



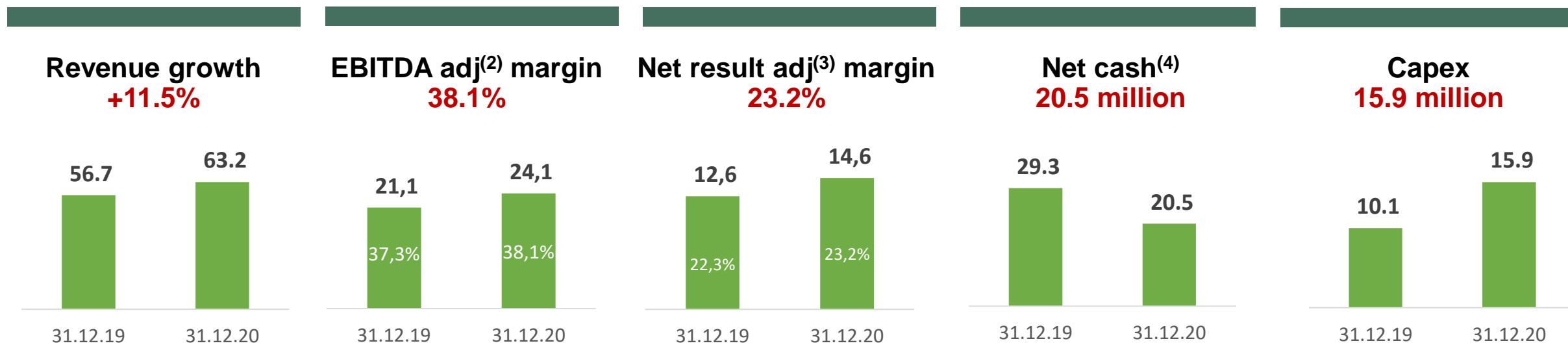
A TRUSTWORTHY PARTNER WITH AN OUTSTANDING ITALIAN ENVIRONMENT
FRIENDLY HISTORY APPRECIATED THROUGHOUT THE WORLD



2020 Full Year Financial results

15 March 2021

KEY FINANCIAL HIGHLIGHTS (1)



- **Strong financial results** in 4Q20 confirm the positive trend of the previous quarters
- **Revenue growth** reflecting underlying contribution **mainly from biostimulants** volumes and **animal fat** price
- **Retardants** continue to suffer customers' factories shutdown after the increase of revenue in 1Q driven by customers' stockpiling at start of COVID-19 lockdowns
- **Robust capex** at **€15.9m** to support future **expansion** and **operation flexibility**, with key investments in new buildings, ri-esterification plant and advances for the new granules plant
- **Net cash at €20.5m** at December 2020 after payment of €8.8m of dividends, €2.1m of non-recurring costs, €1.6m of shares buyback and non recurring income taxes for €3.7m (taxation of goodwill and trademark)

(1) Euro million

(2) EBIT before amortisation/depreciation and impairment losses, non-recurring costs and revenue, including Sicit Chemitech S.p.A.'s EBITDA for the period January-April (consolidated as of 2 May 2019)

(3) Before non-recurring costs and revenue, costs and revenue from warrant measurement, the related tax

effect, other non-recurring income tax effect and the financial performance of Sicit Chemitech for the period January-April 2019 (consolidated as of 2 May 2019).

(4) Excluding financial liabilities for warrant

AGREEMENT WITH ITALIAN MINISTRY OF ECONOMIC DEVELOPMENT (MiSE)

- In January 2021 MiSE signed the framework agreement for financing the SICIT Agrifood project (innovative products derived from the production waste)
- The total expected costs (including capex) is around **€12.2m** over the 3-years period 2019-2021 and will be financed by the MiSE and the Regione Veneto for over **€3.6m** (€2.4m as non-refundable grant and €1.2m as subsidized loan)

