

**BoD REVIEWS 2019 RESULTS**

• **PROPOSED ORDINARY AND EXTRAORDINARY DIVIDEND:**

- > *In light of the Company's growth trend over the last three years (2017-2019), when recently acquired Portfolio Companies reported a doubling in value alongside with significant proceeds from disposals of assets, the Board of Directors will propose to the next Shareholders' Meeting the distribution of an ordinary dividend of 0.60 euro per share (0.55 euro in 2018) and an extraordinary dividend of 1.2 euro per share.*

• **RESULTS OF ITALMOBILIARE SPA:**

- > *At December 31, 2019, Italmobiliare's NAV was 1,741.1 million euro, an increase of 22.5% vs. the end of 2018 (1,421.4 million).*
- > *The portion of NAV related to Portfolio Companies has grown by over 55% to 745 million as the result of an increase in value of around 180 million, mainly due to the growth of Caffè Borbone and Tecnica Group, and investments during the period of over 80 million (Autogas and Capitelli).*
- > *Positive results from disposals, including the sale of the stake in Jaggaer for 91.2 million and of the stake in the fund Aksia IV for 21.6 million.*
- > *Amongst the other NAV components, the value of the Private Equity funds has increased by over 20% to 158 million (mainly due to the good performance of the portfolio), while the investments in listed companies (165 million) has almost halved in value following the sale of securities for around 223 million.*
- > *A third of NAV (€ 570 million) is represented by financial assets and cash that can be used for new projects that are currently being defined, including the acquisition of a stake in Officina Profumo Farmaceutica di Santa Maria Novella closed at the beginning of 2020.*
- > *In 2019 Italmobiliare recorded a profit of 19.7 million (19.8 million in 2018 which included positive tax effects of over 19 million). The profit before tax was 30.6 million (0.7 million at the end of 2018).*

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*The Board of Directors of Italmobiliare SpA reviewing the 2019 results has made a positive assessment of the Company's growth trend during the last three years (2017-2019). During this period, around 300 million were invested in new portfolio companies and their value at the end of 2019 already comes to over twice the initial investment, considering the limited holding period (around 1.5 years on average). During 2019, the Italmobiliare shares price, included in September in the STAR segment (segment dedicated to listed companies complying with high standards of transparency and governance), increased by around 30%.*

*This reflected in a subsequent reduction in the NAV discount, which at the end of the year was around 35%, reducing further in the first few weeks of 2020 as the share price continued to rise.*

*In light of the portfolio's positive performance, which allowed the overall NAV of Italmobiliare to grow by 22.5% to 1,741.1 million in 2019, and investment disposals that generated additional liquidity, the Board of Directors will propose to the Shareholders' Meeting the distribution of an ordinary dividend of 0.60 euro per share (0.55 euro in 2018) and an extraordinary dividend of 1.20 euro per share. The proposed dividend will be distributed using the entire profit of Euro 19,730,026 and retained earnings for an amount of Euro 56,211,848.*

*Italmobiliare SpA has closed its 2019 financial statements with a profit of 19.7 million euro (19.8 million in 2018 which benefited from positive tax effects of over 19 million). Compared with 2018, the profit before tax has increased from 0.7 million to 30.6 million.*

*Overall, portfolio companies reported a positive performance in 2019: pro-forma aggregate revenue came to 1,550 million, up 2%, despite a reduction in certain companies without an impact on profit margins, while EBITDA improved for all companies, reaching 192.8 million, an overall increase of around 30%.*

*During 2019 Italmobiliare invested in the energy sector, buying 30% of Autogas, and expanded its presence in the food sector - alongside the stake already held in Caffè Borbone - with the purchase of 80% of Capitelli, a premium brand in the Italian cured meats sector. In the second half of the year, the investment in Jaggaer was sold for over 90 million (the NAV equivalent at the end of 2018 was 56 million). At the beginning of 2020, Italmobiliare took a 20% share in Officina Profumo Farmaceutica di Santa Maria Novella with a view of supporting its development to further enhance this historic brand of high-end cosmetics on international markets.*

*"During this three-year cycle, Italmobiliare has made investments in a varied set of Italian companies, all of which express excellence in their own field - commented **Carlo Pesenti, CEO of Italmobiliare** -. Ten companies that together represent annual revenue of 1.6 billion and EBITDA of 200 million. In addition to financial resources, we have also invested considerable management resources in these companies, which have enabled us to support important development projects, achieving significant increases in their results, particularly for Caffè Borbone and Tecnica Group, which were the first investments to be made.*

