

# ITALMOBILIARE

---

## Additional periodic financial reporting at March 31, 2020

May 12, 2020

ITALMOBILIARE  
Società per Azioni

Head Office: Via Borgonuovo, 20  
20121 Milan – Italy  
Share Capital € 100,166,937  
Milan Companies Register

---

## Introduction

In accordance with the regulatory framework that transposed the EU directive (Transparency Directive) into Italian law, Italmobiliare has been distributing quarterly information since the third quarter of 2016, focusing on information that gives a concise overview of its business.

In particular, the information relates to the main economic and financial indicators of the Group (revenues, interim economic results, net financial position and NAV) which are expressed in quantitative and consistent form with the same information already provided in the Annual and Interim Reports.

The periodic financial information, together with a summary of the main significant events that occurred during the quarter and a comment on the performance of the main subsidiaries of the Italmobiliare Group, are approved by the Board of Directors and published on the Group website as already scheduled in the Group financial calendar.

---

Significant events in the quarter

In December, Italmobiliare S.p.A. reached an agreement, which was then closed in January 2020, for the purchase of a 20% stake in "Officina Profumo Farmaceutica di Santa Maria Novella S.p.A." based in Florence, a top-of-the-range cosmetics company and historic brand with international allure. Italmobiliare S.p.A. invested 40 million euro in the operation, becoming a non-controlling shareholder of a group with a turnover of approximately 31 million euro, with a chance to increase the shareholding over time.

At the end of February, the health emergency for the Covid 19 pandemic spread from China firstly to Italy and then to the rest of Europe and the world, resulting in a seriously unfavourable global macroeconomic scenario that is expected to continue for the entire financial period. The protection measures implemented by the institutions at an international level have led to a lock-down of many industrial and commercial activities - especially in March - with serious consequences for business operations, as well as for social life.

Italmobiliare promptly implemented, both at the holding company level and at the Portfolio Companies, all safety and control measures in favour of employees to limit possible occasions for contagion while, at the same time, favouring continuity of production, except for limited downtime at certain plants in the companies that have borne the brunt of this epoch-making shock. In the meantime, all forms of protection, already envisaged by the risk management policy, have been put in place to limit as much as possible the effects of the collapse in financial markets, which after a drop of more than 30%, ended the quarter with an average decrease of about 20%.

Thanks to the measures taken in support of the Portfolio Companies, which have made it possible to guarantee extensive operations and commercial continuity in compliance with the government's regulations, and by virtue of a diversified investment portfolio both by sector and exposure to the various geographical areas, the impacts of the health emergency that can be observed to date have been contained. On the other hand, the most evident effects recorded in the quarterly result concerned those components of the Italmobiliare portfolio which were most exposed to the dynamics of the financial markets, which marked strongly negative performances during the period.

---

## Net Asset Value

As of March 31, 2020 the **Net Asset Value** of Italmobiliare S.p.A., excluding treasury shares, amounted to 1,637.9 million euro, down by 103.2 million euro compared with December 31, 2019 (1,741.1 million euro).

Compared with December 31, 2019, the main changes in NAV are due to the reduction in the market value of the investment in HeidelbergCement Ag (-65.8 million euro), of the other listed investments (-9.2 million euro, mainly attributable to the investment in Fin.Priv, a finance company that holds Mediobanca shares) and other financial assets.

With regard to the composition of the portfolio, there was a decrease in the component represented by Private Equity funds (-15.1 million euro), mainly due to capital repayments and disposals against positive revaluations of the fair value of the fund portfolio. Furthermore, the acquisition of 20% of Officina Profumo Farmaceutica di Santa Maria Novella S.p.A. led to an increase in the value of the portfolio companies (+41.4 million euro, corresponding to the investment in the newco which acquired the equity investment) with an equivalent reduction in liquidity.

At March 31, 2020, Italmobiliare S.p.A.'s NAV per share, excluding treasury shares, amounted to 38.8 euro, a decrease of 6.4% compared with December 31, 2019.

The NAV value was determined in accordance with the guidelines communicated to the market and the specific procedures in place, taking into consideration:

- the market price at March 31, 2020 of the equity investments in listed companies;
- the value of unlisted companies determined by an independent expert at December 31, 2019, in line with the company's guidelines on the calculation of the NAV for which the portfolio companies are assessed twice a year, on the occasion of the annual report and interim report;
- the market value of real estate assets;
- the deferred tax effect.

