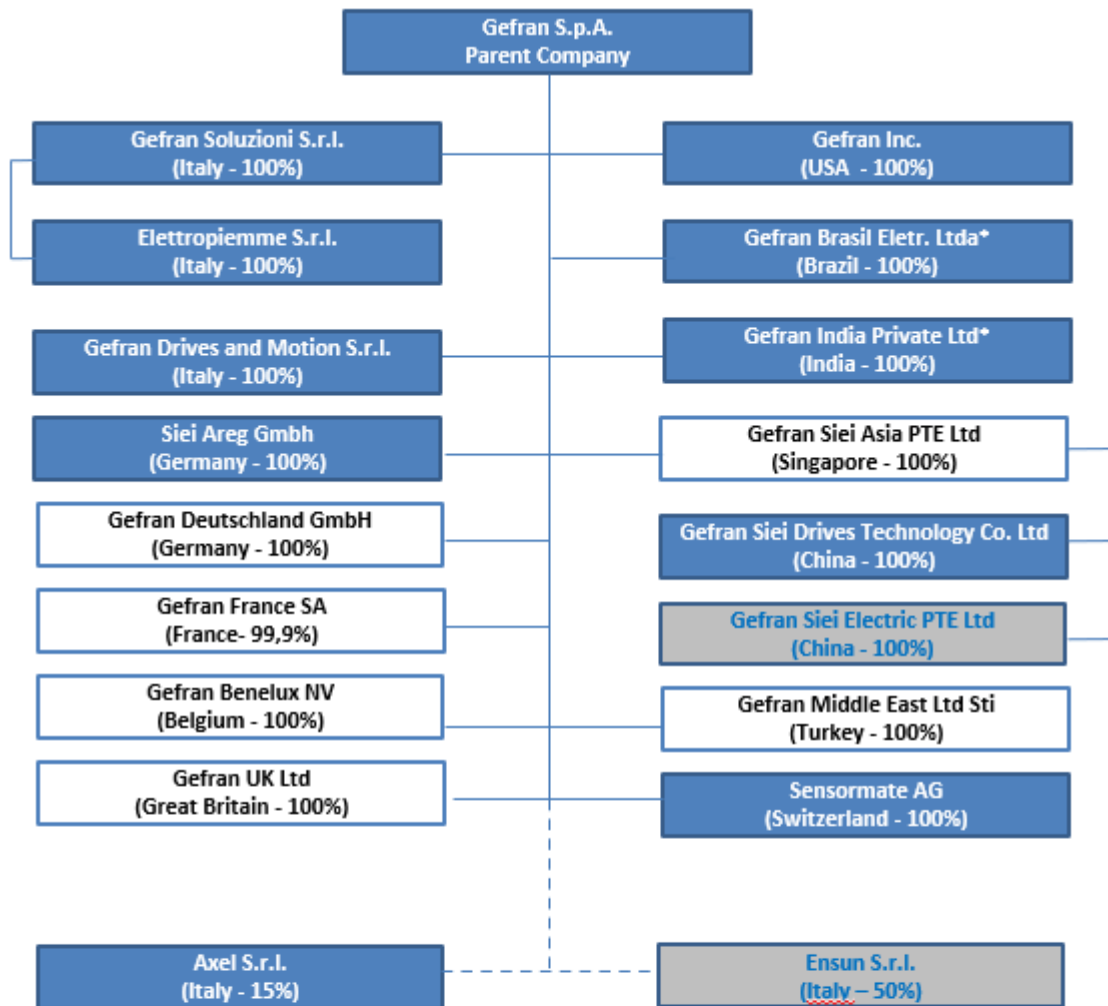
Specifically, the alternative indicators used in the notes to the income statement are:

- **Added value:** the direct margin resulting from revenues, including only direct material, gross of other production costs, such as personnel costs, services and other miscellaneous costs;
- **EBITDA:** EBIT before depreciation, amortisation and impairment. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items;
- **EBIT:** operating result before financial management and taxes. The purpose of this indicator is to present the Group's operating profitability.

Alternative indicators used in the notes to the statement of financial position are:

- **Net non-current assets:** the algebraic sum of the following items in the statement of financial position:
 - o Goodwill
 - o Intangible assets
 - o Property, plant, machinery and tools
 - o Shareholdings valued at equity
 - o Equity investments in other companies
 - o Receivables and other non-current assets
 - o Deferred tax assets
- **Working capital:** the algebraic sum of the following items in the statement of financial position:
 - o Inventories
 - o Trade receivables
 - o Trade payables
 - o Other assets
 - o Tax receivables
 - o Current provisions
 - o Tax payables
 - o Other liabilities
- **Net invested capital:** the algebraic sum of net fixed assets, working capital and provisions;
- **Net financial position:** the algebraic sum of the following items:
 - o Medium/long-term financial payables
 - o Short-term financial payables
 - o Financial liabilities for derivatives
 - o Financial investments for derivatives
 - o Cash and cash equivalents and short-term financial receivables

3. GEFRAN GROUP'S STRUCTURE



(*) Gefran India and Gefran Brazil indirectly through Sensormate

4. KEY CONSOLIDATED INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION FIGURES

The amounts shown below only refer to continuing operations, unless otherwise specified.

Group income statement highlights

<i>(Euro / 000)</i>	Q1 2020		Q1 2019	
Revenues	31,426	100.0%	35,973	100.0%
EBITDA	3,227	10.3%	6,269	17.4%
EBIT	1,230	3.9%	2,978	8.3%
Profit (loss) before tax	565	1.8%	3,395	9.4%
Group net profit (loss)	79	0.3%	2,548	7.1%

Group statement of financial position highlights

<i>(Euro / 000)</i>	31 March 2020	31 December 2019
Invested capital from operations	91,365	88,331
Net working capital	31,356	28,542
Shareholders' equity	75,270	75,044
Net financial position	(16,095)	(13,287)

<i>(Euro / 000)</i>	31 March 2020	31 March 2019
Operating cash flow	(1,380)	2,642
Investments	1,050	4,806

5. FINANCIAL STATEMENT SCHEDULES

Statement of profit/(loss)

(Euro / 000)	cumulative 31 March	
	2020	2019
Revenues from product sales	31,103	35,754
Other revenues and income	323	219
Increases for internal work	495	635
TOTAL REVENUES	31,921	36,608
Change in inventories	(561)	2,584
Costs of raw materials and accessories	(10,850)	(14,791)
Service costs	(5,199)	(5,700)
	<i>of which related parties:</i>	(43)
Miscellaneous management costs	(229)	(183)
Other operating income	-	7
Personnel costs	(11,858)	(12,379)
Impairment/reversal of trade and other receivables	3	123
Amortisation and impairment of intangible assets	(469)	(527)
Depreciation and impairment of tangible assets	(1,211)	(2,517)
Depreciation/amortisation total usage rights	(317)	(247)
EBIT	1,230	2,978
Gains from financial assets	527	449
Losses from financial liabilities	(1,194)	(274)
(Losses) gains from shareholdings valued at equity	2	242
PROFIT (LOSS) BEFORE TAX	565	3,395
Current taxes	(253)	(652)
Deferred tax assets and liabilities	(233)	(195)
TOTAL TAXES	(486)	(847)
NET PROFIT (LOSS) FOR THE YEAR	79	2,548
Attributable to:		
Group	79	2,548
Third parties	-	-

(Euro)	Earnings per share	cumulative 31 March	
		2020	2019
	Basic earnings per ordinary share	0.01	0.18
	Diluted earnings per ordinary share	0.01	0.18

Statement of profit/(loss) and other items of comprehensive income

(Euro / 000)	cumulative 31 March	
	2020	2019
NET PROFIT (LOSS) FOR THE YEAR	79	2,548
Items that will or could subsequently be reclassified in the statement of profit/(loss) for the period		
- conversion of foreign companies' financial statements	183	615
- equity investments in other companies	(28)	1
- fair value of cash flow hedging derivatives	(7)	(54)
Total changes, net of tax effect	148	562
Comprehensive result for the period	227	3,110
Attributable to:		
Group	227	3,110
Third parties	-	-

Statement of financial position

(Euro / 000)	31 March 2020	31 December 2019
NON-CURRENT ASSETS		
Goodwill	5,981	5,917
Intangible assets	7,868	7,641
Property, plant, machinery and tools	43,946	44,761
<i>of which related parties:</i>	52	470
Usage rights	2,923	3,089
Shareholdings valued at equity	1,198	1,196
Equity investments in other companies	1,652	1,690
Receivables and other non-current assets	93	94
Deferred tax assets	6,335	6,556
Non-current financial investments for derivatives	1	1
Other non-current financial investments	89	97
TOTAL NON-CURRENT ASSETS	70,086	71,042
CURRENT ASSETS		
Inventories	23,797	24,548
Trade receivables	27,129	28,931
Other receivables and assets	8,428	7,953
Current tax receivables	857	853
Cash and cash equivalents	18,562	24,427
Current financial assets for derivatives	-	-
TOTAL CURRENT ASSETS	78,773	86,712
TOTAL ASSETS	148,859	157,754
SHAREHOLDERS' EQUITY		
Share capital	14,400	14,400
Reserves	60,791	53,602
Profit/(loss) for the year	79	7,042
Total Group Shareholders' Equity	75,270	75,044
Shareholders' equity of minority interests	-	-
TOTAL SHAREHOLDERS' EQUITY	75,270	75,044
NON-CURRENT LIABILITIES		
Non-current financial payables	19,909	21,916
Non-current financial payables for IFRS 16 leases	1,901	2,013
Non-current financial liabilities for derivatives	167	169
Employee benefits	4,859	4,853
Non-current provisions	636	644
Deferred tax provisions	657	647
TOTAL NON-CURRENT LIABILITIES	28,129	30,242
CURRENT LIABILITIES		
Current financial payables	11,746	12,643
Current financial payables for IFRS 16 leases	1,024	1,071
Trade payables	19,570	24,937
<i>of which related parties:</i>	172	120
Current financial liabilities for derivatives	-	-
Current provisions	1,571	1,527
Current tax payables	424	257
Other payables and liabilities	11,125	12,033
TOTAL CURRENT LIABILITIES	45,460	52,468
TOTAL LIABILITIES	73,589	82,710
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	148,859	157,754

Consolidated cash flow statement

(Euro / 000)	31 March 2020	31 March 2019
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	24,427	18,043
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:		
Net profit (loss) for the period	79	2,548
Depreciation, amortisation and impairment	1,997	3,291
Provisions (Releases)	591	538
Capital (gains) losses on the sale of non-current assets	-	(3)
Net result from financial operations	665	(409)
Taxes	253	647
Change in provisions for risks and future liabilities	(94)	(289)
Change in other assets and liabilities	(1,447)	(1,878)
Change in deferred taxes	231	194
Change in trade receivables	1,619	(2,800)
Change in inventories	101	(2,896)
Change in trade payables	(5,375)	3,699
	<i>of which related parties:</i>	<i>52</i>
	<i>52</i>	<i>(54)</i>
TOTAL	(1,380)	2,642
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES		
Investments in:		
- Property, plant & equipment and intangible assets	(1,050)	(4,806)
	<i>of which related parties:</i>	<i>(52)</i>
	<i>(52)</i>	<i>(90)</i>
- Acquisitions net of acquired cash	-	(231)
- Financial receivables	1	(2)
Disposal of non-current assets	-	2
TOTAL	(1,049)	(5,037)
D) FREE CASH FLOW (B+C)	(2,429)	(2,395)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES		
New financial payables	(33)	11,761
Repayment of financial payables	(2,782)	(1,744)
Increase (decrease) in current financial payables	(157)	885
Outgoing cash flow due to IFRS 16	(324)	(248)
Taxes paid	(53)	(165)
Interest paid	(219)	(160)
Interest received	18	85
TOTAL	(3,550)	10,414
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	(5,979)	8,019
H) Exchange rate translation differences on cash at hand	114	68
I) NET CHANGE IN CASH AT HAND (F+G+H)	(5,865)	8,087
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	18,562	26,130

Statement of changes in shareholders' equity

(Euro / 000)	Share capital	Capital reserves	Consolidation reserve	Other reserves	Retained profit/(loss)	overall EC reserves			Profit/(loss) for the year	Group Total shareholders' equity	Shareholders' equity of minority interests	Total shareholders' equity
						Fair value measurement reserve	Currency translation reserve	Other reserves				
Balance at 1 January 2019	14,400	21,926	5,368	10,095	10,143	(12)	3,143	(400)	8,151	72,814	-	- 72,814
Destination of 2018 profit												
- Other reserves and provisions			521	-	7,630				(8,151)	-	-	-
- Dividends					(4,599)					(4,599)		(4,599)
Income/(expenses) recognised at equity			(25)			(203)		(210)		(438)		(438)
Change in translation reserve							221			221		221
Other changes			-	4						4		4
2019 profit									7,042	7,042		7,042
Balance at 31 December 2019	14,400	21,926	5,864	10,099	13,174	(215)	3,364	(610)	7,042	75,044	-	- 75,044
Destination of 2019 profit												
- Other reserves and provisions			820	-	6,222				(7,042)	-	-	-
- Dividends					-					-	-	-
Income/(expenses) recognised at equity			-			(35)		-		(35)		(35)
Change in translation reserve							183			183		183
Other changes			-	(1)						(1)		(1)
2020 profit									79	79		79
Balance at 31 March 2020	14,400	21,926	6,684	10,098	19,396	(250)	3,547	(610)	79	75,270	-	- 75,270

6. GROUP PERFORMANCE IN THE FIRST QUARTER OF 2020

The following table shows the operating results, reclassified and compared with those of the previous period.

Note that on 23 January 2019 Gefran Soluzioni S.r.l., a subsidiary of Gefran S.p.A., purchased 100% of the shares in Elettropiemme S.r.l.

The consolidated figures for the first quarter of 2020 include the operating results of Elettropiemme S.r.l. in the first 3 months of the year, while the 2019 figures with which they are compared include the operating results of this company in the months of February and March only.