*During these three years, we have established a more balanced portfolio mix in line with the characteristics of a modern investment holding company: at the end of 2019 about 2/3 of NAV consists of investments in Portfolio Companies and Private Equity funds (900 million) and in other investments (270 million). To this must be added the 570 million of liquidity (about one third of NAV) which can be allocated to the new projects that are currently being defined, including the acquisition of a stake in Officina Profumo Farmaceutica di Santa Maria Novella closed at the beginning of 2020."*

*"The Company's activity in acquisitions, investment management and development, promoted and supported by the corporate bodies and shared by a management that has been strengthened over the last few years, has allowed Italmobiliare to come close to its target of a portfolio invested more than 50% in Italian companies of excellence - added the **Chairman Laura Zanetti** -. We are constantly looking at new opportunities, focusing not just on the financial aspects, but also on investments that are consistent with ESG objectives in line with the policy that has always characterised the Company. For this reason, during the year, a dedicated team was formed to develop and manage sustainability issues and*

*reinforce corporate governance at all subsidiaries, while at parent company level we further strengthened risk management by analysing and defining specific mitigation initiatives. Furthermore, Investor Relations were intensified through a continuous and in-depth discussion with the financial community. This activity, focused on the value of the investment portfolio, was reflected in an appreciation of the share price on the Stock Exchange and in a reduction in the discount to NAV."*

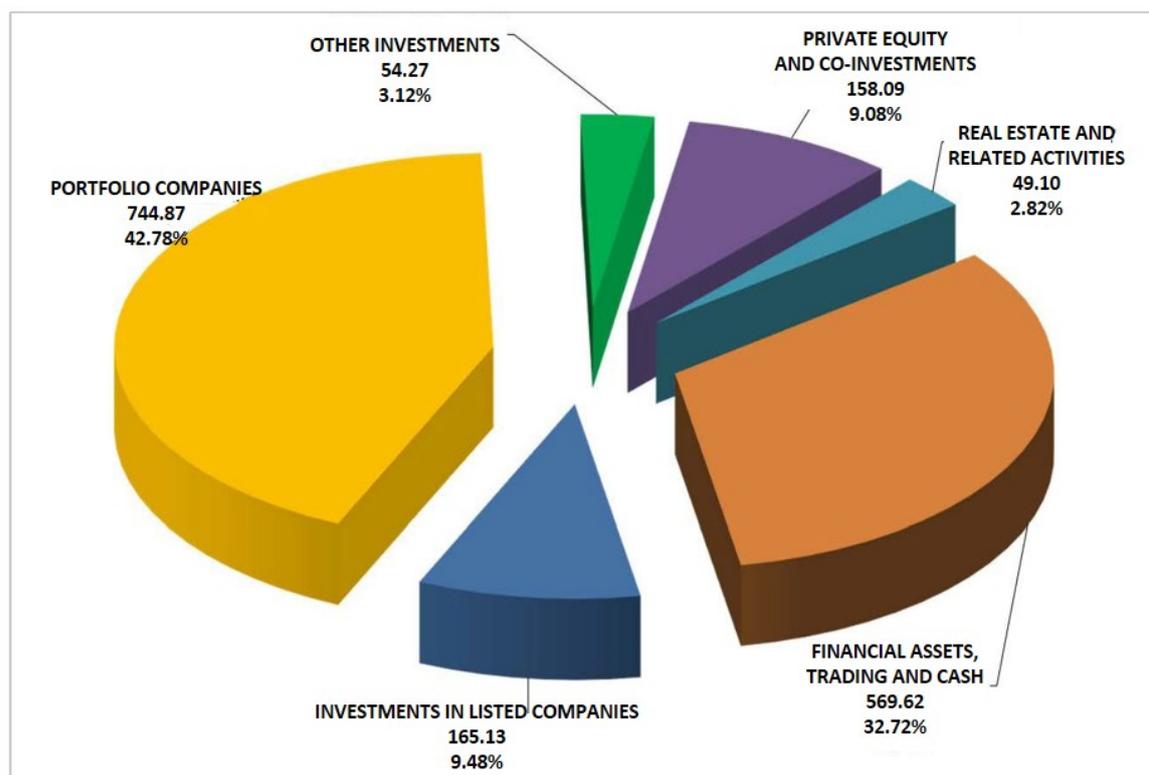
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**Milan, March 4, 2020** – The Italmobiliare SpA Board of Directors today reviewed and approved the consolidated financial statements and the draft financial statements of the Company at December 31, 2019.