## Performance of the main Group companies

| (in millions of euro)            | Revenue          |                  |                                 | Gross operating profit (EBITDA) |                  |                                 |
|----------------------------------|------------------|------------------|---------------------------------|---------------------------------|------------------|---------------------------------|
|                                  | March 31<br>2020 | March 31<br>2019 | Change % vs<br>March 31<br>2019 | March 31<br>2020                | March 31<br>2019 | Change % vs<br>March 31<br>2019 |
| Italmobiliare                    | 23.5             | 11.8             | 99.1                            | (25.2)                          | (2.5)            | n.s.                            |
| <b>Portfolio companies</b>       |                  |                  |                                 |                                 |                  |                                 |
| Caffè Borbone                    | 48.9             | 42.4             | 15.3                            | 15.6                            | 12.3             | 26.6                            |
| Sirap                            | 63.2             | 66.0             | (4.1)                           | 5.8                             | 4.0              | 46.3                            |
| Italgen                          | 7.1              | 7.2              | (0.6)                           | 2.3                             | 0.9              | > 100%                          |
| Capitelli                        | 3.7              | 3.2              | 16.9                            | 0.8                             | 0.8              | 1.8                             |
| Tecnica Group                    | 82.7             | 91.9             | (10.0)                          | 3.0                             | 3.5              | (14.3)                          |
| Iseo                             | 30.4             | 36.0             | (15.6)                          | 1.8                             | 3.4              | (45.1)                          |
| Autogas - AGN Energy             | 155.1            | 164.2            | (5.5)                           | 20.9                            | 18.9             | 10.6                            |
| <b>Total portfolio companies</b> | <b>391.1</b>     | <b>410.9</b>     | <b>(4.8)</b>                    | <b>50.2</b>                     | <b>43.8</b>      | <b>14.6</b>                     |

The information contained in the table refers to the financial statements of the individual Group companies regardless of the date of acquisition of control by Italmobiliare.

The quarterly consolidated results of the Santa Maria Novella group are not reported as they are still being defined.

Overall, the first quarter of 2020 was a positive period for portfolio companies, despite the impact of the health emergency linked to Covid-19 which manifested itself above all on Tecnica and Iseo, as further detailed below. Looking at the pro-forma aggregate:

- Revenues amounted to 391.1 million euro, down 5% compared with the first quarter of 2019. As already mentioned, the drop in Iseo and Tecnica is attributable to the Covid emergency, while the decrease in turnover in Autogas, Sirap and Italgen is due to specific reasons detailed below, but which had no impact on the profitability of the individual companies;
- The gross operating profit for the quarter comes to 50.2 million euro, with an overall improvement of almost 15% compared with the same period of 2019 and a result that is growing for all companies, with the exception of Iseo and Tecnica due to Covid 19.

Looking at the individual companies, while reference should be made to the relevant sections for further details:

- In the food sector, both Caffè Borbone and Capitelli have performed well: even if slowed down by the health emergency situation, they have continued to grow in terms of revenue (+15% and +17% respectively vs. the first quarter of 2019) and improved their gross operating profit, although Capitelli suffered a marked increase in the cost of raw materials in the quarter;
- In the energy sector, the reduction in turnover of Autogas and Italgen is due to contingent factors without any impact on profitability (specifically, for Autogas the drop in the selling price of LPG, linked in turn to the drop in raw material purchase prices, while for Italgen the decrease in pass-through revenue). Both companies ended the quarter with a good improvement in terms of gross operating profit compared with the previous year, also thanks to careful management of fixed costs, for Autogas linked to the synergies coming from the integration with Lampogas;

- 
- In the industrial sector, Sirap proceeded with its Business Plan in a positive quarter, showing a slight decrease in turnover linked only to the change in the perimeter (+2% on like-for-like basis). Iseo, on the other hand, shows the effects of the Covid emergency, in terms of both turnover and gross operating profit, which led to the closure of the factories in Italy and France in March and a slowdown in orders because of the closure of various sales channels;
  - Tecnica Group closes a first quarter, which however, is not extremely significant due to the seasonality of the business, with turnover and gross operating profit down compared with the same period of 2019, in both cases due to the slowdown linked to the lock-down that has affected the majority of markets since March in which the Group operates.