(Euro / 000)	Q1 2020	Q1 2019	Changes 2020-2019	
	Total	Total	Value	%
a Revenues	31,426	35,973	(4,547)	-12.6%
b Increases for internal work	495	635	(140)	-22.0%
c Consumption of materials and products	11,411	12,207	(796)	-6.5%
d Added value (a+b-c)	20,510	24,401	(3,891)	-15.9%
e Other operating costs	5,425	5,753	(328)	-5.7%
f Personnel costs	11,858	12,379	(521)	-4.2%
g EBITDA (d-e-f)	3,227	6,269	(3,042)	-48.5%
h Depreciation, amortisation and impairment	1,997	3,291	(1,294)	-39.3%
i EBIT (g-h)	1,230	2,978	(1,748)	-58.7%
l Gains (losses) from financial assets/liabilities	(667)	175	(842)	-481.1%
m Gains (losses) from shareholdings valued at equity	2	242	(240)	99.2%
n Profit (loss) before tax (i+l+m)	565	3,395	(2,830)	-83.4%
o Taxes	(486)	(847)	361	42.6%
p Group net profit (loss) (n±o)	79	2,548	(2,469)	-96.9%

Revenues for the first quarter of 2020 were 31,426 thousand Euro, compared with 35,973 thousand Euro in the same period in the previous year, revealing a drop of 4,547 thousand Euro (-12.6%).

The Coronavirus pandemic led to closure of the Chinese subsidiary in February, followed by closure of the Group's Italian plants in March. Even though lockdown was not implemented in the other countries where the Group operates until April, travel was cut back significantly even within individual areas, making it impossible for our sales network to operate.

This situation led to shrinkage of revenues on all the world's principal markets and in all the fields of business and geographical regions in which the Group operates.

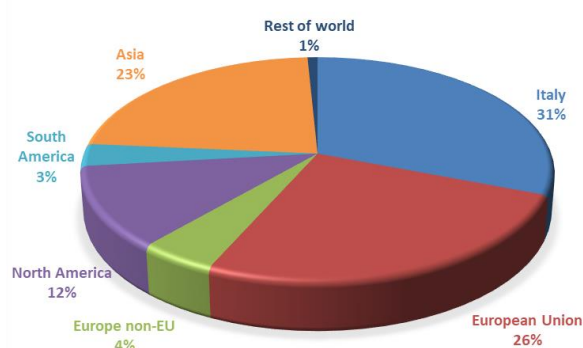
The order portfolio for the first quarter of 2020 reveals shrinkage over the same period in 2019 (-1%), though less dramatic than the drop in revenues. The motion control business unit registered good performance, collecting orders worth 1,365 thousand Euro more in the first quarter of 2020 than in the first quarter of the previous year.

The order portfolio is up since 31 December 2019 (+14.2%).

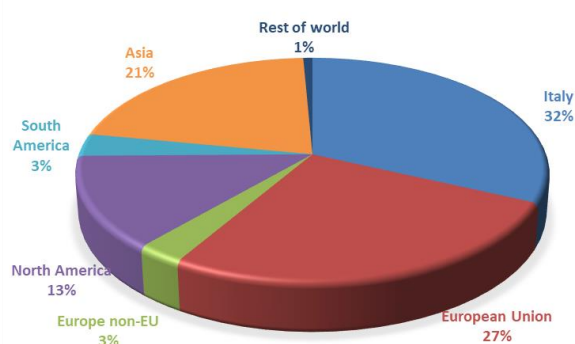
The table below shows a breakdown of revenues by geographical region:

(Euro / 000)	Q1 2020		Q1 2019		Changes 2020-2019	
	value	%	value	%	value	%
Italy	9,699	30.9%	11,464	31.9%	(1,765)	-15.4%
European Union	8,117	25.8%	9,588	26.7%	(1,471)	-15.3%
Europe non-EU	1,484	4.7%	1,038	2.9%	446	43.0%
North America	3,707	11.8%	4,813	13.4%	(1,106)	-23.0%
South America	1,008	3.2%	1,159	3.2%	(151)	-13.0%
Asia	7,165	22.8%	7,652	21.3%	(487)	-6.4%
Rest of the World	246	0.8%	259	0.7%	(13)	-5.0%
Total	31,426	100%	35,973	100%	(4,547)	-12.6%

REVENUES Q1 2020



REVENUES Q1 2019



The breakdown of revenues by **geographical region** reveals overall shrinkage in all the principal geographical regions in which the Group operates, and specifically: Italy (-15.4%), European Union (-15.3%), North and South America (-23% and -13%, respectively). On the other hand, revenues from Non-EU Europe increased, thanks to the good performance registered by the motion control business in this area.

The breakdown of business revenue for the first quarter of 2020 and the comparison with the same period of the previous year is as follows:

(Euro / 000)	Q1 2020		Q1 2019		Changes 2020-2019	
	value	%	value	%	value	%
Sensors	13,811	43.9%	15,286	42.5%	(1,475)	-9.6%
Automation components	9,041	28.8%	11,041	30.7%	(2,000)	-18.1%
Motion Control	9,701	30.9%	11,095	30.8%	(1,394)	-12.6%
Eliminations	(1,127)	-3.6%	(1,449)	-4.0%	322	-22.2%
Total	31,426	100%	35,973	100%	(4,547)	-12.6%

The breakdown of revenues by **business area** in the first quarter of 2020 reveals a drop in revenues over the first quarter of 2019 in all the sectors the Group works in: sales of drives were down by 12.6%, while sales of automation components dropped 18.1%. Revenues from the sensors business were also down (-9.6%), with shrinkage in Italy, Europe and America, while

sales of sensors in Asia increased in the first quarter of 2020 over the same period in the previous year.

Increases for internal work in the first quarter of 2020 amounted to 495 thousand Euro, as compared to 635 thousand Euro in the first quarter of 2019. This item represents the portion of development costs incurred in the period and capitalised.

Added value at 31 March 2020 amounted to 20,510 thousand Euro (24,401 thousand Euro at 31 March 2019), corresponding to 65.3% of revenues, down -2.6% from the figure in the first quarter of 2019. The drop in added value, totalling 3,891 thousand Euro, primarily reflects the lower volumes sold.

Other operating costs in the first quarter of 2020 amount to 5,425 thousand Euro, and are 328 thousand Euro lower in terms of absolute value than the figure for the first quarter of 2019, representing 17.3% of revenues (16% in the first quarter of 2019).

Personnel costs in the first three months of 2020 totalled 11,858 thousand Euro (37.7% of revenues), as compared to 12,379 thousand Euro in the first quarter of the previous year (34.4% of revenues), a 521 thousand Euro drop.

The average number of employees has grown from 799 in the first quarter of 2019 to 827 in the first quarter of 2020.

EBITDA at 31 March 2020 is positive by 3,227 thousand Euro (6,269 thousand Euro at 31 March 2019), representing 10.3% of revenues (17.4% of revenues in the first quarter of 2019), down Euro 3,042 thousand over the previous year in absolute terms.

The lower margin is primarily a result of shrinkage of sales volumes, only partially compensated by reduced operating costs.

The item **depreciation, amortisation and impairment** totalled 1,997 thousand Euro in the first quarter of 2020, as compared with 3,291 thousand Euro in the first quarter of 2019, a 1,294 thousand Euro drop. The change is primarily a result of entry of impairment of assets in the sensors business in the first quarter of 2019 totalling 1,423 thousand Euro, associated with a property that was incapable of guaranteeing sufficient technological and energy performance to be sustainable in the long term. The existing building was demolished in 2019 in order to build a new construction that would be more functional and, above all, more advanced in terms of technological and energy performance. Work was completed in December 2019 and production began in January 2020.

EBIT at 31 March 2020 is positive at 1,230 thousand Euro (3.9% of revenues), as compared with an EBIT of 2,978 thousand Euro in the same period in 2019 (8.3% of revenues), a 1,748 thousand Euro drop. The change is a result of reduction of added value due to lower sales volumes, only partially compensated by lower operating costs and depreciation/amortisation.

Charges from financial assets/liabilities in the first quarter of 2020 total 667 thousand Euro (as compared to 175 thousand Euro in income in the first quarter of 2019), and include:

- financial income totalling 18 thousand Euro (20 thousand Euro in the first quarter of 2019);
- financial charges linked with the Group's indebtedness, totalling 97 thousand Euro, up over the first three months of 2019, when this item totalled 76 thousand Euro;
- negative result of differences in foreign currency transactions of Euro 578 thousand, as compared to a positive result of Euro 239 thousand in the first quarter of 2019. The change is primarily a result of the exchange rates in effect between the Euro, the Brazilian Real and the Indian Rupee;
- financial charges on financial debts as a result of application of the new accounting standard IFRS16 totalling 10 thousand Euro (8 thousand Euro in the first three months of 2019).

Income from shareholdings valued at equity totals 2 thousand Euro, less than the same period in the previous year, when this item totalled 242 thousand Euro. The positive result in the first quarter of 2019 was mainly due to the adjustment of the value of the Ensun Group S.r.l., following the sale of 100% of the shares in Elettropiemme S.r.l.

Taxes are on the whole negative at 486 thousand Euro (847 thousand Euro at 31 March 2019). The reduction in taxes is proportionate to the lower profit of the subsidiaries and the Parent Company. It may be broken down as follows:

- negative current taxes of 253 thousand Euro (negative by 652 thousand Euro as of 31 March 2019), linked to the economic results of Group companies in the period;
- deferred tax assets and liabilities, which were on the whole negative by 233 thousand Euro (negative by 199 thousand Euro as of 31 March 2019); this item primarily includes the release to the income statement of advance taxes registered on fiscal losses.

Group net profit in the first quarter of 2020 was 79 thousand Euro, compared with a profit of 2,548 thousand Euro in the first quarter of 2019, an improvement of 2,469 thousand Euro.

7. RECLASSIFIED CONSOLIDATED FINANCIAL POSITION AT 31 March 2020

The Gefran Group's reclassified consolidated balance sheet at 31 March 2020 is shown below.

(Euro / 000)	31 March 2020		31 December 2019	
	value	%	value	%
Intangible assets	13,849	15.2	13,558	15.3
Tangible assets	46,869	51.3	47,850	54.2
Other non-current assets	9,278	10.2	9,536	10.8
Net non-current assets	69,996	76.6	70,944	80.3
Inventories	23,797	26.0	24,548	27.8
Trade receivables	27,129	29.7	28,931	32.8
Trade payables	(19,570)	(21.4)	(24,937)	(28.2)
Other assets/liabilities	(2,264)	(2.5)	(3,484)	(3.9)
Working capital	29,092	31.8	25,058	28.4
Provisions for risks and future liabilities	(2,207)	(2.4)	(2,171)	(2.5)
Deferred tax provisions	(657)	(0.7)	(647)	(0.7)
Employee benefits	(4,859)	(5.3)	(4,853)	(5.5)
Invested capital from operations	91,365	100.0	88,331	100.0
Net invested capital	91,365	100.0	88,331	100.0
Shareholders' equity	75,270	82.4	75,044	85.0
Non-current financial payables	19,909	21.8	21,916	24.8
Current financial payables	11,746	12.9	12,643	14.3
Financial payables for IFRS 16 leases (current and non-current)	2,925	3.2	3,084	3.5
Financial liabilities for derivatives (current and non-current)	167	0.2	169	0.2
Financial assets for derivatives (current and non-current)	(1)	(0.0)	(1)	(0.0)
Other non-current financial investments	(89)	(0.1)	(97)	(0.1)
Cash and cash equivalents and current financial receivables	(18,562)	(20.3)	(24,427)	(27.7)
Net debt relating to operations	16,095	17.6	13,287	15.0
Total sources of financing	91,365	100.0	88,331	100.0

Net non-current assets at 31 March 2020 were 69,996 thousand Euro, compared with 70,944 thousand Euro at 31 December 2019. The main changes were as follows:

- intangible assets registered an overall increase of 291 thousand Euro. The change includes increases due to capitalisation of development costs (495 thousand Euro) and new investment (192 thousand Euro), as well as decreases due to amortisation in the period (469 thousand Euro). The impact of changes in exchange rates led to an overall increase of 63 thousand Euro;
- tangible assets decreased by 981 thousand Euro compared with 31 December 2019. Investment in the first quarter of 2020 (363 thousand Euro) is compensated by depreciation/amortisation in the period (1,211 thousand Euro). The value of usage rights for assets entered as a result of new contracts signed under accounting standard IFRS16 is 155 thousand Euro, compensated by amortisation (317 thousand Euro) and by decreases due to advance closure of contracts (6 thousand Euro). In addition to this, the item reflects the positive impact of the change in exchange rates, totalling 46 thousand Euro;
- other fixed assets as of 31 March 2020 totalled 9,278 thousand Euro (9,536 thousand Euro at 31 December 2019), a 258 thousand Euro drop. The change is attributable to a 221 thousand Euro decrease in deferred tax assets in the first quarter of 2020 and to

adjustment of the value of shareholdings, which was on the whole negative by 36 thousand Euro.

Working capital at 31 March 2020 was 29,092 thousand Euro, as compared to 25,058 thousand Euro at 31 December 2019, an overall increase of 4,034 thousand Euro. The main changes were as follows:

- inventories went from 24,548 thousand Euro on 31 December 2019 to 23,797 thousand Euro on 31 March 2020; the 751 thousand Euro drop is primarily a result of reduction of stocks of semi-products and finished products as a result of sales orders dispatched. Incoming stocks of raw materials were higher than at the end of 2019, because when the pandemic began, large quantities of materials critical to production were ordered to prevent the risk of interruption of supply from causing a shutdown of the production chain;
- trade receivables totalled 27,129 thousand Euro, down 1,802 thousand Euro since 31 December 2019; the change is only partly due to shrinkage of sales revenues in the first quarter of the year, as collection days decreased from 74 at the end of 2019 to 72 in the first quarter of 2020;
- trade payables totalled 19,570 thousand Euro, 5,367 thousand Euro less than on 31 December 2019. Trade payables at the end of 2019 were a result of purchases of materials for production and above all payables to suppliers for investment in the last quarter of 2019, paid in the first quarter of 2020. The Parent Company participated in the “I pay my suppliers” initiative of the Industrialists’ Association of Brescia, confirming the Group’s commitment to fulfilling its duties;
- other net assets and liabilities, negative overall by 2,264 thousand Euro as of 31 March 2020 (negative by 3,484 thousand Euro as of 31 December 2019). They include payables to employees and social security institutions and receivables and payables for direct and indirect taxes. The change in this item over 31 December 2019, totalling 1,220 thousand Euro, is primarily a result of decreased social security payables and debts to employees.

Provisions for risks and future liabilities were 2,207 thousand Euro, an increase of 36 thousand Euro compared with 31 December 2019. The item includes provisions for current legal disputes and various risks, and the change since the end of 2019 is attributable to movements in the product warranty provision.

Employee benefits amount to 4,859 thousand Euro, compared to 4,853 thousand Euro on 31 December 2019.

Shareholders’ equity as of 31 March 2020 amounts to 75,270 thousand Euro, compared to 75,044 thousand Euro on 31 December 2019, a 226 thousand Euro increase. The change is primarily due to net profit in the period, equal to 79 thousand Euro, and movements in the provision for currency transactions, which generated a positive impact of 183 thousand Euro.