#### **NET ASSET VALUE (NAV)**

The **Net Asset Value (NAV)** of Italmobiliare at December 31, 2019 amounted to 1,741.1 million euro, an increase of 319.7 million compared with the end of 2018 (1,421.4 million). The main change in the NAV concerned the increase of 265 million in the Portfolio Companies, mainly linked to the increase in the value of Caffè Borbone and Tecnica Group (for approximately 181 million) and to the new investments in Autogas and Capitelli (for approximately 83 million). The carrying amount of the investments in Private Equity Funds also rose to over 158 million (+29.3 million): worth noting the exit from the Aksia and Ambienta funds and the entry into BDT III, Iconiq and Connect. There has been a decline in the components linked to listed equity investments (approximately -145 million following disposal of the investments in HeidelbergCement and Mediobanca) and other equity investments (-51 million, mainly due to the sale of the investment in Jaggaer). The carrying amount of financial assets, trading and cash at the end of 2019 increased by approximately 225 million to 569.6 million, also taking into account disposals during the period.

## NAV December 31, 2019: 1,741.1 mn €



### SUMMARY OF RESULTS

Italmobiliare S.p.A. closed 2019 with a **profit of 19.7 million**. Comparison with the 2018 balance of 19.8 million has to take into account the positive tax effects for over 19 million that characterised the previous year, compared with tax of 10.9 million at December 31, 2019. The **profit (loss) before tax increased to 30.6 million** with an increase of almost 30 million compared with the end of 2018 (0.7 million).

The company posted net gains of 8.1 million on equity investments, a reduction from 23.8 million at December 31, 2018 due to the write-down of some equity investments (-14.3 million) and the reduction in dividends (1.4 million).

Net gains and losses on investments of cash and cash equivalents, on the other hand, increased sharply to 47.2 million, mainly due to the positive performance of investment and private equity funds (+40.6 million) and held for trading equity investments (+13.5 million), partially offset by the decrease in derivatives (7.0 million).

Other income and charges show a negative balance of 24.8 million, an increase of 1.6 million mainly due to higher provisions for risks.

At December 31, 2019 the **net financial position** of Italmobiliare SpA is positive for 569.6 million, up 224.7 million from 344.9 million at the end of 2018.

The main flows include the sale of HeidelbergCement and Mediobanca shares (222.9 million), the sale of the investment in Jaggaer (91.2 million) and investments for the acquisitions of Autogas (60.1 million) and Capitelli (22.7 million).

At consolidated level, taking into account the overall positive performance of all the portfolio companies, **profit attributable to owners of the parent company** rises to 63.5 million from 27.7 million at the end of 2018 and the **consolidated equity attributable to owners of the parent company** marks an increase to 1,358.7 million (1,202.5 million at the end of 2018).

The other main economic results of the Italmobiliare Group are:

**Revenue and income:** 565.9 million (463.1 million at December 31, 2018)

**EBITDA:** 125.9 million (41.2 million)

**EBIT:** 97.1 million (21.3 million).

## *DIVIDEND*

Taking into account the Company's significant growth trend in the last three years (2017-2019), the Board of Directors of Italmobiliare will propose to the Shareholders' Meeting of April 21, 2020 an **ordinary dividend** of 0.60 euro per share (0.55 euro per share in 2018) and an **extraordinary dividend** of 1.20 euro per share.

Taking into account the 310,070 treasury shares in the portfolio as of today, the distribution will take place out of the entire profit of Euro 19,730,026 and out of retained earnings for the balance of Euro 56,211,848. Note that this amount could differ if there is a change in the number of treasury shares in the Company's portfolio on the record date.

The dividend will be paid on May 6, 2020, going ex-coupon on May 4, 2020 (with a record date of May 5, 2020).

## *PERFORMANCE OF THE PORTFOLIO COMPANIES*

Generally speaking, 2019 was a positive year for the portfolio companies. Looking at the pro-forma aggregate:

- 2019 revenue amounted to 1,550 million, an increase of 2% on 2018;
- EBITDA, which increased for all companies, came to 192.8 million, an overall improvement of 30% compared with 2018;
- positive cash flow of 83.7 million, gross of the payment of 19.2 million of dividends in 2019, again with a positive contribution for all companies.