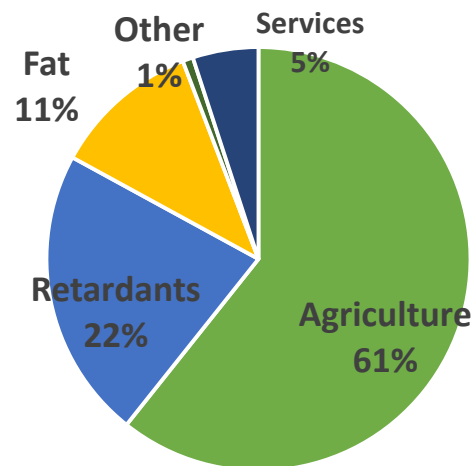
ESG RATING AND SUSTAINABILITY REPORT

- Completion of the first voluntary **Sustainability Report** in **November 2020**
- Assignment of the first **ESG rating** in **February 2021** by Sustainalytics
- SICIT was in the **top 18%** of the best companies in the **world chemical industry** and in the **top 8%** among peers in the **agricultural chemistry segment**, worldwide, obtaining a score of **27.8**

CHINA PLANT

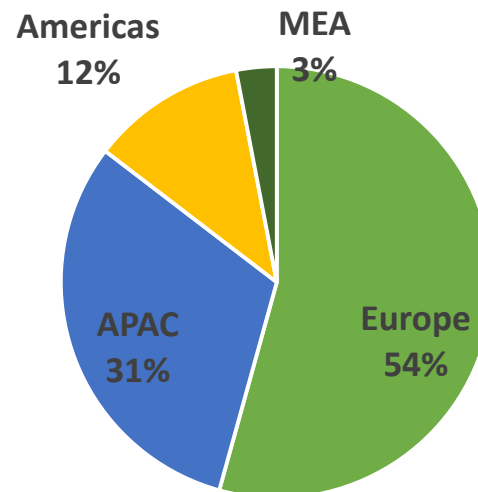
- Negotiations ongoing with local authorities

Breakdown by sector



(in Euro million)	31.12.19	31.12.20	Var.	Var. %
Products for agriculture	31.0	38.3	7.3	23.6%
Retardants	15.3	14.1	(1.3)	(8.3%)
Fat	6.5	7.1	0.6	8.8%
Other industrial products	0.7	0.5	(0.2)	(30.6%)
Total products	53.6	60.0	6.4	12.0%
Services	3.1	3.2	0.1	3.3%
Total revenues	56.6	63.1	6.5	11.5%

Breakdown by region



(in Euro million)	31.12.19	31.12.20	Var.	Var. %
Italy	12.3	14.1	1.8	14.4%
Europe (excluded Italy)	17.9	18.5	0.5	3.0%
APAC	15.6	18.7	3.0	19.4%
MEA	1.9	1.8	(0.0)	(1.9%)
North America	3.0	2.9	(0.0)	(1.6%)
Latin America	2.9	4.0	1.2	39.9%
Total products	53.6	60.0	6.4	12.0%

SECTOR

- **Agriculture products:** continuous strong focus of key accounts to develop SICIT products in ASIA and LATAM
- **Retardants:** continues the shut-down of certain customers with a patchy trend in the regions served (all regions with negative trend YoY, except for LATAM)
- **Fat:** total volumes at 31.12.20 below the previous years for lack of materials in 2Q and poorer quality of flashings treated. Growth of sales driven by higher average selling prices
- **Services:** overall volumes in line with 2020 but with a different mix and lower prices. Introduction of new materials at lower prices (in Chiampo) partially off-set by the utilization of the animal hair (with higher selling prices)

REGION

- Europe/APAC positively influenced by Agriculture products, confirming the positive trend of the last twelve months
- LATAM driven by Agriculture products
- North America (retardants) confirmed in 4Q the negative outlook expected at the end of the 3Q

PROFIT AND LOSS (1/2)