Net financial position as of 31 March 2020 is negative by 16,095 thousand Euro, which is 2,808 thousand Euro higher than at the end of 2019, when it was on the whole negative by 13,287 thousand Euro.

Net financial debt comprises short-term cash and cash equivalents of 5,792 thousand Euro and medium-/long-term debts of 21,887 thousand Euro.

This item reflects the negative impact of application of accounting standard IFRS16, worth 2,925 thousand Euro at 31 March 2020, of which 1,024 thousand Euro was reclassified in the current part while 1,901 thousand Euro was reclassified in the non-current part (totalling 3,084 thousand Euro at 31 December 2019, including 1,071 thousand Euro reclassified in the current part and 2,013 thousand Euro included in the medium/long term balance).

No new loans were taken out in the first quarter of 2020.

The change in the Group's net financial position originated primarily from absorption due to working capital (3,655 Euro), particularly due to the change in trade payables.

It breaks down as follows:

(Euro / 000)	31 March 2020	31 December 2019	Change
Cash and cash equivalents and current financial receivables	18,562	24,427	(5,865)
Current financial payables	(11,746)	(12,643)	897
Current financial payables for IFRS 16 leases	(1,024)	(1,071)	47
(Debt)/short-term cash and cash equivalents	5,792	10,713	(4,921)
Non-current financial payables	(19,909)	(21,916)	2,007
Non-current financial payables for IFRS 16 leases	(1,901)	(2,013)	112
Non-current financial liabilities for derivatives	(167)	(169)	2
Non-current financial investments for derivatives	1	1	-
Other non-current financial investments	89	97	(8)
(Debt)/medium-/long-term cash and cash equivalents	(21,887)	(24,000)	2,113
Net financial position	(16,095)	(13,287)	(2,808)

8. CONSOLIDATED CASH FLOW STATEMENT AT 31 March 2020

The Gefran Group **consolidated cash flow statement** at 31 March 2020 shows a negative net change in cash at hand of 5,865 thousand Euro, as compared to a positive change of 8,087 thousand Euro in the first quarter of 2019. The change was as follows:

(Euro / 000)	31 March 2020	31 March 2019
A) Cash and cash equivalents at the start of the period	24,427	18,043
B) Cash flow generated by (used in) operations in the period	(1,380)	2,642
C) Cash flow generated by (used in) investment activities	(1,049)	(5,037)
D) Free cash flow (B+C)	(2,429)	(2,395)
E) Cash flow generated by (used in) financing activities	(3,550)	10,414
F) Cash flow from continuing operations (D+E)	(5,979)	8,019
G) Cash flow from assets held for sale	0	0
H) Exchange rate translation differences on cash at hand	114	68
I) Net change in cash at hand (F+G+H)	(5,865)	8,087
J) Cash and cash equivalents at the end of the period (A+I)	18,562	26,130

The cash flow from operations in the period was negative by 1,380 thousand Euro; in particular, operations in the first quarter of 2020, purged of the effect of provisions, amortisation and depreciation, and financial entries, generated 3,585 thousand Euro in cash (6,612 Euro in the first quarter of the previous year), while the net change in other assets and liabilities in the same

period absorbed 1,310 thousand Euro in cash (whereas it absorbed 1,973 Euro in cash in the first quarter of 2019) and management of operating capital absorbed 3,655 thousand Euro in cash (it had absorbed 1,997 thousand Euro in cash in the first quarter of 2019).

Technical investments absorbed 1,050 thousand Euro in cash, whereas in the first quarter of 2019 they had absorbed 4,806 thousand Euro in cash. In January 2019, moreover, the purchase of Elettropiemme S.r.l. was completed, absorbing 231 thousand Euro in resources net of the cash acquired.

Free cash flow (operating cash flow excluding investment) was negative by 2,429 thousand Euro, as compared with a negative figure of 2,395 thousand Euro at 31 March 2019.

Financing absorbed a total of 3,550 thousand Euro in cash, whereas in the first quarter of 2019 it generated 10,414 thousand Euro in cash, as two new loans totalling 11,761 thousand Euro had been taken out.

9. INVESTMENTS

Gross technical **investments** in the first quarter of 2020 totalled 1,050 thousand Euro (4,806 thousand Euro at 31 March 2019) and regarded:

- production and laboratory plant and equipment in the Group's Italian plants totalling 247 thousand Euro (including 81 thousand Euro for production lines in the sensors business unit and 185 thousand Euro for production units in the motion control business unit) and 14 thousand Euro in the Group's other subsidiaries;
- adjustment of industrial buildings housing the Group's Italian plants, totalling 24 thousand Euro;
- renewal of electronic office machines and IT system equipment, amounting to 38 thousand Euro in the Parent Company and 27 thousand Euro in the Group's subsidiaries;
- miscellaneous equipment in the Group's subsidiaries amounting to 12 thousand Euro;
- capitalisation of costs incurred in the period for new product development, totalling 495 thousand Euro;
- other investments in intangible assets totalling Euro 192 thousand, for management software licences and SAP ERP development.

Investments are listed below by type and geographical region:

<i>(Euro / 000)</i>	at 31 March 2020	at 31 March 2019
Intangible assets	687	734
Tangible assets	363	4,072
Total	1,050	4,806

(Euro / 000)	31 March 2020		31 March 2019	
	intangible assets and goodwill	tangible assets	intangible assets and goodwill	tangible assets
Italy	685	330	732	1,105
European Union	1	16	-	31
Europe non-EU	1	-	-	3
North America	-	7	-	2,878
South America	-	3	2	24
Asia	-	7	-	31
Total	687	363	734	4,072

Investments in the first quarter of 2020 are broken down below by business area:

(Euro / 000)	Sensors	Automation Components	Motion Control	Total
Intangible assets	167	299	221	687
Tangible assets	149	29	185	363
Total	316	328	406	1,050

10. RESULTS BY BUSINESS AREA

The following sections comment on the performance of the individual business areas.

To ensure correct interpretation of figures relating to the individual activities, it should be noted that:

- the business represents the sum of revenues and related costs of the Parent Company Gefran S.p.A. and of the Group subsidiaries;
- the figures for each business are provided gross of internal trade between different businesses;
- the central operations costs, which pertain to Gefran S.p.A., are fully allocated to the businesses, where possible, and quantified according to actual use; they are otherwise divided according to economic-technical criteria.

10.1 SENSORS

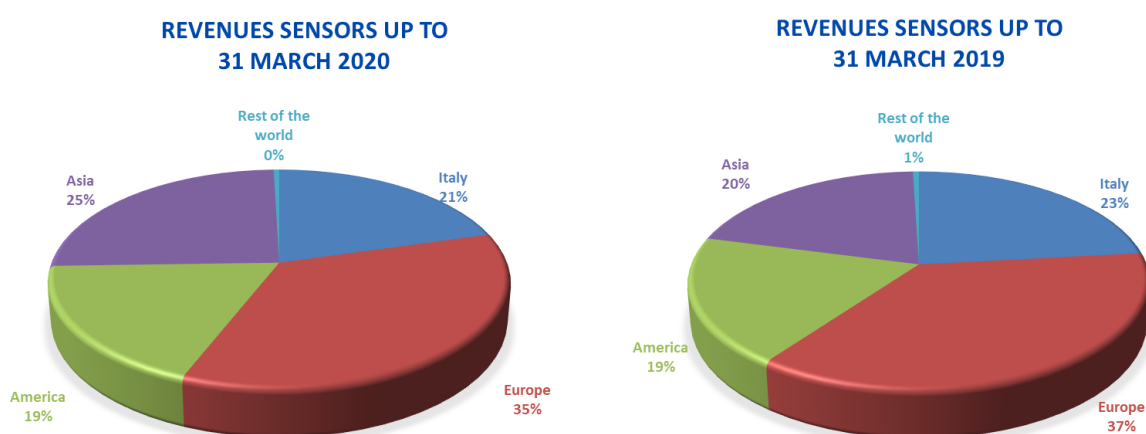
Summary results

The table below shows the key economic figures.

(Euro / 000)	31 March 2020	31 March 2019	Changes 2020 - 2019	
			value	%
Revenues	13,811	15,286	(1,475)	-9.6%
EBITDA	2,590	4,233	(1,643)	-38.8%
<i>% of revenues</i>	18.8%	27.7%		
EBIT	1,758	2,043	(285)	-14.0%
<i>% of revenues</i>	12.7%	13.4%		

The breakdown of sensors business revenues by geographical region is as follows:

(Euro / 000)	31 March 2020		31 March 2019		Changes 2020 - 2019	
	value	%	value	%	value	%
Italy	2,843	20.6%	3,562	23.3%	(719)	-20.2%
Europe	4,893	35.4%	5,622	36.8%	(729)	-13.0%
America	2,557	18.5%	2,902	19.0%	(345)	-11.9%
Asia	3,455	25.0%	3,124	20.4%	331	10.6%
Rest of the World	63	0.5%	76	0.5%	(13)	-17.1%
Total	13,811	100%	15,286	100%	(1,475)	-9.6%



Business performance

The business unit's revenues in the first quarter of 2020 totalled 13,811 thousand Euro, down 1,475 thousand Euro (-9.6%) over the figure for the same period in 2019. The shrinkage applies to all geographical areas: Italy (-20.2%), Europe (-13%) and America (-11.9%). The Asian market has begun to recover, with an increase in revenues in the first quarter of 2020 over the same period in the previous year (+10.6%).

The order portfolio at 31 March 2020 was worth 17,115 thousand Euro, down from the same period in the previous year, when the figure was 17,291 thousand Euro (-1%); the order backlog as of 31 March 2020 was however higher than on 31 March 2019 (+12.3%).

EBITDA amounted to 2,590 thousand Euro at 31 March 2020, 1,673 thousand Euro (-38.8%) lower than on 31 March 2019, when it was 4,233 thousand Euro. The change in EBITDA may be attributed to lower volumes of sale and therefore lower added value, only partially compensated by lower operating costs.

EBIT in the first three months of 2020 amounted to 1,758 thousand Euro, equal to 12.7% of revenues, compared with 2,043 thousand Euro in the same period in the previous year (13.4% of revenues), a drop of 285 thousand Euro (-14%). EBIT in the first quarter of 2019 includes entry of 1,423 thousand Euro in impairment of a property used by the sensors business unit to adapt its carrying value to fair value. The property in question was unable to guarantee sufficient technological and energy performance to be sustainable in the long run. It was therefore decided that the existing building would be demolished and a new one constructed that would be more practical and, above-all, in the vanguard in terms of technology and energy efficiency. Work was completed in 2019 and the new plant has been in operation since January 2020.

Without this effect, EBIT at 31 March 2019 would be 3,574 thousand Euro, and the change in EBIT in the first quarter of 2020 compared to the same period in the previous year would be 1,816 thousand Euro.

Also note that the effect of adoption of accounting standard IFRS16 in the sensors business has resulted in reversal of 133 thousand Euro in leasing fees (114 thousand Euro in the first quarter of 2019) and entry of amortisation of usage rights worth 130 thousand Euro (95 thousand Euro in the first quarter of 2019).

Investments

Investments in the first three months of the year 2020 totalled 316 thousand Euro, including 167 thousand Euro in investments in intangible assets, 116 thousand Euro of which was for research and development in new products.

Increases in tangible assets totalled 149 thousand Euro, including 127 thousand Euro invested by the Parent Company, primarily for the purchase of production equipment for increasing the capacity and efficiency of production (81 thousand Euro), as well as for adaptation and construction of new buildings (10 thousand Euro). Investments in the Group's subsidiaries totalled 22 thousand Euro, primarily for the purchase of plant and machinery for production facilities.

10.2 AUTOMATION COMPONENTS

Summary results

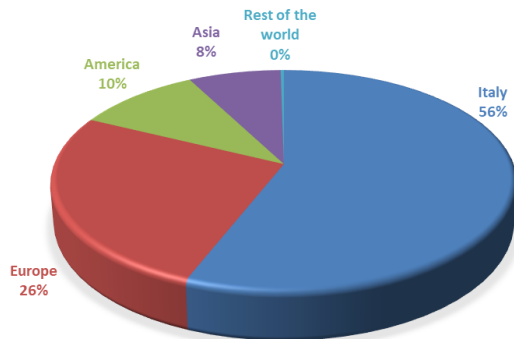
The table below shows the key economic figures.

(Euro / 000)	31 March 2020	31 March 2019	Changes 2020-2019	
			value	%
Revenues	9,041	11,041	(2,000)	-18.1%
EBITDA	574	1,397	(823)	-58.9%
<i>% of revenues</i>	6.3%	12.7%		
EBIT	(50)	831	(881)	-106.0%
<i>% of revenues</i>	-0.6%	7.5%		

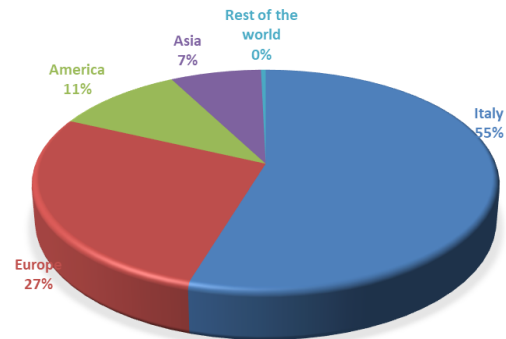
The breakdown of automation components business revenues by geographic region is as follows:

(Euro / 000)	31 March 2020		31 March 2019		Changes 2020-2019	
	value	%	value	%	value	%
Italy	5,065	56.0%	6,040	54.7%	(975)	-16.1%
Europe	2,366	26.2%	3,003	27.2%	(637)	-21.2%
America	913	10.1%	1,149	10.4%	(236)	-20.5%
Asia	673	7.4%	807	7.3%	(134)	-16.6%
Rest of the World	24	0.3%	42	0.4%	(18)	-42.9%
Total	9,041	100%	11,041	100%	(2,000)	-18.1%

REVENUES AUTOMATION COMPONENTS UP TO 31 MARCH 2020



REVENUES AUTOMATION COMPONENTS UP TO 31 MARCH 2019



Business performance

Revenues totalled 9,041 thousand Euro at 31 March 2020, down 18.1% compared with the first three months of 2019. Shrinkage is a result of current economic trends, distributed over all the geographical areas of interest to the business unit, particularly Italy (-16.1%), Europe (-21.2%), America (-20.5%) and the Asian market (-16.6%); all product lines in the business unit reveal shrinkage of revenues over the same period in the previous year.