### CAFFÈ BORBONE (60%)

Caffè Borbone, third-largest player in Italy after Lavazza and Nespresso in single-dose coffee capsules and pods, confirmed the strong increase in activity in 2019, supported in particular by growth in the GDO sector (+77% compared with +9% overall in the single-dose coffee channel) and the positive trend recorded by retailers, who are confirmed as the main sales channel, with a growth rate substantially in line with the average. A trend that has been repeated in the first part of 2020.

The 2019 financial statements close with revenue of 172.6 million, an increase of 28% compared with 2018, and EBITDA of 52.0 million (+52%): profit margins decidedly better

at 30% (+4.8 p.p. compared with the previous year), mainly thanks to the effect of higher volumes on the absorption of overheads and despite the significant investment in communication to support the positioning of the Caffè Borbone brand.

Profit for 2019 stood at 34.2 million, more than double what it was in 2018.

The net financial debt at December 31, 2019 amounted to 31.6 million, with positive cash generation during the year of 27.6 million, gross of the 8 million of dividends paid in the second quarter of 2019.

#### **TECNICA GROUP (40%)**

Tecnica Group, one of Europe's leading players in outdoor footwear and ski equipment, with brands such as Tecnica, Nordica, Blizzard, Lowa, Moon Boot and Rollerblade, strengthened its corporate structure and strategic position during the year through the acquisition of a further 15% of Lowa, going from 60% to 75%, and of the entire share capital of Riko Sport, a company that specialises in the production of high level footwear and the main supplier of Lowa.

In terms of revenue, the Tecnica Group closed the year at 424.0 million, a marked increase compared with 2018 (+6.4%), continuing the positive trend of recent years, supported by the performance of the winter brands (+10%) and good results on the part of Lowa, which continues to be the Group's leading brand, and Moonboot.

EBITDA increased from 37.9 million to 51.5 million (+35.7%), which includes 5.2 million deriving from the application of the IFRS 16; also net of this impact EBITDA marks a 22% improvement on 2018. The Riko-Lowa operation was essentially neutral, as the higher margins linked to the integration of Riko were offset by one-off negative effects. By performing the Riko result for the whole of 2019, EBITDA, net of the effect of IFRS 16, would come to 59.6 million euro.

The net financial position at December 31, 2019 was negative for 221.1 million, taking into account the Riko-Lowa transaction (-86.0 million, including both the acquisition price and the one-off charges relating to the refinancing of the bank lines) and the application of IFRS 16 (-36.9 million). Net of these effects, the net financial position would have been -98.2 million, an improvement compared with the figure at December 31, 2018 (-113.4 million) with a positive cash flow generation for the year of 15.2 million.

#### **AUTOGAS – AGN Energia (30%)**

For Autogas, 2019 was marked by the acquisition and integration of Lampogas, which gave birth to AGN Energia, one of the national leaders in the distribution of LPG, alongside a complete range of products and services in the energy sector.

Based on the preliminary figures, 2019 saw Group revenue of 487.7 million, down on the 2018 pro-forma figure (526.2 million), but this was mainly due to the decrease in the average selling price of LPG (linked to the decrease in purchase prices of the raw material), without any substantial impact on the company's margins.

EBITDA was 36.0 million compared with 34.4 million the previous year, an improvement of 1.6 million. This change was mainly brought about by the improvement in LPG margins (+9.1 million) and the first synergies from the integration with Lampogas (+3.0 million) and taking into account the increase in losses on receivables (-9.9 million) largely due to the difficulties of two large industrial customers.

Consolidated profit of Autogas in 2019 was positive for 4.8 million, 3.0 million down on the previous year.

At December 31, 2019 the net financial position was negative for 127.2 million, with an improvement of 10.7 million compared with December 31, 2018; if we also consider the

payment 4.0 million of dividends in 2019, cash generation in 2019 was positive for 14.7 million.

### **SIRAP (100%)**

In 2019, the Sirap group - which operates in the food packaging sector - launched the new three-year business plan which, among other efficiency initiatives, involved the closure of a number of plants, on the one hand, and, on the other, mergers or the sale of companies no longer functional to the group's strategy.

Group's 2019 revenue, taking into account the non-recurring effects relating to the reorganisation, stood at 269.3 million, slightly down (-2.1%) compared with 2018. Sales marked a generally positive trend in the "rigid" segment, while the "foam" segment grew in France, remained stable in Italy and declined in Hungary.