## Key consolidated figures for the first quarter to March 31, 2020

|  | 1st Quarter<br>2020 | 1st Quarter<br>2019 | Change<br>%    |
|--|---------------------|---------------------|----------------|
| <i>(in millions of euro)</i>           |                     |                     |                |
| <b>Revenue and income</b>              | <b>149.8</b>        | <b>130.8</b>        | <b>14.5</b>    |
| <b>Gross operating profit (EBITDA)</b> | <b>(0.4)</b>        | <b>18.2</b>         | <b>(102.2)</b> |
| <i>% of revenue</i>                    | <i>(0.3)</i>        | <i>13.9</i>         |                |
| <b>Operating profit (EBIT)</b>         | <b>(7.5)</b>        | <b>11.4</b>         | <b>n.s.</b>    |
| <i>% of revenue</i>                    | <i>(5.0)</i>        | <i>8.7</i>          |                |

n.s. not significant

|   | March 31<br>2020 | December 31<br>2019 |
|---|------------------|---------------------|
| <i>(in millions of euro)</i>                        |                  |                     |
| Total equity  | <b>1,387.8</b>   | <b>1,474.2</b>      |
| Equity attributable to owners of the parent company | <b>1,270.1</b>   | <b>1,358.7</b>      |

In a context characterized by high criticality and uncertainty, Italmobiliare Group's consolidated revenue and income in the first quarter of 2020 recorded an increase of 19.0 million euro (+14.5%) on the corresponding period of the previous year mainly thanks to Italmobiliare (+11.7 million euro) and Caffè Borbone (+6.5 million euro).

On the other hand, there was a deterioration in both gross operating profit (18.6 million euro) and operating profit (-18.9 million euro), mainly due to the negative financial result of Italmobiliare (-22.7 million euro), partially offset by the improvement in Caffè Borbone, Sirap and Italgen.

Consolidated equity, at March 31, 2020, amounted to 1,387.8 million euro, down by 86.4 million euro compared with December 31, 2019 (1,474.2 million euro).

The overall decrease was largely due to:

- the change in the fair value reserve on financial asset measured at fair value through other comprehensive income (FVOCI) (-80.4 million euro), mainly determined by the decrease in value of the HeidelbergCement shares;
- the profit for the period (-7.4 million euro);
- the exchange difference (-1.8 million euro).

---

## Net financial position

|                               | <b>March 31<br/>2020</b> | <b>December 31<br/>2019</b> |
|-------------------------------|--------------------------|-----------------------------|
| <i>(in millions of euro)</i>  |                          |                             |
| <b>Net financial position</b> | <b>437.7</b>             | <b>475.2</b>                |

The consolidated net financial position, positive for 437.7 million euro, decreased by 37.5 million euro compared with December 31, 2019 mainly due to the acquisition of Officina Profumo Farmaceutica di Santa Maria Novella (-40 million euro), partially offset by the improvement in the net financial position of Caffè Borbone (+10.3 million euro).

---

## Italmobiliare S.p.A.

|  | March 31<br>2020 | March 31<br>2019 | Change<br>% |
|--|------------------|------------------|-------------|
| (in millions of euro)                  |                  |                  |             |
| <b>Revenue and income</b>              | <b>23.5</b>      | <b>11.8</b>      | <b>99.1</b> |
| <b>Gross operating profit (EBITDA)</b> | <b>(25.2)</b>    | <b>(2.5)</b>     | <b>n.s.</b> |
| <i>% of revenue</i>                    | <i>n.s.</i>      | <i>n.s.</i>      |             |
| <b>Operating profit (EBIT)</b>         | <b>(25.3)</b>    | <b>(2.7)</b>     | <b>n.s.</b> |
| <i>% of revenue</i>                    | <i>n.s.</i>      | <i>n.s.</i>      |             |

|                               | March 31<br>2020 | December 31<br>2019 |
|-------------------------------|------------------|---------------------|
| (in millions of euro)         |                  |                     |
| <b>Net financial position</b> | <b>515.1</b>     | <b>569.6</b>        |

Italmobiliare S.p.A.'s revenue and income in the first quarter of the current year are conditioned by the collection of dividends which are usually resolved by most of the investee companies in the second quarter of the year, as every year.

In particular, revenue for the period amounting to 23.5 million euro increased by 11.7 million euro compared with March 31, 2019, and were mainly determined by:

- interest and financial income of 17.6 million euro (4.1 million euro in the first quarter of 2019), mainly relating to the positive change in the fair value of the options on equities for 7.0 million euro;
- dividends approved by investee companies for euro 0.6 million (zero in the same period of 2019);
- capital gains and revaluations of 5.1 million euro, a decrease compared with 7.7 million euro in the first quarter of 2019, mainly relating to the revaluation of private equity funds.

As regards the negative components of income, which amount to 48.8 million euro (14.4 million euro in the same period of 2019), the change of 34.4 million euro is mainly attributable to write-downs of financial assets in portfolio (21.9 million euro) and higher charges for derivatives (6.5 million euro), as well as higher non-recurring operating expense of 5.7 million euro (MBO and LTI disbursements referring to the previous three-year period and donations). The holding's recurring operating costs amounted to 6.4 million euro, in line with those of the corresponding period 2019.