<i>Euro million</i>	31.12.20	%	31.12.19	%	Var.	%
Revenue	63.2	100.0%	56.7	100.0%	6.5	11.5%
Gross profit	28.8	45.6%	24.8	43.8%	4.0	16.0%
Selling	(3.9)	(6.2%)	(4.0)	(7.1%)	0.1	(1.8%)
R&D	(1.5)	(2.4%)	(1.7)	(2.9%)	0.1	(8.2%)
G&A	(4.4)	(7.0%)	(3.9)	(6.9%)	(0.5)	13.9%
Other income (net)	0.4	0.6%	0.5	1.0%	(0.2)	(35.9%)
Operating profit	19.2	30.5%	15.8	27.9%	3.4	21.8%
Non recurring	(2.1)	(3.3%)	(11.0)	(19.4%)	8.9	(80.9%)
EBIT	17.1	27.1%	4.8	8.5%	12.3	257.5%
Net financial	(13.9)	(22.0%)	3.9	6.8%	(17.7)	5533.3%
EBT	3.3	5.1%	8.6	15.3%	(5.4)	(62.4%)
Taxes	6.1	9.6%	(4.4)	(7.8%)	10.5	(236.2%)
Net result	9.3	14.7%	4.2	7.4%	5.1	121.4%
Net result adjusted ⁽¹⁾	14.6	23.2%	12.6	22.3%	2.0	16.0%
EBITDA adjusted ⁽²⁾	24.1	38.1%	21.1	37.3%	3.0	14.0%

(1) Before non-recurring costs and revenue, costs and revenue from warrant measurement, the related tax effect and the financial performance of Sicit Chemitech for the period January-April 2019 (consolidated as of 2 May 2019)

(2) EBIT before amortisation/depreciation and impairment losses, non-recurring costs and revenue, including Sicit Chemitech S.p.A.'s EBITDA for the period January-April (consolidated as of 2 May 2019)

Reported data at 31.12.20 does not include Sicit Chemitech results for the period Jan-Apr (included in adjusted Net result and adjusted EBITDA for comparison purposes).

- **Gross profit:** strong overall margin as % of sales. Increase in FY20 compared to FY19 mainly driven by the consolidation of Sicit Chemitech. Slight reduction in 4Q compared to 3Q due to some higher costs borne in the last quarter (maintenance, overtime and more shifts worked, other than depreciation charges for plants and equipment set-up during the year)
- **Selling:** below 31.12.19 due to the travelling stop and strict control over external consultancies, notwithstanding higher outbound logistics expenses driven by the growing volumes
- **R&D:** slight reduction driven by depreciation of lab equipment
- **G&A:** costs increase mainly driven by strengthening of governance and recurring consultancies post listing process. Further increase in 4Q compared to 3Q for LTI/stock based bonuses (only partially accrued in 3Q)
- **Non-recurring:** at 31.12.20 include mainly advisory costs for translisting to MTA (€1.0m), bonuses to management team related to the translisting process (€0.2m), donations to hospitals related to Covid emergency (€0.6m) and other Covid-related costs (€0.1m). At 31.12.19 non-recurring costs refer to listing costs accounted for according to IFRS2 (€10.2m, non-monetary and non relevant for tax purposes) and consultancies for SICIT 2000-SprintItaly merger and AIM listing (€0.8m)

PROFIT AND LOSS (2/2)

<i>Euro million</i>	31.12.20	%	31.12.19	%	Var.	%
Revenue	63.2	100.0%	56.7	100.0%	6.5	11.5%
Gross profit	28.8	45.6%	24.8	43.8%	4.0	16.0%
Selling	(3.9)	(6.2%)	(4.0)	(7.1%)	0.1	(1.8%)
R&D	(1.5)	(2.4%)	(1.7)	(2.9%)	0.1	(8.2%)
G&A	(4.4)	(7.0%)	(3.9)	(6.9%)	(0.5)	13.9%
Other income (net)	0.4	0.6%	0.5	1.0%	(0.2)	(35.9%)
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Net result	9.3	14.7%	4.2	7.4%	5.1	121.4%
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(2) EBIT before amortisation/depreciation and impairment losses, non-recurring costs and revenue, including Sicit Chemitech S.p.A.'s EBITDA for the period January-April (consolidated as of 2 May 2019)