Group's EBITDA, net of non-recurring costs, amounted to 19.9 million (21.3 million without considering these costs). Compared with the previous year (16.3 million), the introduction of IFRS 16 had an impact of 3.2 million in 2019: net of this effect, EBITDA would have been 0.4 million higher than in 2018. The consolidated net result was a profit of 1.0 million (6.3 million in 2018, benefiting from fair value gains of 5.3 million).

Consolidated net financial debt at the end of 2019 was 80.8 million. Neutralising the impact of IFRS 16, the balance would have been 72.9 million compared with 82.3 million at December 31, 2018, with a positive cash flow generation during the period of 9.4 million, also thanks to careful management of working capital.

### **ITALGEN (100%)**

Italgen operates in the production of electricity from renewable sources through 15 hydroelectric plants. In 2019, it recorded a 5.8% increase in energy production to 306.2 GWh, thanks to favourable rainfall conditions and the high level (98%) of plant availability. Against rising unit revenue compared with the previous year (53.1 €/MWh versus 50.5 €/MWh in 2018), the group's revenue amounted to 34.4 million, down by 1.6 million compared with 2018, due to a decrease in pass-through revenue (-3.7 million), which had no impact on the company's profitability. Helped by the positive trend in volumes/unit revenue, EBITDA grew strongly to 14.2 million (+69.5% compared with 2018, which was affected by significant non-recurring restructuring costs). Net profit amounted to 7.4 million (0.4 million in 2018).

The net financial debt of the Italgen Group stood at 20.1 million at the end of 2019, slightly better than at the end of 2018 (21.0 million) thanks to positive cash flow of 6.9 million in the year, gross of the 6.0 million dividend payment made in the second quarter of 2019.

### **ISEO (40%)**

In 2019 revenue of the Iseo Group, one of Europe's leading producers of mechatronic and digital solutions for access control and security, stood at 142.7 million, up 4.3% compared with the previous year, supported by a rise in sales in the EU and a significant contribution also from non-European markets, particularly in the Middle East and North Africa. EBITDA, which reflects one-off reorganisation costs of 3.4 million, was 15.3 million (15 million in 2018). Net of non-recurring costs, growth was 25%. Profit, 6.1 million, marked a 15.4% improvement on the previous year.

The net financial position was negative for 34.6 million (43.7 million at the end of 2018). Cash flow during the year was 6.9 million, of which 1.2 million euro was distributed as dividends.

### CAPITELLI (80%)

On December 11, 2019, Italmobiliare completed the purchase of 80% of Capitelli, a producer of premium-range cooked ham and other cured meats.

The management figures for 2019 showed an increase in revenue to 14.0 million (+21% compared with 2018), which reflects the good positioning achieved on the market. EBIT also rose sharply to 3.9 million (+62.5%).

Capitelli closed 2019 with profit of 3.1 million compared with 1.7 million at the end of 2018. The net financial position at December 31, 2019 was +10.3 million, with a positive cash flow of 3 million.

### CLESSIDRA SGR (100%)

In 2019, Clessidra SGR - the main private equity fund manager dedicated exclusively to the Italian market - continued to manage its investments. During the third quarter, it also expanded the scope of its business by entering the bank loan segment, with a particular focus on so-called Unlikely to Pay loans, with the launch of the new CRF fund reserved for institutional investors, with the subscription of a share by Italmobiliare. Revenue, essentially represented by fund management commissions, amounted to 15.1 million (11.1 million at December 31, 2018). Administrative expense for the period amounted to 16.8 million (13.2 million) and is made up mainly of personnel expense, consultancy and management expense. After the positive balance of other operating income and expenses of 3.5 million (2.3 million), EBIT was 1.3 million (0.1 million).

### PRIVATE EQUITY FUNDS

Italmobiliare 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 of Clessidra, the BDT Fund II and III, Isomer Capital I, Connect Ventures 3, Iconiq IV**.

In 2019 the value of the Private Equity funds increased overall by 29.4 million, mainly due to capital calls (35.6 million), the increase in fair value (30.0 million) and the exchange difference (+0.6 million), partially offset by repayments (-16.8 million) and disposals (Aksia: net carrying amount at December 31, 2018 of 20.0 million, sold for 21.6 million with a return on investment in terms of "money on money" equal to approximately 2.2X since the commitment in 2015).

### *OUTLOOK*

In a business cycle context characterised by high uncertainty, the Company's commitment will remain focused on providing economic and strategic support to the companies in its portfolio, in order to support their growth trends also through acquisitions and extraordinary corporate finance, with particular attention to careful monitoring and risk management. Any further investment opportunities will be carefully evaluated, also in light of the expected effects of the current contingent situation, as well as the management of the liquidity available in the portfolio.