Total equity comes to 1,249.7 million euro at the end of March, a decrease of 97.3 million euro since December 31, 2019. The overall change was mainly due to the loss in the OCI reserve (-80.5 million euro) and the negative result in the first quarter.

At March 31, 2020, Italmobiliare S.p.A. holds no. 278,470 treasury shares, equal to 0.66% of the share capital.

---

At March 31, 2020 the net financial position of Italmobiliare S.p.A. decreased by 54.5 million euro, going from 569.6 million euro at December 31, 2019 to 515.1 million euro at the end of March 2020, 70% allocated to the Vontobel Fund with a conservative risk profile consistent with the Company's investment policies. The main flows include the acquisition of 20% of Officina Profumo Farmaceutica di Santa Maria Novella through the newco FT2 (-41.0 million euro) and the negative change in trading securities (-24.3 million euro), partially offset by the differential between divestments and investments relating to private equity funds (+21.0 million euro).

## **Main financial assets of Italmobiliare S.p.A.**

### **HeidelbergCement**

The block on global economic activity has particularly penalised the manufacturing sector and, within it, the building materials sector. The fall has significantly weighed on cyclical stocks: HeidelbergCement fell 40.3% in the first quarter. The valuation multiples of the stock and the sector (vs. the general market index) have returned to the lows of the 2008-2009 recession. In the coming months, the stock will benefit from the company's significant flexibility in operating costs, the increase in efficiency and the crash in the price of energy raw materials for infrastructure investments (incentives for civil construction) contained in the fiscal policy measures prepared by the main countries. The scenario is obviously affected by uncertainty about the timing and methods of reopening businesses.

### **Private equity funds**

The Company has invested in a portfolio of select Italian and international Private Equity funds with a view to diversifying sectors and geographical investments, including the CCP3 fund and the Restructuring fund of Clessidra, the BDT Fund II and III, Isomer Capital I, Connect Ventures 3, Iconiq IV. During the first three months of 2020, the value of Private Equity funds decreased overall by 15.0 million euro, mainly due to the effect of capital repayments and divestments (22.8 million euro), against the increase in the fair value of funds (4.5 million euro), exchange rate delta (+1.4 million euro) and investments (1.9 million euro).

---

## Caffè Borbone

**(60% interest)**

Key figures

|  | March 31<br>2020 | March 31<br>2019 | Change<br>% |
|--|------------------|------------------|-------------|
| (in millions of euro)                  |                  |                  |             |
| <b>Revenue and income</b>              | <b>48.9</b>      | <b>42.4</b>      | <b>15.3</b> |
| <b>Gross operating profit (EBITDA)</b> | <b>15.6</b>      | <b>12.3</b>      | <b>26.6</b> |
| <i>% of revenue</i>                    | <i>31.9</i>      | <i>29.1</i>      |             |
| <b>Operating profit (EBIT)</b>         | <b>13.3</b>      | <b>10.2</b>      | <b>30.8</b> |
| <i>% of revenue</i>                    | <i>27.3</i>      | <i>24.0</i>      |             |

|                               | March 31<br>2020 | December 31<br>2019 |
|-------------------------------|------------------|---------------------|
| (in millions of euro)         |                  |                     |
| <b>Net financial position</b> | <b>(21.3)</b>    | <b>(31.6)</b>       |

Despite the negative impact from the end of February of the Covid-19 emergency on some key channels (think of vending), Caffè Borbone closed the first quarter of 2020 with revenues of 48.9 million euro, up by 15.3% compared with the same period of 2019 driven by the decidedly positive trend of the online channel and of mass merchandising.

It should be stressed that this result was achieved despite a temporary reduction of the company's production capacity in March. This demonstrates that the company considers the health of its employees as an absolute priority, as on a precautionary basis, it reduced the length of shifts to ensure wider spacing within its production facility.

The gross operating profit stood at 15.6 million euro, with a growth rate of 26.6% compared with the same period of 2019, also thanks to careful management of operating costs.

The net financial position at March 31, 2020 was negative for 21.3 million euro, with a positive cash flow in the quarter of 10.3 million euro.