- **Net financial:** include mainly the change in fair value of the SICIT warrant (-€13.7m at 31.12.20, +€3.9m at 31.12.19). These income/costs are just figurative and have not cash out-flow and tax effects
- **Taxes:** strongly influenced by non-recurring effect of Patent Box (+€3.8m) and taxation of Goodwill and Trademark (+€2.8m, deferred in previous quarters), other than deferred taxes for warrant change of fair value

TAXATION OF GOODWILL AND TRADEMARK

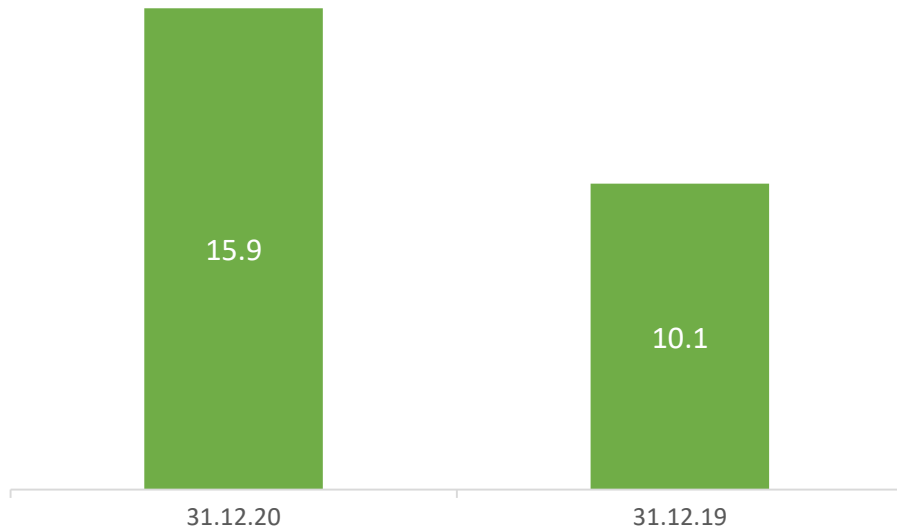
- In June SICIT **taxed the excess cost** arising from the merger of SICIT 2000 into SprintItaly and allocated to **trademark and goodwill** for approximately **€3.7m** of substitute tax at the **favourable tax rate of 16%** (trademark and goodwill recorded under ITA GAAP and derecognized in the IFRS transition)
- The expected **gross tax benefit**, over the five-year amortization, is approximately **€6.5m**
- In the interim financial statements at 30.6.20 and 30.9.20 we decided to **defer** both the **cost** (€3.7m) and the **benefit** (€6.5m) with no effect in the P&L of the year (adopting one of the 3 accounting treatments allowed according to the interpretation of the Italian Accounting Body for the IFRS adopter).
- Based on a **more accurate analysis** of the applicable IFRS, we decided to adopt the **strictest interpretation** of the IFRS on income taxes, accounting for the **net benefit** of **€2.8m** in the income taxes of the FY20 (with €6.5m of gross tax benefit recorded as deferred tax assets)

PATENT BOX 2015-2019

- In February 2021, SICIT completed the information package for the self-settlement of the "Patent Box" tax relief. "Patent box" is a benefit allowed to the companies using "Intellectual property" (trademarks, patents, designs and models, software and know-how)
- SICIT used the self-settlement regime, as an alternative to a tax ruling with the Italian Tax Agency
- The tax benefit for SICIT for the five-year period 2015-2019 was **€3.8m** and was accounted for as income taxes in the year 2020. The tax benefit will be used to off-set the income taxes due to for the years 2019, 2020 and 2021

Capex

(Euro million)



- Approximately €15.9m at 31.12.20 (€10.1m of capex at 31.12.19) (€13.8m net of change of payables for capex vs €9.7m at 31.12.19)

- Capex increase substantially in line with expectation notwithstanding some slowing in the 2Q as a Covid effect