Orders received in the first three months of 2020 total 9,855 thousand Euro, -13.8% less than the figure for the first quarter of the previous year, and the order backlog, worth 6,335 thousand Euro, has also fallen, though not by as much (-7.3%).

EBITDA in the first quarter of 2020 is positive by 574 thousand Euro (6.3% of revenues), 823 thousand Euro lower than the figure for the first quarter of 2019, due to decreased sales, only partly compensated by lower operating costs.

EBIT at 31 March 2020 was negative at 50 thousand Euro, as compared with a positive EBIT of 831 thousand Euro at 31 March 2019. The 881 thousand Euro decrease is a result of the dynamics described above: lower volumes of sale and therefore lower added value, only partially compensated by a reduction in operating costs for ordinary management.

Also note that adoption of accounting standard IFRS16 led the automation components business unit to reverse leasing fees of 122 thousand Euro (94 thousand Euro in the first quarter of 2019) and to enter 117 thousand Euro in amortisation of usage rights (88 thousand Euro in the first quarter of 2019).

Investments

Investments in the first three months of 2020 totalled 328 thousand Euro. Investments in intangible assets amounted to 299 thousand Euro, of which 200 thousand Euro were to capitalise the cost of development of the new range of regulators and power controllers.

Investments in tangible assets amounted to 29 thousand Euro, including 22 thousand Euro invested in improvement of the Group's Italian production factories, plant and machinery and renewal of electronic office machines and equipment for information systems.

10.3 MOTION CONTROL

Summary results

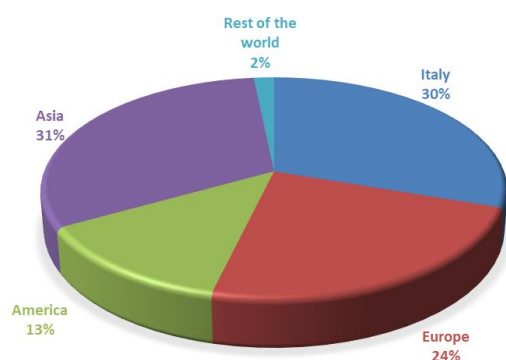
The table below shows the key economic figures.

(Euro / 000)	31 March 2020	31 March 2019	Changes 2020-2019	
			value	%
Revenues	9,701	11,095	(1,394)	-12.6%
EBITDA	62	639	(577)	-90.3%
	<i>% of revenues</i>			
	0.6%	5.8%		
EBIT	(479)	104	(583)	-560.6%
	<i>% of revenues</i>			
	-4.9%	0.9%		

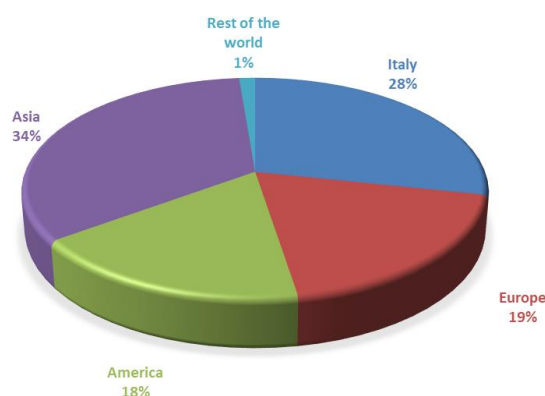
The breakdown of motion control business revenues by geographic region is as follows:

(Euro / 000)	31 March 2020		31 March 2019		Changes 2020-2019	
	value	%	value	%	value	%
Italy	2,930	30.2%	3,142	28.3%	(212)	-6.7%
Europe	2,286	23.6%	2,120	19.1%	166	7.8%
America	1,275	13.1%	1,949	17.6%	(674)	-34.6%
Asia	3,052	31.5%	3,742	33.7%	(690)	-18.4%
Rest of the World	158	1.6%	142	1.3%	16	11.3%
Total	9,701	100%	11,095	100%	(1,394)	-12.6%

REVENUES DRIVE AND MOTION UP TO
31 MARCH 2020



REVENUES DRIVE AND MOTION UP TO
31 MARCH 2019



Business performance

Revenues in the first three months of 2020 amount to 9,701 thousand Euro, 1,394 thousand Euro lower (-12.6%) than the same period in the previous year. The shrinkage is widespread: America (-34.6%), Asia (-18.4%) and Italy (-6.7%). Good performance was recorded in Europe (+7.8%). In terms of products, sales improved over the first quarter of 2019 in the Lifts and Converters lines, while sales volumes dropped in all other lines, particularly products for industrial applications and custom orders.

The order portfolio in the first quarter of 2020 amounts to 12,044 thousand Euro, down 12.8% over the first three months of 2019, when this item totalled 10,679 thousand Euro. The backlog as of 31 March 2020 is also increasing both compared to the figure of 31 March 2019 (+ 28.6%) and compared to the figure of 31 December 2019 (+ 32.3%).

EBITDA at 31 March 2019 was positive at 62 thousand Euro (0.6% of revenues). If compared with the figure for the previous period, which was positive by 639 thousand Euro (5.8% of revenues), a drop of 577 thousand Euro is evident, dictated by lower volumes of sale registered in the first quarter of 2020.

EBIT as of 31 March 2020 is negative by 479 thousand Euro, as compared to a positive EBIT of 104 thousand Euro for the same period in the previous year, a decrease of 583 thousand Euro.

Also note that adoption of accounting standard IFRS16 has allowed the motion control business unit to reverse 69 thousand Euro in leasing fees (74 thousand Euro in the first quarter of 2019) and enter amortisation of usage rights amounting to 70 thousand Euro (63 thousand Euro in the first quarter of 2019).

Investments

Investments in 2020 amounted to 406 thousand Euro, including 185 thousand Euro invested in tangible assets, primarily for renewal of production equipment and improvement of the efficiency of production (135 thousand Euro).

Increases in intangible assets amounted to 221 thousand Euro and concerned the capitalisation of development costs (179 thousand Euro) relating to new products for the industrial sector and the lifting sector.

11.HUMAN RESOURCES

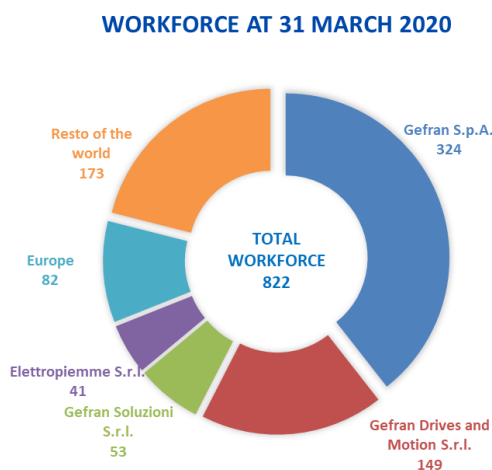
Workforce

At 31 March 2020 the Group’s workforce numbered 822, a decrease of 7 since the end of 2019 and of 4 compared with 31 March 2019.

This change marks an overall turnover rate within the Group of 5%.

Changes in the first quarter of 2020 may be broken down as follows:

- 17 people joined the Group, including 3 manual workers and 14 clerical staff;
- 24 people left the Group, including 6 manual workers and 18 clerical staff.



12. SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2020

The first quarter of 2020 saw the global spread of Coronavirus (Covid-19), resulting in the World Health Organisation's declaration of a "global pandemic" in March as the number of countries reporting cases continued to grow. After the first cases of Covid-19 were reported in Asia, starting in January in China, the virus spread in Europe, with the first case officially reported in Italy on 21 February, and progressively spread to the Americas, particularly the United States.

The global health crises led the governments of the countries affected to introduce more and more restrictive measures limiting travel, requiring social distancing and suspending non-essential production and commerce with the aim of halting the spread of the virus and safeguarding human health.

These exceptional measures, many of which are still in effect today, have undeniably had a significant impact on society and the economy.

Gefran has also suffered the effects of the spread of Covid-19 in the countries where the Group operates, either directly with its own branches or indirectly through customers and suppliers, primarily as a result of the partial or total shutdown of production.

The Group responded with prompt introduction of measures aimed at protecting the safety of its employees and everyone it works with while ensuring business continuity compatibly with government directives. This has led to the definition of specific procedures for behaviour and access to company premises, and to preparation of health and safety protocols.

Synergies have been set up in the Group to respond to the shortage of PPE, ensuring that all employees have access to essential protective devices. In addition, the Group has begun to invest in ensuring the safest possible working conditions for its employees.

A task force was set up to manage the supply chain in order to ensure business continuity, responding to problems with geolocalisation of suppliers and definition of lockdown zones; there were no interruptions in production attributable to shortages of material in the quarter, and all financial commitments to suppliers were met.

As of the publication of this report, the Group has resumed production at its main locations, while office staff continue to work from home.

The Gefran Group has resorted to use of the exceptional wages guarantee fund and begun the required procedures for requesting government aid wherever available. In addition, actions are under way aimed at cutting costs and redefining the Group's actions and priorities.

13. SIGNIFICANT EVENTS FOLLOWING THE END OF THE FIRST QUARTER OF 2020

- On 6 April 2020 the Gefran S.p.A. Board of Directors withdrew its 12 March 2020 resolution concerning the distribution of dividends on profits earned in 2019. The decision was made in view of the significant economic impact of the Covid-19 pandemic, with the goal of limiting financial expenditure and prudentially reinforcing the Group's already solid economic and financial position.

The Shareholders' Meeting was asked to allocate all of the net profit from the year 2019 (6,221,826 Euro) to retained earnings.

- On 28 April 2020 the Gefran S.p.A. extraordinary shareholders' meeting approved the changes to the company's articles of association proposed by the previous Board of Directors' meeting.
- On 28 April 2020, the Ordinary Shareholders' Meeting of Gefran S.p.A. voted to:
 - o Approve Gefran S.p.A.'s financial statements for the year 2019 and allocate the entire annual profit of Euro 6.2 million to retained earnings;
 - o Appoint Ennio Franceschetti as Gefran Honorary Chairman and resolve on appointment of the members of the Board of Directors for the 2020-2022 three-year period: Ennio Franceschetti, Maria Chiara Franceschetti, Andrea Franceschetti, Giovanna Franceschetti, Marcello Perini, Daniele Piccolo, Monica Vecchiati, Cristina Mollis and Giorgio Metta.
 - o Authorise the Board of Directors to purchase up to a maximum of 1,440,000 own shares with a face value of 1 Euro each, within 18 months from the date of the Shareholders' Meeting.

In accordance with art. 123-ter of Italy's Consolidated Finance Act (TUF), the shareholders' meeting voted in favour of the Group's 2020 Remuneration Policy and remuneration for the year 2019.

- On 28 April 2020, the new Gefran S.p.A. Board of Directors, which met immediately after the shareholders' meeting, appointed Maria Chiara Franceschetti as its Chairman, Andrea Franceschetti and Giovanna Franceschetti as its Vice Chairmen, and Marcello Perini as CEO.

The new Board of Directors appointed members Monica Vecchiati, Daniele Piccolo and Giorgio Metta to the Control and Risk Committee, while Daniele Piccolo, Monica Vecchiati and Cristina Mollis were appointed members of the Remuneration Committee.

The independence requirements of the newly-appointed board were also verified. The non-executive directors Daniele Piccolo, Monica Vecchiati, Cristina Mollis and Giorgio Metta declared they were in possession of the independence requirements. Daniele Piccolo is Lead Independent Director. Ennio Franceschetti, Maria Chiara Franceschetti, Andrea Franceschetti, Giovanna Franceschetti and Marcello Perini are Executive Directors.

14. OUTLOOK

2020 began on an optimistic note: the International Monetary Fund predicted an increase in global GDP, with 3.3% growth in 2020 and 3.4% growth in 2021. But following the propagation of the COVID-19 virus, these estimates were revised downwards, only minimally at first, followed by much greater reductions over the months that followed.

The International Monetary Fund's latest estimates state that we are experiencing the worst recession since 1930, with global GDP expected to drop by 3% in 2020, growing 5.8% in 2021 provided the pandemic ends in the second half of 2020. GDP in 2020 in the Eurozone is expected to fall by 7.5%, followed by 4.7% growth in 2021.

The Gefran Group has felt the effects of the situation ever since the virus first appeared in China and then began to spread to other geographical areas of importance for the Group; it has responded by implementing new organisational methods and, where possible, exploiting the Group's international scope by making up for part of the production lost in the most strongly affected countries with production in other areas where industries have continued operating.

The Group reacted promptly to shrinking demand as a result of the impact of the pandemic by cutting costs and implementing a major review of its actions and priorities.

In view of the above, and in the absence of events unforeseeable at the present time, Gefran now expects to see revenues and margins lower than those of the previous year.

15. IMPACT OF COVID-19 – RISKS

In the normal course of its business, the Gefran Group is exposed to various financial and non-financial risk factors, which, should they materialise, could have a significant impact on its economic and financial situation and on the principal company processes.

Analysis of risk factors, assessment of their potential impact, and formulation of risk mitigation and containment plans are essential for generating value in the organisation. The ability to track and respond correctly to risk will help the Company to face corporate and strategic choices with confidence and contribute to prevention of the negative impact on the Company's targets and the Group's business.

The risks with the greatest impact resulting from the spread of the COVID-19 virus are listed below:

Risks associated with the general economic conditions and market trends

The International Monetary Fund recently revised its prospects for global growth in the current year downward, expecting to see a 3.3% drop, followed in 2021 by 5.8% growth of GDP if the pandemic ends in the second half of 2020.

The Gefran Group is present on world markets through its subsidiaries, and even though the virus has spread all over the world, the fact that it has affected different countries at different times, so that the resumption of production and commerce has also been staggered, has resulted in different trends in incoming orders and revenues: China has resumed full-swing production, while the United States have slowed down.

As described above, the spread of the pandemic has had a negative impact on Gefran's economic results, with revenues in the first quarter of 2020 13% lower than in the first quarter of 2019; the Group is actively monitoring foreign markets, as it is unable to work on expansion of trade into new markets and fields of application due to the prohibition of travel for its sales network.

However, the possibility that these trends may have a significant impact on the Group's operations and economic and financial situation cannot be ruled out.

Risks associated with funding requirements and cash risk

The Gefran Group's financial situation is subject to risks associated with the general economic environment, the achievement of objectives and trends in the sectors in which the Group operates.