Sirap  
**(100% interest)**  
 Key figures

|  | March 31<br>2020 | March 31<br>2019 | Change<br>%  |
|--|------------------|------------------|--------------|
| <i>(in millions of euro)</i>           |                  |                  |              |
| <b>Revenue and income</b>              | <b>63.2</b>      | <b>66.0</b>      | <b>(4.1)</b> |
| <b>Gross operating profit (EBITDA)</b> | <b>5.8</b>       | <b>4.0</b>       | <b>46.3</b>  |
| <i>% of revenue</i>                    | <i>9.2</i>       | <i>6.0</i>       |              |
| <b>Operating profit (EBIT)</b>         | <b>2.4</b>       | <b>0.5</b>       | <b>n.s.</b>  |
| <i>% of revenue</i>                    | <i>3.8</i>       | <i>0.8</i>       |              |

|                               | March 31<br>2020 | December 31<br>2019 |
|-------------------------------|------------------|---------------------|
| <i>(in millions of euro)</i>  |                  |                     |
| <b>Net financial position</b> | <b>(80.1)</b>    | <b>(80.8)</b>       |

The Sirap Group continues along its 2019-2021 three-year industrial plan with a good first quarter 2020.

Revenue amounted to 63.2 million euro, down on the same period of 2019 (-4.1%), but this is only due to the impact of the change in the perimeter related to the closure of the OPS business in Sirap UK and of the Turkish subsidiary of Petruzalek; net of these two factors, Sirap Group revenue is up by 2% compared with 2019.

Looking at the individual businesses, the "Foam" product segment grew by 3.5% compared with the previous year, while the "Rigid" segment was slightly down overall, partly due to the impact of the health emergency on some product lines in March. The Petruzalek Group, net of the change in the perimeter, recorded stable sales.

In the quarter, the Group's gross operating profit amounted to 5.8 million euro, a marked improvement compared with the same period of 2019 (+46%). The positive result is impacted by the cost synergies linked to the measures taken in the business plan and the low level of cost of plastic raw materials, polystyrene in particular.

At March 31, 2020, the consolidated net financial position amounted to -80.1 million euro, an improvement both on December 31, 2019 (+0.7 million euro) and above all on March 31, 2019 (+13.6 million euro), also thanks to careful management of working capital. Cash flow generation in the quarter is even more appreciable by looking at the net financial position after the impact of IFRS 16, which stands at -70.5 million euro, an improvement of +2.4 million euro on the end of 2019.

Italgen  
**(100% interest)**  
 Key figures

|  | March 31<br>2020 | March 31<br>2019 | Change<br>%      |
|--|------------------|------------------|------------------|
| (in millions of euro)                  |                  |                  |                  |
| <b>Revenue and income</b>              | <b>7.1</b>       | <b>7.2</b>       | <b>(0.6)</b>     |
| <b>Gross operating profit (EBITDA)</b> | <b>2.3</b>       | <b>0.9</b>       | <b>&gt; 100%</b> |
| <i>% of revenue</i>                    | 32.6             | 12.2             |                  |
| <b>Operating profit (EBIT)</b>         | <b>1.3</b>       | <b>(0.1)</b>     | <b>n.s.</b>      |
| <i>% of revenue</i>                    | 18.5             | (0.8)            |                  |

|                               | March 31<br>2020 | December 31<br>2019 |
|-------------------------------|------------------|---------------------|
| (in millions of euro)         |                  |                     |
| <b>Net financial position</b> | <b>(17.5)</b>    | <b>(20.1)</b>       |

Italgen's hydroelectric production in the first quarter of 2020 stood at 65.4 GWh, an increase of 66% compared with the same period of 2019 thanks to the high rainfall recorded in the first two months and the excellent availability of the plants, despite the blockage of the San Giovanni Bianco plant in March due to the postponement of external maintenance work because of the Covid-19 emergency.

Revenue is in line with last year and amounts to 7.1 million euro, with the higher volumes offset by the drop in pass-through revenue (delta of 0.8 million euro, without any impact on the company's profitability) and lower unit revenue. In particular, the drop in unit revenue is linked both to the general context of the energy market (e.g. price dynamics of both natural gas and oil) and to the decrease in consumption due to the lock-down linked to Covid-19.

The gross operating profit in the first quarter of 2020 stood at 2.3 million euro, up 1.4 million euro with respect to the same period of 2019 thanks to the increase in production (+2.6 million euro) and the reduction in fixed costs (+0.6 million euro), partially offset by the lower unit revenue (-0.9 million euro) and the reduction in other operating income (-0.9 million euro related to the collection in the first quarter 2019 of a receivable that had been completely written off).

The net financial position of the Italgen Group at March 31, 2020 stood at -17.5 million euro, with a positive cash flow of 2.6 million euro compared with the end of 2019 figure.