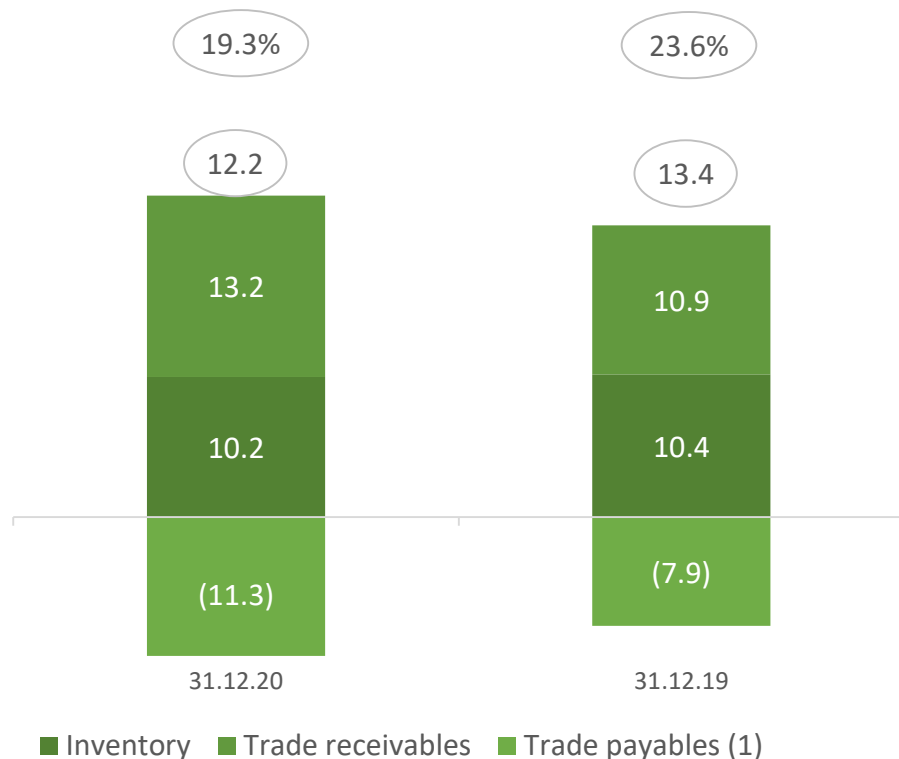
- Main capex of the year refers to:

- Set-up of the new plant for animal fat re-esterification
- Completion of tanks park
- Progress on new labs and warehouse in Arzignano
- Start of set-up of the new plant for granules products

In 4Q the focus was on the completion of the labs and warehouse.

Operating working capital

(Euro million / % of revenue)