Gefran's capital structure is strong; it has own funds of Euro 75.3 million versus overall liabilities of Euro 73.6 million. All existing signed contracts are for loans at variable interest rates, determined by the Euribor rate plus an average spread of less than 110 bps in the past two years. Some of these outstanding loans, whose remaining value at 31 March 2020 was Euro 0.5 million, contain covenants. At 31 March 2020, the Group was fully in compliance with these clauses.

A new medium to long term loan in the amount of 5 million Euro was taken out in April 2020, with Unicredit, without covenants and with a spread of 0.95%.

As soon as signs of the impact of COVID-19 began to appear, the Group implemented new organisational methods and cost-cutting processes, and began work on an important plan for redefinition of its activities and priorities, suggesting that the Group will be capable of financial expenditure for planned investments and regular operations.

Lines of credit and cash on hand are sufficient for the Group's operations and expected growth.

Credit risk

The Group has business relations with a large number of customers. Customer concentration is not high, since no customer accounts for more than 10% of total revenues. Supply agreements are normally long-term, because Gefran products form part of the customer's product design, and they are incorporated into the end product and have a significant influence on its performance. In accordance with IFRS 7.3.6a, all amounts presented in the financial statements represent the maximum exposure to credit risk.

The Group grants its customers deferred payment conditions, which vary according to the market practices in individual countries. All customers' solvency is regularly monitored, and any risks are periodically covered by appropriate provisions. Despite these precautions, under current market conditions, it cannot be ruled out that some customers may not be able to generate sufficient cash flow or may lack access to sufficient sources of funding, resulting in payment delays or a failure to honour obligations.

Receivables were adjusted to their estimated realisable value through a specific provision for doubtful receivables, calculated on the basis of an examination of individual debtor positions as required by IFRS 9 and taking into account past experience in each specific line of business and geographical region.

The medical emergency generated by Covid-19 beginning at the start of the quarter has caused a global economic shock, with the result that the Group has conducted analyses assessing the possibility of significantly increased credit risk.

To do this, the Group has developed estimates based on the most accurate information available on past events, current economic conditions and forecasts for the future. The analyses conducted to determine the existence of such a risk have been based primarily on three factors:

- the potential impact of Covid-19 on the economy;
- the support measures governments have implemented;
- the collectibility of credit resulting in the changed risk of customer defaulting.

With reference to the latter point, the Group has conducted its analyses using a risk matrix that takes into account geographical region, industry, and individual customer solvency.

Management considers the forecasts thus generated to be reasonable and sustainable despite the current climate of uncertainty.

Risks associated with relations with suppliers

The Group purchases raw materials and components from a large number of suppliers and depends on services and products supplied by other companies outside the Group. Conversely,

electronic components, primarily microprocessors, power semi-conductors and memory chips, are purchased from leading global producers.

The Group promptly set up a task force to identify the location of the plants of suppliers considered critical and, when they were found to be located in areas subject to lockdown, direct orders for supplies to plants that are still in operation. The Group's Purchasing Department assessed alternative suppliers to mitigate the risk of interruption of supply, while purchasing the materials necessary to guarantee the business continuity of the Gefran Group's plants, which suffered no interruptions due to shortages of materials.

Gefran has undertaken to fulfil its commitments to suppliers, paying the amounts due regularly at the agreed due dates, a commitment underlined by participation in the Brescia Industrialists' Association's "I pay suppliers" initiative.

Health and safety risks

Risk assessment is essential to protect the health and safety of our workers. Gefran is constantly committed to mapping the operating risks that could be manifested in the various company sectors, to define opportunities and actions to minimise them, where possible.

Gefran has implemented all the procedures required to protect its employees' health during the COVID-19 pandemic, taking into account all the official protocols emanated by the governments of the countries where Gefran works. By way of example, with no intention of exhaustively listing the health and hygiene measures implemented on the company's premises and for its employees, a number of actions implemented in Group plants are listed below:

- sanitisation of premises: production facilities in Italy, China and the USA have been subjected to massive sanitisation, and all offices are cleaned and sanitised several times a day;
- distancing: production flows have been changed where necessary to ensure a safe distance between workers, identifying new premises for use as common areas such as cafeterias, dressing rooms, and access to them, organised on the basis of flexible shifts during the course of the day;
- distribution of personal protective equipment (PPE): all Group employees and visitors are supplied with PPE at the entrance to company premises and asked to wear it all the time while on site;
- temperature measurement at the entrance;
- rules of behaviour: specific procedures have been set forth regulating behaviour and processes in conformity with the requirements of the protocols, and employees have been provided with information and instruction, affixing signs on Gefran premises informing people of the rules of behaviour to be followed while on the premises.

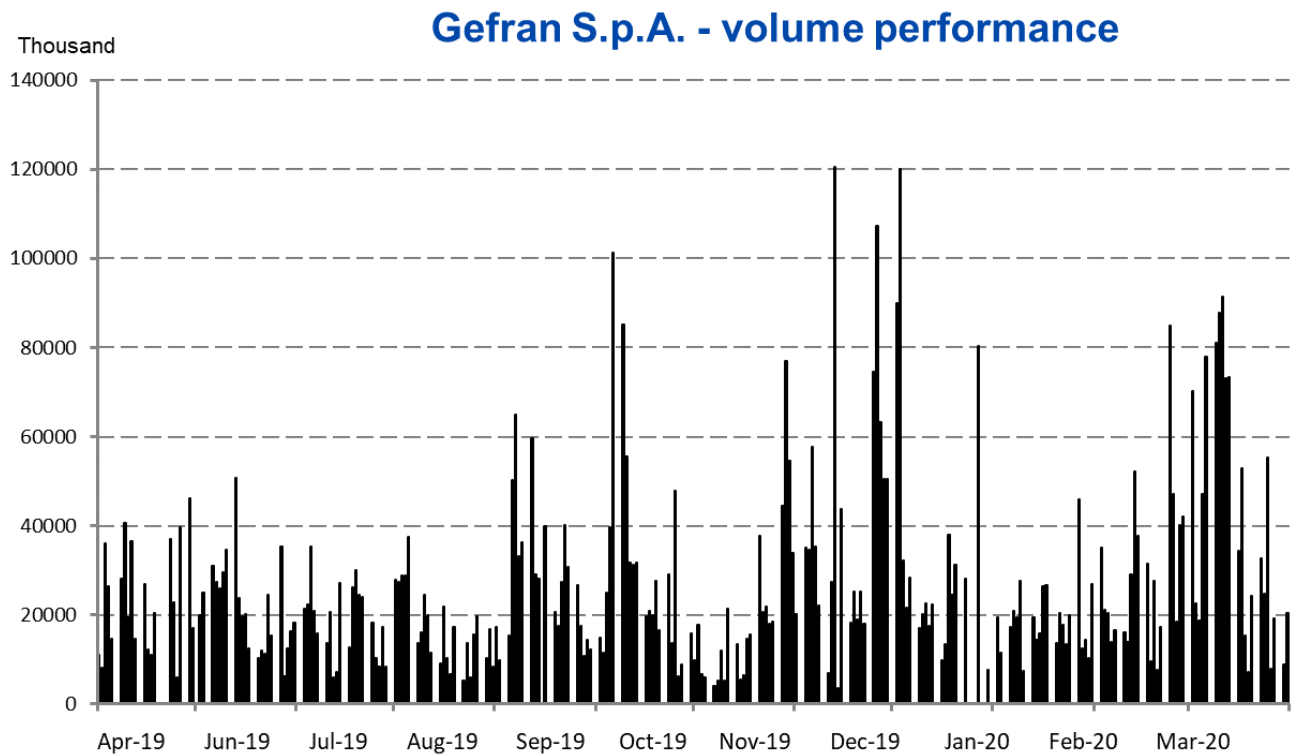
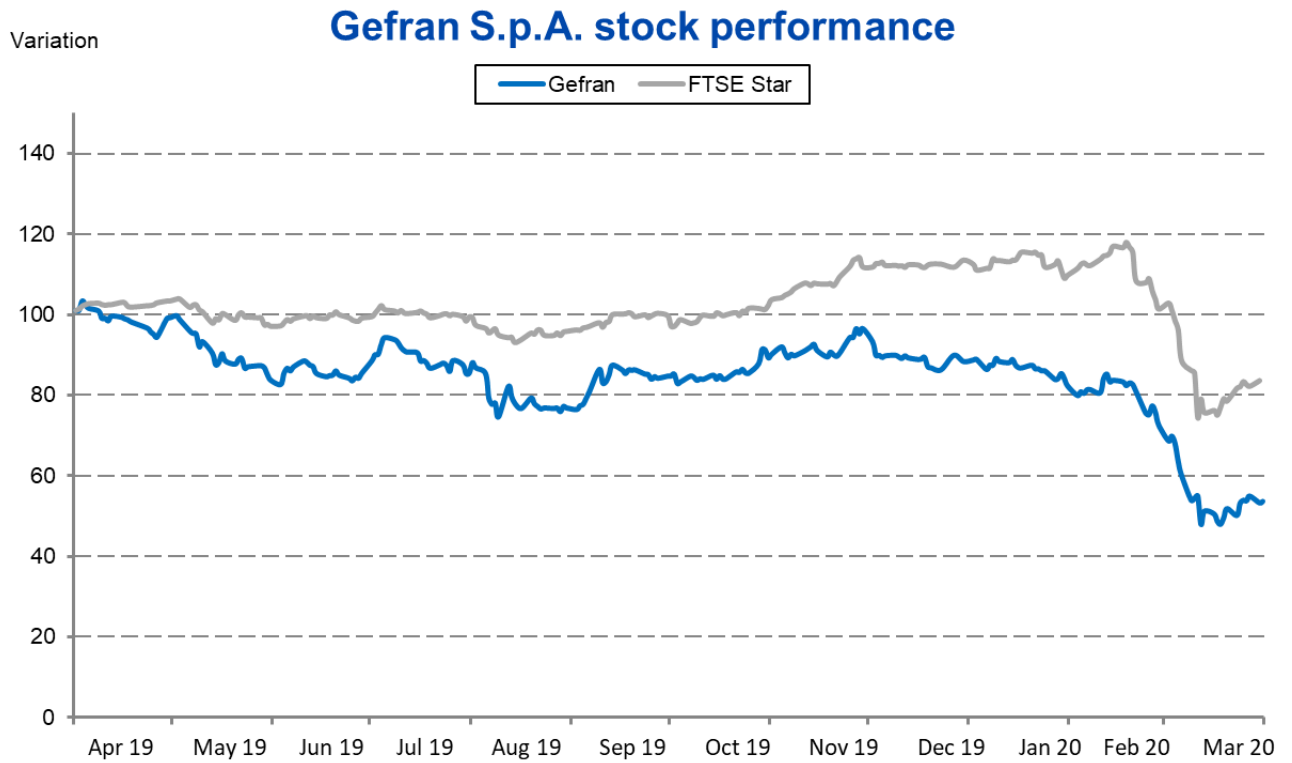
16. OWN SHARES AND STOCK PERFORMANCE

As of 31 March 2020, Gefran S.p.A. held 27,220 shares (0.19% of the total) with an average carrying value of Euro 5.7246 per share, all purchased in the fourth quarter of 2018.

No own shares were purchased or sold in 2020. As of the date of this report the situation was unchanged.

Brokerage on Gefran's shares by Intermonte takes place regularly.

Below we summarise the performance of the stock and volumes traded in the last 12 months:



17. DEALINGS WITH RELATED PARTIES

In accordance with IAS 24 information relating to the Group's dealings with related parties for the first quarter of 2020 and the same period of the previous year is provided below.

In compliance with Consob resolution no. 17221 of 12 March 2010, the Gefran S.p.A. Board of Directors has adopted the Regulations governing transactions with related parties, the current version of which was approved on 3 August 2017 and may be consulted online at <https://www.gefran.com/it/governance>, "Bylaws, regulations and procedures" area.

Transactions with related parties are part of normal operations and the typical business of each entity involved and are carried out under normal market conditions. There were no atypical or unusual transactions.

Noting that the economic and equity effects of consolidated infragroup transactions are eliminated in the consolidation process, the most significant dealings with related parties are listed below. These dealings have no material impact on the Group's economic and financial structure. They are summarised in the following tables:

(Euro / 000)	Climat S.r.l.	Total
Revenues from product sales		
2019	-	-
2020	-	-
Service costs		
2019	(43)	(43)
2020	(50)	(50)

(Euro / 000)	Climat S.r.l.	Total
Property, plant, machinery and tools		
2019	470	470
2020	52	52
Trade payables		
2019	120	120
2020	172	172

In accordance with internal regulations, transactions with related parties of an amount below Euro 50 thousand are not reported, since this amount was determined as the threshold for identifying material transactions.

With regard to dealings with subsidiaries, the Parent Company Gefran S.p.A. provided technical, administrative and management services as well as royalties to the Group's operating subsidiaries amounting to around 0.8 million Euro, governed by specific contracts.

Gefran S.p.A. provides a Group cash pooling service, partly through a "Zero Balance" service, which involves all the European subsidiaries, and the Singapore one.

None of the subsidiaries holds shares of the Parent Company or held them during the period.

Persons of strategic importance have been identified as members of the executive Board of Directors of Gefran S.p.A. and of other Group companies, as well as managers with strategic responsibilities. On 28 April 2020, the Managing Director of the Sensors and Automation Components Business Unit took on the position of General Manager of Gefran S.p.A.. As of the date of this document, the managers with strategic responsibilities are therefore: Gefran S.p.A. General Manager and Group CFO.

18. DEROGATION FROM THE OBLIGATIONS TO PUBLISH THE INFORMATION DOCUMENTS

On 1 October 2012, the Gefran S.p.A. Board of Directors voted to use the option to provide simplified disclosure pursuant to article 70, paragraph 8, and article 71, paragraph 1-*bis*, of Consob Regulation 11971/1999 as amended.

19. EXPLANATORY NOTES

General information, form and content

Gefran S.p.A. is incorporated and located at Via Sebina 74, Provaglio d'Iseo (BS).

This interim report of the Gefran Group for the period ended 31 March 2020 was approved, and its publication was authorised, by the Board of Directors on 14 May 2020.

The Group's main activities are described in the Report on Operations.

The Company prepared this document in accordance with the international accounting standards (IFRS) issued by the IASB and approved by the European Union pursuant to Regulation (EC) 1606/2002 of the European Parliament and Council of 19 July 2002, and in particular IAS 34 – Interim Financial Reporting.

In preparing these interim financial statements, the same accounting criteria were applied as in the preparation of the annual financial report for the year ending 31 December 2019. The interim financial statements for the quarter ending 31 March 2020 do not contain all the additional information required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ending 31 December 2019, prepared in accordance with IFRS.