---

## Capitelli

(80% interest through the newco FT1 S.r.l.)

|  | March 31<br>2020 | March 31<br>2019 (*) | Change<br>% |
|--|------------------|----------------------|-------------|
| (in millions of euro)                  |                  |                      |             |
| <b>Revenue and income</b>              | <b>3.7</b>       | <b>3.2</b>           | <b>16.9</b> |
| <b>Gross operating profit (EBITDA)</b> | <b>0.8</b>       | <b>0.8</b>           | <b>1.8</b>  |
| <i>% of revenue</i>                    | 21.7             | 24.9                 |             |
| <b>Operating profit (EBIT)</b>         | <b>0.8</b>       | <b>0.8</b>           | <b>1.6</b>  |
| <i>% of revenue</i>                    | 20.6             | 23.7                 |             |

|                               | March 31<br>2020 | December 31<br>2019 |
|-------------------------------|------------------|---------------------|
| (in millions of euro)         |                  |                     |
| <b>Net financial position</b> | <b>11.2</b>      | <b>10.3</b>         |

(\*) management figures

The 2019 figures are based on management sources and are shown only for comparative purposes.

Capitelli's first quarter 2020 recorded a positive result. In particular, revenue amounted to 3.7 million euro, an increase of 17% on the same period of 2019; the growth rate is even more remarkable in light of the significant level of orders outstanding in the first two months, linked to the achievement of the production capacity limit (currently being adjusted), and the slowdown of the Ho.re.ca channel since the end of February for the lock-down linked to Covid-19.

The gross operating profit for the quarter stood at 0.8 million euro, in line with the operating profit for the same period of 2019, with the higher volumes offset by the trend in the cost of raw materials, which at the beginning of 2020 were much higher than the previous year, only to drop from the second half of March (trend continued in April).

The net financial position at March 31, 2020 was positive for 11.2 million euro, with a positive cash flow of 0.9 million euro in the first quarter.

## Tecnica Group (40% interest)

|  | March 31<br>2020 | March 31<br>2019 | Change<br>%   |
|--|------------------|------------------|---------------|
| <i>(in millions of euro)</i>           |                  |                  |               |
| <b>Revenue and income</b>              | <b>82.7</b>      | <b>91.9</b>      | <b>(10.0)</b> |
| <b>Industrial gross margin</b>         | <b>35.0</b>      | <b>31.7</b>      | <b>10.3</b>   |
| <i>% of revenue</i>                    | 42.3             | 34.5             |               |
| <b>Gross operating profit (EBITDA)</b> | <b>3.0</b>       | <b>3.5</b>       | <b>(14.3)</b> |
| <i>% of revenue</i>                    | 3.7              | 3.8              |               |
| <b>Operating profit (EBIT)</b>         | <b>(0.8)</b>     | <b>(0.1)</b>     | <b>n.s.</b>   |
| <i>% of revenue</i>                    | (1.0)            | (0.1)            |               |

|                               | March 31<br>2020 | December 31<br>2019 |
|-------------------------------|------------------|---------------------|
| <i>(in millions of euro)</i>  |                  |                     |
| <b>Net financial position</b> | <b>(201.9)</b>   | <b>(221.1)</b>      |

The first quarter of 2020 of the Tecnica Group was negatively impacted by the consequences of the health emergency linked to Covid-19. The company has in fact decided to close the factory in Austria and to maintain limited operations in the logistics centre, consistent with the provisions of the respective governments; furthermore, the lock-down caused the early end of the winter season in several key markets for Tecnica, in addition to closure of the stores that distribute the Group's products.

Given the strong seasonality of the business, the economic results of the first quarter of 2020 only partially describe the impact of Covid-19 on the Group, which will be clearer only during the year based on the order portfolio dynamics for the 2020 / 2021 winter season.

Having said this, the turnover for the first quarter amounts to 82.7 million euro, with a 10% reduction compared with the same period of 2019. The industrial gross operating profit, equal to 3 million euro, is also down on 2019, despite a positive contribution of 2.3 million euro in the period linked to the integration of Riko. Considering the uncertainty on the order book for the next season, the company has already launched an ambitious plan to contain fixed costs, both at central level and in the Group's branches.

The net financial position at March 31, 2020 was negative for -201.9 million euro, a clear improvement compared with the figure at the end of 2019 (equal to -221.1 million euro) also due to the seasonality of the business. Without considering the impact on the NFP of applying IFRS 16 and, above all, the extraordinary transaction involving the purchase of minorities in Lova and Riko (see previous quarterly reports for details), the Tecnica Group's cash generation in the last 12 months was positive for 15.2 million euro.