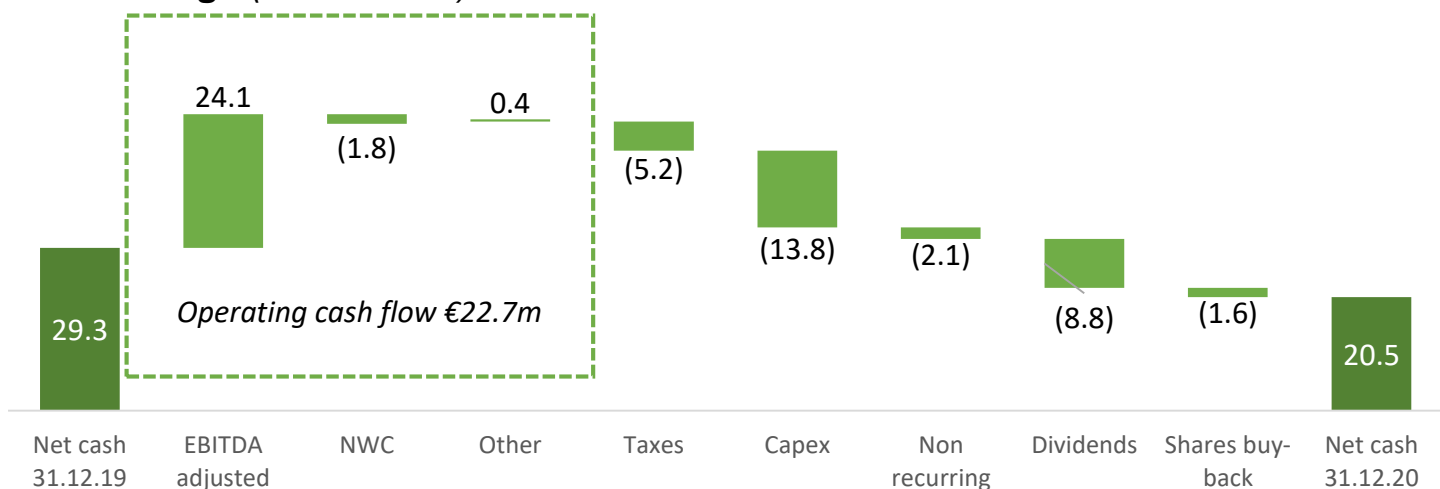


(1) Capex payables are included in trade payables (€4.9m at 31.12.20, €2.8m at 31.12.19)

- Consolidated OWC relatively small, at approximately 19% of revenue
- Trade receivables increase compared to 31 December 19 due to higher sales in the last 4 months of the year
- Trade receivables ageing without significant overdue and in line with historical data
- Inventory reduction suffered at 30.6.20 due to the temporary shut-down of semi-finished products operations partially recovered at 31.12.20. Operations are still working to further increase stock of semi-finished products
- Trade payables increase driven by payables for capex (€4.9m at 31.12.20 vs €2.8m at 31.12.19). No creditors stretching or payables postponement
- Excluding payables for capex, OWC is at approximately 28% of revenue at 31.12.20, in line with 31.12.19

NET CASH (1)

Net cash bridge (Euro million)



Net cash (Euro million)

Euro millions	31.12.20	31.12.19
Bank accounts	20.6	29.6
Bank loans	-	(0.2)
Leases liabilities	(0.1)	(0.1)
Net cash	20.5	29.3

- **Net cash** (excluding liabilities for warrant) was €20.5m at 31 December 2020
- In FY20 SICIT generated €22.7m of operating cash flow vs €17.5m in the FY19 (excluding non-recurring costs, capex and income taxes)
- Income taxes paid mainly refer to the taxation of the carrying amounts allocated to the Plastretard trademark and goodwill arising from the merger of Sicit 2000 S.p.A. into SprintItaly S.p.A. before the transition to IFRS (€3.7m)

(1) Excluding liabilities for warrant

- **Outstanding financials** if considering the troubles and uncertainties over the world macro-economic scenario due to COVID-19

DEMAND AND SALES

- **Strong performance** in 2020 with **sales growth at 11.5%** vs 2019 slightly above Group's target, even if with different mix of sales

OPERATIONS

- **Operations** fully dedicated to support the growing demand improving production capacity and flexibility
- **Procurement** able to diversify the raw material sourcing resolving the problem arose from the temporary shut-down of tanneries in Vicenza
- **Development capex plan** in line with the deployment programme. Delay only with the China plant project

NEW INITIATIVES

- **Corporate functions** deeply involved in several new projects (translisting to MTA/Star, tax benefits, Sustainability reporting, ESG rating)

2021 OUTLOOK

- **Sales** - biostimulants demand expected still growing in 2021. COVID-19 could have, as in 2020, local and overall low impact. Retardants demand is expected still weak and more volatile. Animal fat selling price is expected slightly above the average 2020
- **Operations** - inbound logistic costs for some raw materials (shavings) and labour costs (more shifts/overtime) could increase partially offsetting the expected operation leverage. D&A will grow following the robust capex of 2020 and 2021
- **Opex** - Labour cost slight increasing for the hiring of new technicians in R&D labs and the strengthening of the sales team in North America and China, but in line with the Group's business plan. Planned increasing costs for travelling from the second half

APPENDIX

Shareholding



■ 43.4 % - Intesa Holding S.p.A.

■ 9% - Promosprint Holding S.r.l.