Material transactions with related parties and non-recurring items have been detailed in separate accounting schedules, as required by Consob resolution 15519 of 27 July 2006.

These interim financial statements for the quarter ending 31 March 2020 are consolidated on the basis of the income statement and statement of financial position figures of Gefran S.p.A. and its subsidiaries relating to the first three months of 2020, prepared in accordance with international accounting standards. These accounting statements were prepared using valuation criteria in line with those of the Parent Company, or adjusted owing to consolidation.

Interim financial statements are not subject to an audit.

These consolidated interim financial statements are presented in Euro, the functional currency of most Group companies. Unless otherwise stated, all amounts are expressed in thousands of Euro.

Change in the scope of consolidation

The scope of consolidation as of 31 March 2020 was unvaried over 31 March 2019 and 31 December 2019.

Consolidation principles and valuation criteria

The valuation criteria adopted for the preparation of these interim financial statements as at 31 March 2020 are the same as those adopted in preparing the annual financial report for the year ending 31 December 2019.

In line with the requirements of document no. 2 of 6 February 2009 issued jointly by the Bank of Italy, Consob and ISVAP, the Gefran Group's interim financial statements were prepared on the assumption that the Group is a going concern.

With reference to Consob Communication DEM/11070007 of 5 August 2011, it is also noted that the Group does not hold in its portfolio any bonds issued by central or local governments or government agencies, and is therefore not exposed to risks generated by market fluctuations. The consolidated interim financial statements were prepared using the general historic cost criterion, adjusted as required for the valuation of certain financial instruments.

With reference to Consob Communication 0092543 dated 3 December 2015, it is hereby revealed that in the Report on operations the guidelines of the ESMA (ESMA/2015/1415) were followed with regard to the information aimed at ensuring the comparability, reliability and comprehensibility of the Alternative Performance Indicators.

For details on the seasonal nature of the Group's operations, please refer to the attached "Consolidated income statement by quarter".

Notes commenting on significant variations in items appearing in the consolidated accounts

In the tables shown in the following notes referring to the first quarter of 2019, the column "*Change in the scope of consolidation*" represents the effect of the change in this item following the acquisition of the company Elettropiemme S.r.l. in January 2019.

Goodwill

The item "*Goodwill*" amounted to 5,981 thousand Euro on 31 March 2020, as compared to 5,917 thousand Euro on 31 December 2019, and may be broken down as follows:

<i>(Euro / 000)</i>	31 December 2019	Increases	Decreases	Exchange rate differences	31 March 2020
Gefran France SA	1,310	-	-	-	1,310
Gefran India	40	-	-	(1)	39
Gefran Inc.	2,613	-	-	65	2,678
Sensormate AG	1,954	-	-	-	1,954
	5,917	-	-	64	5,981

The goodwill acquired following business combinations was allocated to specific CGUs for the purpose of impairment testing.

The carrying values of goodwill are shown below.

<i>(Euro / 000)</i>	Year	Goodwill France	Goodwill India	Goodwill USA	Goodwill Switzerland	Total
Sensors	2020	1,310	-	2,678	1,954	5,942
	2019	1,310	-	2,613	1,954	5,877
Motion Control	2020	-	39	-	-	39
	2019	-	40	-	-	40
Total	2020	1,310	39	2,678	1,954	5,981
	2019	1,310	40	2,613	1,954	5,917

As part of the analysis on the recoverability of the values of goodwill, in accordance with the main instructions of IAS 36, the values in use in the Group and in the CGU mentioned above, at which the tested assets were allocated, were determined. This exercise was based on the forecast cash flows discounted back, produced by the CGUs subject to analysis, appropriately discounted back by means of the rates which reflect the risk.

Goodwill relating to the France, USA and Switzerland CGUs has been assigned to the sensors business unit, that relating to the India CGU to the drive business unit. For impairment testing purposes, all goodwill is examined on the basis of data from the specific CGUs, which corresponds to the subsidiary companies operating in the aforesaid geographic regions.

The COVID-19 pandemic and its effects on the global economy have, on the one hand, made it necessary to review impairment tests on goodwill, while on the other hand they have made it very difficult to revise plans for future years. For this reason, when determining value in use, the specific cash flows relating to the period 2020 - 2022 deriving from the Group Plan were considered, along with terminal value, which represents the ability to generate cash flows beyond the explicit forecast time scale.

The main assumptions that management used to calculate the value in use regard the discount rate (WACC) and the long-term growth rate (g), as well as the cash flows deriving from the Group Plan.

The rate used for discounting future cash flows is the weighted average cost of capital (WACC), calculated as the weighted average of the cost of own capital and the cost of third-party capital, net of the effect on taxation. In determining it, the risk premium rate was increased by one percent to reflect the effects of the COVID-19 pandemic, while maintaining the other components unvaried.

Also to reflect the macroeconomic effects of the spread of COVID-19, the long-term growth rate (g) has been decreased by one percentage point.

Below is a sensitivity analysis showing the break-even “g” and “wacc” rates in a “steady case” situation:

Description (Euro / 000)	"g" rate %	WACC %	A	B
Goodwill - STEADY CASE				
France	0.7%	8.0%	-16%	20%
India	2.9%	10.5%	-9%	30%
USA	1.3%	8.1%	-11%	16%
Switzerland	0.2%	7.6%	-2%	9%

A = g rate % break-even point with unchanged WACC
 B = WACC % of break-even point with stable g rate

The above analyses show that, both under stable conditions and in situations worse than those forecast, the recoverable amount of goodwill is not critical, also considering the change in the discount rate and the growth rate.

However, the directors will systematically monitor final income statement and statement of financial position data of the CGUs to assess the need to adjust forecasts and promptly reflect any further write-downs.

Intangible assets

This item exclusively comprises assets with a finite life, and increased from 7,641 thousand Euro on 31 December 2019 to 7,868 thousand Euro on 31 March 2020. The changes during the period are shown below:

Historical cost	31 December 2019	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2020
<i>(Euro / 000)</i>							
Development costs	18,867	-	-	220	-	-19,087	
Intellectual property rights	7,546	94	-	41	-	(21)	7,660
Assets in progress and payments on account	2,955	552	-	(315)	-	-	3,192
Other assets	10,416	41	(4)	64	-	1	10,518
Total	39,784	687	(4)	10	-	(20)	40,457

Accumulated depreciation	31 December 2019	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2020
<i>(Euro / 000)</i>							
Development costs	16,346	281	-	-	-	-16,627	
Intellectual property rights	6,817	81	-	-	-	(19)	6,879
Other assets	8,980	107	(4)	-	-	-	9,083
Total	32,143	469	(4)	-	-	(19)	32,589

Net value	31 December 2019	31 March 2020	Change
<i>(Euro / 000)</i>			
Development costs	2,521	2,460	(61)
Intellectual property rights	729	781	52
Assets in progress and	2,955	3,192	237
Other assets	1,436	1,435	(1)
Total	7,641	7,868	227

This is the table of changes related to the first quarter of 2019:

Historical cost	31 December 2018	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2019
<i>(Euro / 000)</i>							
Development costs	17,871	-	-	-	-	-	17,871
Intellectual property rights	7,099	42	-	42	147	19	7,349
Assets in progress and payments on account	1,647	663	-	(150)	-	-	2,160
Other assets	9,634	29	-	106	111	23	9,903
Total	36,251	734	-	(2)	258	42	37,283

Accumulated depreciation	31 December 2018	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2019
<i>(Euro / 000)</i>							
Development costs	15,019	347	-	-	-	-	15,366
Intellectual property rights	6,333	79	-	17	147	19	6,595
Other assets	8,391	101	-	(17)	104	6	8,585
Total	29,743	527	-	-	251	25	30,546

Net value	31 December 2018	31 March 2019	Changes
<i>(Euro / 000)</i>			
Development costs	2,852	2,505	(347)
Intellectual property rights	766	754	(12)
Assets in progress and payments on account	1,647	2,160	513
Other assets	1,243	1,318	75
Total	6,508	6,737	229

Development costs include capitalisation of costs incurred for the following activities:

- 720 thousand Euro relating to new lines for mobile hydraulics, pressure transducers (KS KH) and contactless linear position transducers (MK–IK, RK and WP– RK);
- 1,229 thousand Euro for component lines for the new range of regulators and static units, GF Project VX, G Cube Performa and G Cube Fit;
- 511 thousand Euro relating to the new range of lift inverters.

These assets are estimated to have a useful life of five years.

Intellectual property rights exclusively comprise the costs incurred to purchase the company IT system management programs and the use of licences for third-party software. These assets have a useful life of three years.

Assets in progress and payments on account include payments on account paid to suppliers for the purchase of software programs and licenses due to be delivered in the following year, and for purchase of patents on technologies currently being developed. This item also includes 2,781 thousand Euro in development costs, which include 615 thousand Euro for the automation components business unit, 674 thousand Euro for the sensors business unit, and 1,492 thousand Euro for the motion control business unit, the benefits of which will appear in the income statement for the following year, so that they have not been amortised.

Other assets almost entirely represents costs for implementation of the ERP SAP/R3, Business Intelligence (BW), Customer Relationship Management (CRM) systems and management software, incurred by the Parent Company Gefran S.p.A. in previous years and the current year. These assets have a useful life of five years.

Increases in the historical value of “Intangible assets”, equal to 687 thousand Euro in the first quarter of 2020, include 495 thousand Euro for capitalisation of internal costs (629 thousand Euro in the previous year).

Property, plant, machinery and tools

This item increased from 44,761 thousand Euro on 31 December 2019 to 43,946 thousand Euro on 31 March 2020. The changes are shown in the table below:

Historical cost	31 December 2019	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2020
<i>(Euro / 000)</i>							
Land	5,222	-	-	-	-	15	5,237
Industrial buildings	42,255	-	-	2,012	-	28	44,295
Plant and machinery	43,514	120	(138)	1,986	-	(16)	45,466
Industrial and commercial equipment	19,916	52	(7)	149	-	(1)	20,109
Other assets	7,436	49	(5)	66	-	(20)	7,526
Assets in progress and payments on account	4,988	141	-	(4,223)	-	6	912
Total	123,331	362	(150)	(10)	-	12	123,545

Accumulated depreciation	31 December 2019	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2020
<i>(Euro / 000)</i>							
Industrial buildings	20,864	325	-	-	-	(41)	21,148
Plant and machinery	33,285	601	(138)	-	-	10	33,758
Industrial and commercial equipment	18,524	172	(7)	-	-	2	18,691
Other assets	5,897	113	(5)	-	-	(3)	6,002
Total	78,570	1,211	(150)	-	-	(32)	79,599

Net value	31 December 2019	31 March 2020	Change
<i>(Euro / 000)</i>			
Land	5,222	5,237	15
Industrial buildings	21,391	23,147	1,756
Plant and machinery	10,229	11,708	1,479
Industrial and commercial equipment	1,392	1,418	26
Other assets	1,539	1,524	(15)
Assets in progress and payments on account	4,988	912	(4,076)
Total	44,761	43,946	(815)

By contrast, the table of changes relating to 2019: follows:

Historical cost	31 December 2018	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2019
<i>(Euro / 000)</i>							
Land	4,514	599	-	-	-	11	5,124
Industrial buildings	41,041	2,143	-	398	235	152	43,969
Plant and machinery	40,008	236	-	892	10	263	41,409
Industrial and commercial equipment	19,277	97	(2)	60	163	43	19,638
Other assets	6,958	173	(15)	(51)	325	64	7,454
Assets in progress and payments on account	2,131	824	-	(1,297)	-	8	1,666
Total	113,929	4,072	(17)	2	733	541	119,260

Accumulated depreciation	31 December 2018	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2019
<i>(Euro / 000)</i>							
Industrial buildings	19,953	1,742	-	-	132	35	21,862
Plant and machinery	31,507	496	-	34	10	208	32,255
Industrial and commercial equipment	17,899	179	(1)	-	125	42	18,244
Other assets	5,615	100	(17)	(34)	234	50	5,948
Total	74,974	2,517	(18)	-	501	335	78,309

Net value	31 December 2018	31 March 2019	Changes
<i>(Euro / 000)</i>			
Land	4,514	5,124	610
Industrial buildings	21,088	22,107	1,019
Plant and machinery	8,501	9,154	653
Industrial and commercial equipment	1,378	1,394	16
Other assets	1,343	1,506	163
Assets in progress and payments on account	2,131	1,666	(465)
Total	38,955	40,951	1,996

No writedowns were applied in the first quarter of 2020, whereas the first quarter of 2019 saw the writedown of buildings due to loss of value worth a total of 1,423 thousand Euro.

The change in the exchange rate had a positive impact of 44 thousand Euro.

The biggest changes during the quarter related to:

- investment of 247 thousand Euro in production and laboratory plant and equipment in the Group's Italian factories and 14 thousand Euro in other Group subsidiaries;
- adaptation of industrial buildings housing the Group's Italian plants, totalling 24 thousand Euro;
- renewal of electronic office machines and IT system equipment, amounting to 38 thousand Euro in the Parent Company and 27 thousand Euro in the Group's subsidiaries;
- miscellaneous equipment in the Group's subsidiaries amounting to 12 thousand Euro.

Increases in the historic value of "Buildings, plant and machinery and equipment" totalled 362 thousand Euro in the first quarter of 2020; there was no capitalisation of internal costs (6 thousand in the first quarter of 2019).

Usage rights

This item refers to the recording of the value of the assets covered by the lease contracts, according to the accounting standard IFRS16.