---

## Iseo

### (40% interest)

|  | March 31<br>2020 | March 31<br>2019 (*) | Change<br>%   |
|--|------------------|----------------------|---------------|
| (in millions of euro)                  |                  |                      |               |
| <b>Revenue and income</b>              | <b>30.4</b>      | <b>36.0</b>          | <b>(15.6)</b> |
| <b>Gross operating profit (EBITDA)</b> | <b>1.8</b>       | <b>3.4</b>           | <b>(45.1)</b> |
| <i>% of revenue</i>                    | <i>6.1</i>       | <i>9.4</i>           |               |
| <b>Operating profit (EBIT)</b>         | <b>0.1</b>       | <b>1.6</b>           | <b>(91.2)</b> |
| <i>% of revenue</i>                    | <i>0.5</i>       | <i>4.5</i>           |               |

|                               | March 31<br>2020 | December 31<br>2019 |
|-------------------------------|------------------|---------------------|
| (in millions of euro)         |                  |                     |
| <b>Net financial position</b> | <b>(39.4)</b>    | <b>(34.6)</b>       |

(\*) figures recalculated according to IAS/IFRS for comparison purposes

As mentioned in the introduction, Iseo also saw a negative first quarter of 2020 due to the impact of the consequences of the health emergency linked to Covid-19. The company has in fact decided to close the plants in Italy, which were not considered strategic activities by the Government in the March 2020 Prime Ministerial Decree, as well as the French plant in March; moreover, the lock-down which affected, albeit at different times and intensities, all the European markets in which Iseo is present caused the closure of the company's main sales channels, negatively impacting the March turnover and the order backlog.

In this context, Iseo closes the period with revenue of 30.4 million euro, with a 16% decrease compared with the previous year attributable to the consequences of Covid-19, also considering how the first two months ended with turnover up 2% on 2019. The drop in turnover is noticeable in all the main markets of the Group, with the exception of Spain which closed slightly up on 2019 thanks to the excellent result recorded in the first two months.

Gross operating profit was 1.8 million euro, down sharply versus the first quarter of 2019; it should be noted that the result for the first quarter of 2020 includes non-recurring costs of 0.4 million euro, largely related to the closure of a legal dispute related to the subsidiary Locken. Given the short-term uncertainty on the order backlog, the company has already started cost containment measures to protect its profitability, including the use of temporary lay-offs or similar instruments in other markets.

The net financial position at March 31, 2020 was negative for 39.4 million euro and worsened compared with December 31, 2019 mainly due to the seasonality of the business.

It should be noted that from April the factories in Italy and France have restarted production activities, in full compliance with the new safety protocols.

---

## Autogas – AGN Energia (30% interest)

|  | March 31<br>2020 | March 31<br>2019 | Change<br>%  |
|--|------------------|------------------|--------------|
| <i>(in millions of euro)</i>           |                  |                  |              |
| <b>Revenue and income</b>              | <b>155.1</b>     | <b>164.2</b>     | <b>(5.5)</b> |
| <b>Gross operating profit (EBITDA)</b> | <b>20.9</b>      | <b>18.9</b>      | <b>10.6</b>  |
| <i>% of revenue</i>                    | <i>13.5</i>      | <i>11.5</i>      |              |
| <b>Operating profit (EBIT)</b>         | <b>15.5</b>      | <b>13.4</b>      | <b>15.7</b>  |
| <i>% of revenue</i>                    | <i>13.5</i>      | <i>13.5</i>      |              |

|                               | March 31<br>2020 | December 31<br>2019 |
|-------------------------------|------------------|---------------------|
| <i>(in millions of euro)</i>  |                  |                     |
| <b>Net financial position</b> | <b>(127.0)</b>   | <b>(127.2)</b>      |

The Autogas Group closed the first quarter of 2020 with a turnover of 155.1 million euro, a decrease from 2019 but only because of the decline in the average selling price of LPG (linked to the fall in the purchase price of the raw material), without any real impact on the company's margins.

Looking at the individual businesses, the overall volumes of LPG are down by 7% compared with the first quarter of 2019, also due to the not high average temperatures of the first two months of 2020; despite this drop in the average selling price, the gross profit margin on LPG is still growing by 3% in absolute terms. Revenue from new businesses (electricity, natural gas and energy efficiency), on the other hand, is in line with the first quarter of 2019.

The gross operating profit stood at 20.9 million euro, showing an improvement of 2.0 million euro compared with the first quarter of the previous year also thanks to the synergies on fixed costs linked to the integration with Lampogas.

At March 31, 2020, the net financial position was negative by 127.0 million euro, substantially stable on the figure at the end of 2019.