■ 1.5% - Treasury shares

■ 46.1% - Other shareholders

- **Special shares:** fully converted into ordinary shares on 2 March 2021 (195.000 special shares converted into 1.170.000 ordinary shares). No further special shares outstanding
- **Warrants:** there are **5.9m** of outstanding warrants on 11 March 2021, that should be converted into max **1.6m** of ordinary shares. The acceleration clause has occurred on 1 March 2021. Expiry term for the conversion will be at the latest on 28 June 2021

Last update 11 March 2021

BALANCE SHEET

<i>Euro million</i>	31.12.20	%	31.12.19	%
Inventory	10.2	11.8%	10.4	15.9%
Trade receivables	13.2	15.2%	10.9	16.6%
Trade payables	(11.3)	(12.9%)	(7.9)	(12.1%)
Operating working capital	12.2	14.0%	13.4	20.4%
Other current assets/(liabilities)	4.5	5.1%	3.5	5.4%
Net working capital	16.7	19.2%	16.9	25.8%
Intangible fixed assets	0.4	0.4%	0.5	0.7%
PP&E	59.7	68.6%	48.8	74.4%
Other net fixed assets	13.0	15.0%	2.2	3.3%
Pension and other provisions	(2.8)	(3.2%)	(2.8)	(4.3%)
Non current assets (net)	70.4	80.8%	48.7	74.2%
Net invested capital	87.1	100.0%	65.6	100.0%
Net debt/(cash) ⁽¹⁾	(20.5)	(23.5%)	(29.3)	(44.7%)
Liabilities for warrant	19.6	22.6%	6.1	9.2%
Equity	87.9	100.9%	88.9	135.5%
Total sources	87.1	100.0%	65.6	100.0%

(1) Excluding liabilities for warrant

CASH FLOW

<i>Euro million</i>	31.12.20	31.12.19
EBIT	19.2	15.8
D&A	4.8	4.5
Other non-cash changes	0.4	0.1
Change in OWC	(1.2)	(2.4)
Change in other assets/liabilities	(0.6)	(0.6)
Operating cash flow	22.7	17.5
Capex	(15.9)	(10.1)
Change in payables for capex	2.1	0.4
Taxes	(5.2)	(4.4)
Non recurring costs	(2.1)	(0.8)
Free cash flow	1.6	2.6
Acquisition of subsidiaries	-	0.6
Merger contribution	-	30.5
Dividends	(8.8)	(17.7)
Shares buy-back	(1.6)	(1.0)
Capital increase	0.0	0.8
Net cash flow	(8.9)	15.8
Net cash at beginning of the period ⁽¹⁾	29.3	13.5
Net cash at end of the period ⁽¹⁾	20.5	29.3
Change in net cash	(8.9)	15.8

(1) Excluding liabilities for warrant

ADJUSTED EBITDA AND ADJUSTED NET RESULT

<i>Euro million</i>	31.12.20	%	31.12.19	%	Var.	%
EBIT	17,1	27,1%	4,8	8,5%	12,3	257,5%
D&A	4,8	7,6%	4,5	8,0%	0,3	7,1%
EBITDA	22,0	34,8%	9,3	16,4%	12,7	136,2%
Non recurring	2,1	3,3%	11,0	19,4%	(8,9)	(80,9%)
S. Chemitech's EBITDA Jan-Apr '19	-	0,0%	0,8	0,0%	(0,8)	(100,0%)
Adjusted EBITDA	24,1	38,1%	21,1	37,3%	3,0	14,0%

<i>Euro million</i>	31.12.20	%	31.12.19	%	Var.	%
Net result	9,3	14,7%	4,2	7,4%	5,1	121,4%
Non recurring	2,1	3,3%	11,0	19,4%	(8,9)	(80,9%)
Warrant measurement	13,7	21,7%	(3,9)	(6,8%)	17,6	(456,0%)
Tax effect	(3,9)	(6,1%)	0,7	1,2%	(4,6)	(653,8%)
Other non recurring tax	(6,6)	(10,5%)	-	0,0%	(6,6)	n.a.
S. Chemitech's profit Jan-Apr '19	-	0,0%	0,6	1,0%	(0,6)	(100,0%)
Adjusted Net result	14,6	23,2%	12,6	22,3%	2,0	16,0%

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