The value of "Usage rights" as of 31 March 2020 amounts to 2,923 thousand Euro, and shows the following changes:

Historical cost	31 December 2019	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2020
<i>(Euro / 000)</i>							
Real estate	2,233	56	-	-	-	11	2,300
Vehicles	1,801	62	(9)	-	-	(19)	1,835
Machinery and equipment	138	37	-	-	-	-	175
Total	4,172	155	(9)	-	-	(8)	4,310

Accumulated depreciation	31 December 2019	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2020
<i>(Euro / 000)</i>							
Real estate	522	143	-	-	-	(5)	660
Vehicles	507	158	(3)	-	-	(6)	656
Machinery and equipment	54	16	-	-	-	1	71
Total	1,083	317	(3)	-	-	(10)	1,387

Net value	31 December 2019	31 March 2020	Change
<i>(Euro / 000)</i>			
Real estate	1,711	1,640	(71)
Vehicles	1,294	1,179	(115)
Machinery and equipment	84	104	20
Total	3,089	2,923	(166)

By contrast, the table of changes relating to 2019: follows:

Historical cost	31 December 2018	Assessment 1 Jan. 2019	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2019
<i>(Euro / 000)</i>								
Real estate	-	1,121	-	-	-	557	(26)	1,652
Vehicles	-	1,011	108	-	-	-	(6)	1,113
Machinery and equipment	-	122	-	-	-	-	-	122
Total	-	2,254	108	-	-	557	(32)	2,887

Accumulated depreciation	31 December 2018	Assessment 1 Jan. 2019	Increases	Decreases	Reclassifications	Change scope of consolidation	Exchange rate differences	31 March 2019
<i>(Euro / 000)</i>								
Real estate	-	-	128	-	-	-	1	129
Vehicles	-	-	106	-	-	-	-	106
Machinery and equipment	-	-	13	-	-	-	-	13
Total	-	-	247	-	-	-	1	248

Net value	31 December 2018	31 March 2019	Change
<i>(Euro / 000)</i>			
Real estate	-	1,523	1,523
Vehicles	-	1,007	1,007
Machinery and equipment	-	109	109
Total	-	2,639	2,639

As of 1 January 2020 the Group has a total of 205 contracts in place for leasing of vehicles, machinery, industrial equipment and electronic office machinery, as well as for rental of real estate. As required by the IASB, practical expedients were employed such as exclusion of contracts with a residual duration of less than 12 months or contracts for which the fair value of the asset is calculated to fall below the conventional threshold of 5 thousand American dollars (of modest unitary value).

On the basis of their value and duration, of the 205 contracts in effect as of 1 January 2020:

- 172 fell within the perimeter of application of IFRS 16;
- 33 were excluded from the perimeter of application of the standard, 25 of which had a term of less than 12 months, while for the 8, the fair value calculated for the asset which is the subject of the contract is of modest unitary value.

The assets analysed here are entered in the financial statements:

- in non-current tangible assets, under “Usage rights”;
- under Net Financial Position, while the corresponding financial payable originates current (payable within the year) or non-current (payable beyond a year) “Financial payables for leasing under IFRS 16”.

In assessment of the fair value and useful lifespan of the assets which are the subject of the contracts subject to application of IFRS 16, the following factors were taken into consideration:

- the amount of the periodic lease or rental fee, as defined in the contract and revalued where applicable;
- initial accessory costs, if specified in the contract;
- final restoration costs, if specified in the contract;
- the number of remaining instalments;
- implicit interest, where not stated in the contract, is estimated on the basis of the average rates for the Group's debt.

A total of 13 new leasing agreements were signed in 2020, 6 of which are subject to application of IFRS 16, and specifically: The remaining 7 contracts signed in 2020, excluded from the perimeter of application of the new accounting standard, pertain to contracts with a duration of less than 12 months.

A total of 18 contracts ended, only 8 of which fell within the perimeter of application of IFRS 16 on the basis of their value and term as specified above, one of which was terminated in advance of its original due date, generating a loss of 1 thousand Euro, entered in the income statement under miscellaneous management costs.

Increases in the historic cost of the item "*Usage rights*" may be summed up as follows:

- real estate, totalling 56 thousand Euro, representing a 4-year extension of one of the company Elettropiemme S.r.l.'s rental contracts, following the Group's takeover of its contracts in 2019;
- vehicles, totalling Euro 62 thousand, representing 3 new vehicle leasing agreements signed by the Group in 2020 upon expiry of previous agreements;
- machinery and equipment totalling 3 thousand Euro, linked with 3 new contracts for rental of uninterrupted power supply units signed in 2020.

Decreases in the historical cost of "*usage rights*" in 2020, totalling 9 thousand Euro, are a result of advance termination of one vehicle leasing agreement in advance of its expiration date.

Net working capital

Net working capital totals 31,356 thousand Euro, compared to 28,542 thousand Euro on 31 December 2019, and breaks down as follows:

<i>(Euro / 000)</i>	31 March 2020	31 December 2019	Change
Inventories	23,797	24,548	(751)
Trade receivables	27,129	28,931	(1,802)
Trade payables	(19,570)	(24,937)	5,367
Net amount	31,356	28,542	2,814

The value of **inventories** at 31 March 2020 is 23,797 thousand Euro, down by 751 thousand Euro with respect to 31 December 2019. The balance breaks down as follows:

(Euro / 000)	31 March 2020	31 December 2019	Change
Raw materials, consumables and supplies	15,239	14,653	586
<i>provision for impairment of raw materials</i>	<i>(3,704)</i>	<i>(3,449)</i>	<i>(255)</i>
Work in progress and semi-finished products	8,654	8,707	(53)
<i>Provision for impairment of work in progress</i>	<i>(1,146)</i>	<i>(1,058)</i>	<i>(88)</i>
Finished products and goods for resale	6,360	7,269	(909)
<i>Provision for impairment of finished products</i>	<i>(1,606)</i>	<i>(1,574)</i>	<i>(32)</i>
Total	23,797	24,548	(751)

inventories decreased by 751 thousand Euro, primarily a result of reduction of stocks of semi-products and finished products as a result of sales orders dispatched. Incoming stocks of raw materials were higher than at the end of 2019, because when the pandemic began, large quantities of materials critical to production were ordered to prevent the risk of interruption of supply from causing a shutdown of the production.

The economic impact of the decrease in inventories amounts to 561 thousand Euro, as the average exchange rate for the period is used for the economic reporting of events.

The provision for obsolescence and slow moving inventories was adjusted according to need in the first quarter of 2020 through specific provisions totalling 461 thousand Euro (as compared to 314 thousand Euro in the same period in 2019). Movement in the provision in the first three months of 2020 is shown below:

(Euro / 000)	31 December 2019	Provisions	Uses	Releases	Change scope of consolidation	Exchange rate difference	31 March 2020
Provision for impairment of inventory	6,081	461	(49)	-	-	(37)	6,456

By contrast, changes in the first quarter of 2019 were as follows:

(Euro / 000)	31 December 2018	Provisions	Uses	Releases	Change scope of consolidation	Exchange rate difference	31 March 2019
Provision for impairment of inventory	5,212	314	(111)	-	201	68	5,684

Trade receivables amount to 27,129 thousand Euro, compared to 28,931 thousand Euro on 31 December 2019, a 1,802 thousand Euro increase.

(Euro / 000)	31 March 2020	31 December 2019	Change
Receivables from customers	29,443	31,299	(1,856)
<i>Provision for doubtful receivables</i>	<i>(2,314)</i>	<i>(2,368)</i>	<i>54</i>
Net amount	27,129	28,931	(1,802)

This includes receivables subject to recourse factoring which the Parent Company has transferred to a leading factoring company for a total amount of 9 thousand Euro (15 thousand Euro as of 31 December 2019).

The change is only partly due to shrinkage of sales revenues in the first quarter of the year, as collection days decreased from 74 at the end of 2019 to 72 in the first quarter of 2020;

Receivables were adjusted to their estimated realisable value through a specific provision for doubtful receivables, calculated on the basis of an examination of individual debtor positions and taking into account past experience in each specific line of business and geographical region, as required by IFRS 9. The provision as at 31 March 2020 represents a prudential estimate of the current risk, and registered the following changes:

(Euro / 000)	31 December 2019	Provisions	Uses	Releases	Change scope of consolidation	Exchange rate differences	31 March 2020
Provision for doubtful receivables	2,368	2	(19)	(5)	-	(32)	2,314

The table of changes in the first quarter of 2019 appears below:

(Euro / 000)	31 December 2018	Provisions	Uses	Releases	Change scope of consolidation	Exchange rate differences	31 March 2019
Provision for doubtful receivables	2,406	9	1	(132)	149	29	2,462

The value of use of the fund includes amounts covering losses on unrecoverable receivables. The Group monitors the situation of the receivables most at risk and initiates the appropriate legal action. The carrying value of trade receivables is considered to approximate to their fair value.

There is no significant concentration of sales to individual customers: this phenomenon remains below 10% of Group revenues.

Trade payables came to 19,570 thousand Euro, compared with 24,937 thousand Euro as of 31 December 2019.

It breaks down as follows:

(Euro / 000)	31 March 2020	31 December 2019	Change
Payables to suppliers	16,238	21,521	(5,283)
Payables to suppliers for invoices to be received	2,728	2,703	25
Payments on account received from customers	604	713	(109)
Total	19,570	24,937	(5,367)

Trade payables totalled 19,570 thousand Euro, down 5,367 thousand Euro since 31 December 2019. Trade payables at the end of 2019 were a result of purchases of materials for production and above all payables to suppliers for investments in the last quarter of 2019, paid in the first quarter of 2020. The Parent Company participated in the "I pay my suppliers" initiative of the Industrialists' Association of Brescia, confirming the Group's commitment to fulfilling its duties.

Net financial position

The table below shows a breakdown of the net financial position:

(Euro / 000)	31 March 2020	31 December 2019	Change
Cash and cash equivalents and current financial receivables	18,562	24,427	(5,865)
Financial investments for derivatives	1	1	-
Other non-current financial investments	89	97	(8)
Non-current financial payables	(19,909)	(21,916)	2,007
Non-current financial payables for IFRS 16 leases	(1,901)	(2,013)	112
Current financial payables	(11,746)	(12,643)	897
Current financial payables for IFRS 16 leases	(1,024)	(1,071)	47
Financial liabilities for derivatives	(167)	(169)	2
Total	(16,095)	(13,287)	(2,808)

The following table breaks down the net financial position by maturity:

(Euro / 000)	31 March 2020	31 December 2019	Change
A. Cash on hand	31	40	(9)
B. Cash in bank deposits	18,531	24,387	(5,856)
D. Cash and cash equivalents (A) + (B)	18,562	24,427	(5,865)
Current financial liabilities for derivatives	-	-	-
Current financial assets for derivatives	-	-	-
E. Fair value current hedging derivatives	-	-	-
F. Current portion of long-term debt	(8,603)	(9,342)	739
G. Other current financial payables	(4,167)	(4,372)	205
H. Total current financial payables (F+G)	(12,770)	(13,714)	944
I. Total current payables (E+H)	(12,770)	(13,714)	944
J. Net current financial debt (I) + (D)	5,792	10,713	(4,921)
Non-current financial liabilities for derivatives	(167)	(169)	2
Non-current financial investments for derivatives	1	1	-
E. Fair value non-current hedging derivatives	(166)	(168)	2
L. Non-current financial debt	(21,810)	(23,929)	2,119
M. Other non-current financial investments	89	97	(8)
N. Net non-current financial debt (K) + (L) + (M)	(21,887)	(24,000)	2,113
O. Net financial debt (J) + (N)	(16,095)	(13,287)	(2,808)
<i>of which to minorities:</i>	<i>(16,095)</i>	<i>(13,287)</i>	<i>(2,808)</i>

Net financial position as of 31 March 2020 is negative by 16,095 thousand Euro, which is 2,808 thousand Euro higher than at the end of 2019, when it was on the whole negative by 13,287 thousand Euro.

The change in the Group's net financial position originated primarily from absorption due to working capital (3,655 Euro), particularly due to the change in trade payables.

The balance of **cash and cash equivalents** amounted to Euro 18,562 thousand at 31 March 2020, compared with Euro 24,427 thousand at 31 December 2019.

This item breaks down as follows:

(Euro / 000)	31 March 2020	31 December 2019	Change
Cash in bank deposits	18,425	24,270	(5,845)
Cash	31	40	(9)
Other cash	106	117	(11)
Total	18,562	24,427	(5,865)

The technical forms used as at 31 March 2019 are shown below:

- maturities: payable on presentation;
- counterparty risk: deposits are made care of leading banks;
- country risk: deposits are held in countries in which Group companies have their registered offices.

Current financial payables at 31 March 2020 decreased by 897 thousand Euro over 2019 and break down as follows:

(Euro / 000)	31 March 2020	31 December 2019	Change
Current portion of debt	8,603	9,342	(739)
Current overdrafts	3,138	3,296	(158)
Factoring	5	5	-
Total	11,746	12,643	(897)

The "factoring" item comprises payables to factoring companies, for the payment extension period from the original maturity of the payable with certain suppliers, for which the Parent Company has accepted non-recourse assignment.

Bank overdrafts at 31 March 2020 totalled 3,138 thousand Euro, compared to a balance at 31 December 2019 of 3,296 thousand Euro. The item relates primarily to Gefran S.p.A. and its Chinese subsidiary, and has the following characteristics:

- for use of credit lines payable on demand, the overall annual interest rate is in the annual 2.5%-5.7% range;
- for use of credit facilities on trade receivables, repayable on the maturity of these receivables, the overall annual interest rate is in the 0.5%-0.7% range.

Non-current financial payables break down as follows:

Bank (Euro/000)	31 March 2020	31 December 2019	Change
Unicredit	2,100	2,400	(300)
BNL	1,750	2,000	(250)
Banca Pop. Emilia Romagna	2,763	3,012	(249)
Mediocredito	6,111	6,667	(556)
BNL	6,500	7,000	(500)
Intesa	76	95	(19)
Unicredit S.p.A. - New York Branch	609	742	(133)
Total	19,909	21,916	(2,007)

The loans listed in the table are all floating-rate contracts and have the following characteristics:

Bank (Euro /000)	Amount disbursed	Signing date	Balance at 31 March 2020	Of which within 12 months	Of which beyond 12 months	Interest rate	Maturity	Repayment method
drawn up by Gefran S.p.A. (IT)								
Mediocredito	10,000	07/08/2015	500	500	-	Euribor 3m + 1.35%	30/06/2020	quarterly
Unicredit	6,000	14/11/2017	3,300	1,200	2,100	Euribor 3m + 0.90%	30/11/2022	quarterly
BNL	5,000	23/11/2017	2,750	1,000	1,750	Euribor 3m + 0.85%	23/11/2022	quarterly
Banca Pop. Emilia Romagna	5,000	28/11/2018	3,760	997	2,763	Euribor 3m + 0.75%	30/11/2023	quarterly
Mediocredito	10,000	28/03/2019	8,333	2,222	6,111	Euribor 3m + 1.05%	31/12/2023	quarterly
BNL	10,000	29/04/2019	8,500	2,000	6,500	Euribor 3m + 1%	29/04/2024	quarterly
entered into by Elettropiemme S.r.l. (IT)								
Intesa	300	29/01/2018	151	75	76	Euribor 3m + 1.00%	28/01/2022	quarterly
entered into by Gefran Inc. (US)								
Unicredit S.p.A. - New York Branch	1,780	29/03/2019	1,218	609	609	Libor 3m + 2.50%	29/03/2022	quarterly
Total			28,512	8,603	19,909			

Only one of the loans listed above is subject to financial covenants, the Mediocredito loan taken out on 7 August 2015, falling due in June 2020, with a balance of 500 thousand Euro as of 31 March 2020, with the following covenants:

- consolidated net financial debt to equity ratio of ≤ 0.7 ;
- consolidated net financial debt to EBITDA ratio of ≤ 3.5 .