---

## Officina Profumo Farmaceutica di Santa Maria Novella (SMN)

(20% interest through the newco FT2 S.r.l.)

|  | December 31<br>2019 (*) | December 31<br>2018 (*) | Change<br>% |
|--|-------------------------|-------------------------|-------------|
| (in millions of euro)                  |                         |                         |             |
| <b>Revenue and income</b>              | <b>31.8</b>             | <b>30.1</b>             | <b>5.6</b>  |
| <b>Gross operating profit (EBITDA)</b> | <b>12.1</b>             | <b>11.1</b>             | <b>9.5</b>  |
| <i>% of revenue</i>                    | <i>38.1</i>             | <i>36.9</i>             |             |
| <b>Operating profit (EBIT)</b>         | <b>10.3</b>             | <b>9.3</b>              | <b>11.2</b> |
| <i>% of revenue</i>                    | <i>32.5</i>             | <i>30.9</i>             |             |

|                               | December 31<br>2019 | December 31<br>2018 |
|-------------------------------|---------------------|---------------------|
| (in millions of euro)         |                     |                     |
| <b>Net financial position</b> | <b>19.2</b>         | <b>10.6</b>         |

The consolidated figures drawn up according to the Italian accounting principles of the Santa Maria Novella group inclusive of the investee San Carlo S.p.A., are not included in the consolidated financial statements of Italmobiliare Spa.

The consolidated operating results of the Santa Maria Novella group are reported as at December 31, 2019 since the results for the first quarter of 2020 are still being defined.

2019 marked a significant recovery in the group's revenue growth (+5.6%) driven by:

- good performance of the e-commerce channel in the USA;
- opening with good results of the e-commerce channel in Europe;
- new openings in Italy (Hotel Savoy in Florence and Pietrasanta);
- good dynamics in the wholesale channel serving foreign distributors and multi-brand stores.

The success of these recent initiatives has been partially offset by a slightly negative trend in the original bricks-and-mortar stores (starting with Florence).

In geographical terms, the good performance of revenue was reported in Europe (excluding Italy where the result was slightly positive), the USA and South Korea.

The growth in revenue led to an increase in EBITDA of 9.5% and a net cash flow generation of approximately 8.6 million euro with an increase in the net cash position at the end of the year to 19.2 million euro.

The results of the first weeks of 2020 strongly confirmed the growth trend started in 2019, unfortunately halted by the social distancing measures imposed by the Covid-19 pandemic, including the closure of all Italian shops in March and similar measures, especially in Europe and the USA. The first quarter of 2020 therefore ended with marginal growth in consolidated revenue compared with the same period in 2019.

---

## **Other companies**

Clessidra SGR S.p.A. (an asset management company authorised and regulated by the Bank of Italy and leading private equity fund manager dedicated exclusively to the Italian market), a number of real estate companies, some financial service companies that operate essentially within the Group and a bank in the Principality of Monaco are included as "Other companies" of the Italmobiliare Group.

### **Clessidra SGR S.p.A.**

During the first quarter of 2020 Clessidra SGR S.p.A. continued managing the equity investments in the managed funds portfolio.

In particular, with regard to the managed Private Equity Funds, support continued for growth in the value of the companies in portfolio and the search for new investment opportunities, while the management and monitoring of positions in portfolio continued on the CRF Fund.

In relation to the Covid-19 epidemiological emergency, the SGR has constantly monitored the trend of current trading and the working capital/liquidity of the companies in portfolio of the Private Equity Funds and, at the same time, the trend in the portfolio positions of the CRF Fund, in order to estimate the negative impact of the emergency on the portfolio companies and implement any measures needed to support their business.

In relation to the result of the SGR, in the first quarter of 2020 revenue, essentially represented by the management fees of the Clessidra Funds, amounted to 3.4 million euro (2.9 million euro at March 31, 2019). Administrative expense for the period amounted to 4.5 million euro (2.9 million euro at March 31, 2019) and is made up mainly of personnel expense, consultancy and management expense.

After other operating income of 2.9 million euro (0.5 million euro at March 31, 2019), the net profit was 0.8 million euro (0.2 million euro in the first quarter of 2019).

## Legal and tax disputes

With regard to the disputes commented on in the 2019 Annual Report, there have been no significant developments since then.

The Financial Reporting Officer of Italmobiliare S.p.A., Mauro Torri, certifies - pursuant to art. 154-bis, paragraph 2 of the Consolidated Law on Finance (Legislative Decree 58/1998) - that the accounting information contained in this document agrees with the supporting documentation, books of account and accounting entries.