A number of outstanding loan contracts include other covenants, in line with market practices, that place limits on the possibility of releasing new real guarantees and conducting extraordinary transactions.

Verification of contractual terms is updated quarterly by the Group's Administration, Finance and Control department: the ratios calculated on the figures at 31 March 2020 have been fully observed and loans have been distributed in the table of maturities according to the forms originally envisaged under the agreements.

Application of the new accounting standard IFRS 16 worsens net financial position and improves EBITDA, and therefore also has an effect on covenants; but the covenants would have been met even without considering the effects of application of IFRS16.

Financial assets for derivatives totalled 1 thousand Euro at 31 March 2020 and consist of the positive fair value recorded at the end of the quarter for certain CAP contracts entered into by the Parent Company to hedge interest rate risks.

Financial liabilities for derivatives totalled 167 thousand Euro, owing to the negative fair value of certain IRS contracts, also entered into by the Parent Company to hedge interest rate risks.

To mitigate the financial risk associated with variable rate loans, which could arise in the event of an increase in the Euribor, the Group decided to hedge its variable rate loans through *Interest Rate Cap contracts*, as set out below:

Bank (Euro/000)	Notional principal	Signing date	Notional as at 31 March 2020	Derivative	Fair Value at 31 March 2020	Long position rate	Short position rate
Unicredit	6,000	14/11/2017	3,300	CAP	1	Strike Price 0%	Euribor 3m
BNL	5,000	23/11/2017	2,750	CAP	-	Strike Price 0%	Euribor 3m
Total financial assets for derivatives – interest rate risk					1		

The Group has also taken out IRS (Interest Rate Swap) contracts, as set out in the table below:

Bank (Euro/000)	Notional principal	Signing date	Notional as at 31 March 2020	Derivative	Fair Value at 31 March 2020	Long position rate	Short position rate
Intesa	10,000	05/10/2015	500	IRS	(1)	Fixed 0.16%	Euribor 3m
Intesa	10,000	29/03/2019	8,333	IRS	(57)	Fixed 0%	Euribor 3m
BNL	10,000	29/04/2019	8,333	IRS	(82)	Fixed 0.05%	Euribor 3m
Unicredit	5,000	24/06/2019	3,760	IRS	(27)	Fixed -0.1%	Euribor 3m
Total financial liabilities for derivatives – interest rate risk					(167)		

At 31 March 2020, no derivatives have been taken out to hedge exchange rate risk.

All the contracts described above are booked at fair value:

(Euro/000)	at 31 March 2020		at 31 December 2019	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Interest rate risk	1	(167)	1	(169)
Total cash flow hedge	1	(167)	1	(169)

All derivatives were tested for effectiveness, with positive outcomes.

In order to support its operations, the Group has various credit lines granted by banks and other financial institutions available, mainly in the form of invoice factoring credit lines, cash flexibility and mixed credit lines for a total of 38,865 thousand Euro. Overall use of these lines at 31 March 2020 totalled 3,141 thousand Euro, with a residual available amount of 37,724 thousand Euro.

No fees are due in the event that these lines are not used.

The balance of **Financial payables for IFRS 16 leases (current and non-current)** at 31 March 2020 amounted to 2,925 thousand Euro and complies with the IFRS16, applied by the Group from 1 January 2019, which requires the recording of financial payables corresponding to the value of the usage rights recorded under non-current assets. Financial liabilities under IFRS 16 leases are classified on the basis of maturity as current liabilities (within one year), amounting to 1,024 thousand Euro, and non-current liabilities (beyond one year), amounting to 1,901 thousand Euro.

Changes in this item are detailed below:

(Euro / 000)	31 December 2019	Increases	Decreases	Reclassifications	Exchange rate differences	31 March 2020
Leasing payables under IFRS 16	3,084	125	(289)	-	5	2,925
Total	3,084	125	(289)	-	5	2,925

Service costs

“Service costs” in the first quarter of 2020 amount to 5,199 thousand Euro, lower than the 2019 figure of 5,700 thousand Euro. They are broken down as follows:

(Euro / 000)	31 March 2020	31 March 2019	Change
Services	4,971	5,460	(489)
Use of third-party assets	228	240	(12)
Total	5,199	5,700	(501)

As a result of transition to accounting standard IFRS 16, “Leases”, all leasing agreements have been entered by the “financial method”, and so lease fees are no longer entered among operating costs in the income statement, but represent repayment of loans entered at the time of entry of usage rights and interest among the assets in the financial statement.

Lease fees no longer allocated to the income statement under operating costs due to implementation of the new accounting standard amount to 324 thousand Euro (282 thousand Euro in the first quarter of 2019). Contracts excluded from adoption of IFRS 16 on the basis of the provisions of the standard, for which lease fees continue to be entered in the income statement, resulted in entry of 228 thousand Euro in costs in the first three months of 2020 (as compared to 240 thousand Euro in the first three months of 2019).

Personnel costs

“Personnel costs” amounted to 11,858 thousand Euro, down by 521 thousand Euro over the figure for the first quarter of 2019, 12,379 thousand Euro, and break down as follows:

(Euro / 000)	31 March 2020	31 March 2019	Change
Salaries and wages	8,933	9,390	(457)
Social security contributions	2,294	2,322	(28)
Post-employment benefit reserve	556	527	29
Other costs	75	140	(65)
Total	11,858	12,379	(521)

The reduction is primarily a result of reduction of provisions for holidays and for M.B.O. bonuses (254 thousand Euro and 56 thousand Euro, respectively), and of the lower cost of renovations in the period (65 thousand Euro).

“*Social security contributions*” include costs for defined contribution plans for management (Previndai pension plan) amounting to 13 thousand Euro (12 thousand Euro at 31 March 2019).

The item “*Other costs*”, down 65 thousand Euro, includes, among other items, restructuring costs resulting from reorganisation of the Group’s subsidiaries.

The average number of Group employees in the first quarter of 2020, as compared with the same period in the previous year, was as follows:

	31 March 2020	31 March 2019	Change
Managers	19	15	4
Clerical staff	528	515	13
Manual workers	280	269	11
Total	827	799	28

The average number of employees grew by 28 over the first quarter of 2019; the precise number at 31 March 2020 was 822, an decrease of -4 over 31 March 2019 and of -7 compared to the end of the year 2019.

Depreciation, amortisation and impairment

These items totalled 1,997 thousand Euro in the first quarter of 2020, as compared to 3,291 thousand Euro in the first quarter of 2019. These items include:

(Euro / 000)	31 March 2020	31 March 2019	Change
Intangible assets	469	527	(58)
Tangible assets	1,211	2,517	(1,306)
Usage rights	317	247	70
Total	1,997	3,291	(1,294)

The change is primarily a result of the item “*Tangible assets*”, 1,306 thousand Euro lower than the figure for the previous quarter, which included adaptation of buildings to fair value totalling 1,423 thousand Euro, entirely allocated to the sensors business unit.

The investment plan in the sensors business line includes expansion of production lines and requires large new spaces to support the expansion of business. The Group originally planned to adapt an existing building, but in-depth analysis revealed that the building was incapable of guaranteeing sufficient technological and energy performance and long-term sustainability. It was therefore decided that the existing building would be demolished and a new one constructed that would be more practical and, above-all, in the vanguard in terms of technology and energy efficiency. Work was completed and the activities in question were transferred at the end of December 2019. The new plant began operation early in January 2020.

Since 1 January 2019, moreover, the item also includes amortisation of usage rights in accordance with accounting standard IFRS16, totalling 317 thousand Euro in the first quarter of 2020 (247 thousand Euro in the first quarter of 2019).

The breakdown of the item “*Depreciation, amortisation and impairment*” by business unit is shown in the table below:

<i>(Euro / 000)</i>	31 March 2020	31 March 2019	Change
Sensors	832	2,190	(1,358)
Automation Components	624	566	58
Motion control	541	535	6
Total	1,997	3,291	(1,294)

Provaglio d’Iseo, 14 May 2020

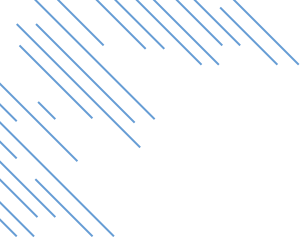
For the Board of Directors

Chairman

Maria Chiara Franceschetti

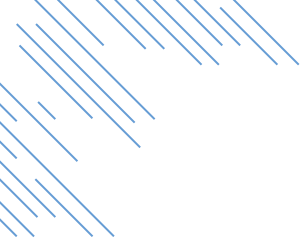
Managing Director

Marcello Perini





ANNEXES



a) Consolidated income statement by quarter

(Euro / 000)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	TOT 2019	Q1 2020
a Revenues	35,973	36,126	33,015	35,421	140,535	31,426
b Increases for internal work	635	628	572	739	2,574	495
c Consumption of materials and products	12,207	12,908	11,702	13,391	50,208	11,411
d Added value (a+b-c)	24,401	23,846	21,885	22,769	92,901	20,510
e Other operating costs	5,753	6,152	5,679	6,337	23,921	5,425
f Personnel costs	12,379	13,228	11,878	11,765	49,250	11,858
g EBITDA (d-e-f)	6,269	4,466	4,328	4,667	19,730	3,227
h Depreciation, amortisation and impairment	3,291	2,068	1,976	2,020	9,355	1,997
i EBIT (g-h)	2,978	2,398	2,352	2,647	10,375	1,230
l Gains (losses) from financial assets/liabilities	175	(302)	55	(414)	(486)	(667)
m Gains (losses) from shareholdings valued at equity	242	17	31	(110)	180	2
n Profit (loss) before tax (i±l±m)	3,395	2,113	2,438	2,123	10,069	565
o Taxes	(847)	(632)	(807)	(741)	(3,027)	(486)
p Group net profit (loss) (p±q)	2,548	1,481	1,631	1,382	7,042	79

b) Exchange rates used to translate the financial statements of foreign companies
End-of-period exchange rates

Currency	31 March 2020	31 December 2019
Swiss franc	1.0585	1.0854
Pound sterling	0.8864	0.8508
US dollar	1.0956	1.1234
Brazilian real	5.7001	4.5157
Chinese renminbi	7.7784	7.8205
Indian rupee	82.8985	80.1870
Turkish lira	7.2063	6.6843

Average exchange rates in the period

Currency	2020	2019	Q1 2020	Q1 2019
Swiss franc	1.0668	1.1127	1.0668	1.1325
Pound sterling	0.8616	0.8773	0.8616	0.8723
US dollar	1.1023	1.1196	1.1023	1.1357
Brazilian real	4.9111	4.4135	4.9111	4.2768
Chinese renminbi	7.6937	7.7339	7.6937	7.6619
Indian rupee	79.8511	78.8501	79.8511	80.0730
Turkish lira	6.7391	6.3574	6.7391	6.1078

c) List of subsidiaries included in the scope of consolidation

Name	Registered office	Country	Currency	Share capital	Parent Company	% of direct ownership
Gefran UK Ltd	Warrington	UK	GBP	4,096,000	Gefran S.p.A.	100.00
Gefran Deutschland GmbH	Seligenstadt	Germany	Euro	365,000	Gefran S.p.A.	100.00
Siei Areg GmbH	Pleidelsheim	Germany	Euro	150,000	Gefran S.p.A.	100.00
Gefran France S.A.	Saint-Priest	France	Euro	800,000	Gefran S.p.A.	99.99
Gefran Benelux NV	Geel	Belgium	Euro	344,000	Gefran S.p.A.	100.00
Gefran Inc.	Winchester	US	USD	1,900,070	Gefran S.p.A.	100.00
Gefran Brasil Eletroel. Ltda	Sao Paolo	Brazil	REAL	450,000	Gefran S.p.A. Sensormate AG	99.90 0.10
Gefran India Private Ltd	Pune	India	INR	100,000,000	Gefran S.p.A. Sensormate AG	95.00 5.00
Gefran Siei Asia Pte Ltd	Singapore	Singapore	Euro	3,359,369	Gefran S.p.A.	100.00
Gefran Siei Drives Tech. Pte Ltd	Shanghai	China (PRC)	RMB	28,940,000	Gefran Siei Asia	100.00
Gefran Siei Electric Pte Ltd	Shanghai	China (PRC)	RMB	1,005,625	Gefran Siei Asia	100.00
Sensormate AG	Aadorf	Switzerland	CHF	100,000	Gefran S.p.A.	100.00
Gefran Middle East Ltd Sti	Istanbul	Turkey	TRY	1,030,000	Gefran S.p.A.	100.00
Gefran Soluzioni S.r.l.	Provaglio d'Iseo	Italy	Euro	100,000	Gefran S.p.A.	100.00
Gefran Drives and Motion S.r.l.	Gerenzano	Italy	Euro	10,000	Gefran S.p.A.	100.00
Elettropiemme S.r.l.	Trento	Italy	Euro	70,000	Gefran Soluzioni S.r.l.	100.00

d) List of companies consolidated at equity

Name	Registered office	Country	Currency	Share capital	Parent Company	% of direct ownership
Ensun S.r.l.	Brescia	Italy	Euro	30,000	Gefran S.p.A.	50
Axel S.r.l.	Dandolo	Italy	Euro	26,008	Gefran S.p.A.	15

e) List of other subsidiaries

Name	Registered office	Country	Currency	Share capital	Parent Company	% of direct ownership
Colombera S.p.A.	Iseo	Italy	Euro	8,098,958	Gefran S.p.A.	16.56
Woojin Plaimm Co Ltd	Seoul	South Korea	WON	3,200,000,000	Gefran S.p.A.	2.00
UBI Banca S.p.A.	Bergamo	Italy	Euro	2,254,368,000	Gefran S.p.A.	n/s

20. DECLARATION OF THE EXECUTIVE IN CHARGE OF FINANCIAL REPORTING

**Declaration pursuant to article 154-*bis*, paragraph 2 of Legislative Decree 58 of 24 February 1998
(Consolidated Finance Act “TUF”)**

The undersigned, **Fausta Coffano**, the executive in charge of financial reporting, hereby declares, pursuant to paragraph 2, article 154-*bis* of the TUF, that the information contained in these interim financial statements as at 31 March 2020 accurately represents the figures contained in the Group’s accounting records.

Provaglio d’Iseo, 14 May 2020

Executive in charge
of financial reporting

Fausta Coffano