In particular, the main focus will continue to be on the continuous search for industrial and managerial efficiency in the more traditional industrial situations, such as Sirap and Iseo, or

energy like Italgas and Autogas, and solid, sustainable development accompanied by significant cash generation by Tecnica Group and Borbone.

The proactive approach that has characterised Italmobiliare's activity with its portfolio companies will also characterise its commitment to the companies that have just entered the portfolio, starting with Capitelli and Officina Profumo Farmaceutica di Santa Maria Novella, brands recognised for the high quality of their products and with high growth potential.

### *NOTICE OF CALLING*

The Board of Directors resolved to convene the **Ordinary Shareholders' Meeting on April 21, 2020** with the following agenda: approval of the 2019 Annual Report, dividend distribution, also out of reserves, the remuneration policy for 2020, consultation on the compensation paid in 2019, the appointment of the Board of Directors, the appointment of the Board of Statutory Auditors, renewal of the mandate to buy and sell treasury shares and adoption of an incentive plan based on financial instruments pursuant to art. 114 bis of the CLF.

In compliance with the recommendations of the Corporate Governance Code, in view of the renewal of the administrative body by the next Shareholders' Meeting, the Board of Directors, having heard the Remuneration and Nominations Committee, expressed its guidance opinion on the composition of the new Board of Directors.

The guidance opinion is available on the Company website at the following page [www.italmobiliare.it/it/governance/assemblea-degli-azionisti](http://www.italmobiliare.it/it/governance/assemblea-degli-azionisti).

### *RESOLUTIONS REGARDING TRANSACTIONS ON TREASURY SHARES*

The Board of Directors will propose to the Shareholders' Meeting renewal of the authorisation to buy and sell treasury shares for the next 18 months for the usual purposes governed by the law and therefore destined:

- to setting up a portfolio of securities that could be used in place of financial resources, to carry out extraordinary corporate finance transactions or to implement compensation plans based on financial instruments that could be approved in the future;
- to carry out activities to stabilise the Italmobiliare stock, favouring regular trading, including securities lending to support third-party liquidity providers, market makers and specialists.

The proposed authorisation concerns a maximum of 1,000,000 shares (representing 2.35% of the shares that currently make up the share capital) for a maximum outlay of 30,000,000 euro. The Company currently has 310,070 treasury shares in its portfolio, equal to 0.73% of the share capital.

The Company will be able to buy treasury shares in one or more tranches. Purchases will be

made on the MTA in compliance with article 144-bis, paragraph 1, letters b) and d-ter) of the regulation adopted by CONSOB with resolution 11971 of May 14, 1999, as subsequently amended and integrated (the "Issuers Regulation") and of the provisions that are in any case applicable, so as to comply with the principle of equal treatment of Shareholders, as required by article 132 of the CLF, and therefore (i) on regulated markets, according to the operating procedures established in the organisation and management regulations of Borsa Italiana, which do not allow direct matching of purchase proposals with predetermined sale proposals, or (ii) with the methods established by market practices allowed by CONSOB pursuant to article 13 of (EU) Regulation no. 596/2014 in force from time to time. In any case, purchases will be made in compliance with the guidelines issued by CONSOB and further provisions of the law and regulations applicable to this type of transaction.

Purchases can take place - in compliance with the conditions established in article 3 of the (EU) Delegated Regulation 2016/1052 of the Commission dated March 8, 2016 and other applicable rules - at a unit price not exceeding the highest price between the price of the last independent transaction and the price of the current highest independent purchase offer on the electronic stock exchange organised and managed by Borsa Italiana ("MTA"), it being understood that this consideration may not in any case be lower in the minimum and higher in the maximum by 15% (fifteen percent) with respect to the reference price that the Italmobiliare share recorded in the stock market session of the day preceding each transaction.

If authorised by the Meeting, the Company will be able to carry out disposals, also fractionally and without time limitations, of the Italmobiliare shares to be purchased or already purchased on the basis of previous shareholders' authorisations, according to the purposes and methods indicated above, providing the unit selling price (or in any case the unit value established in the context of the sale) is not lower than the average carrying price of the shares bought on the basis of the authorisation.

## *OTHER RESOLUTIONS*

The Board of Directors will propose to the Shareholders' Meeting to approve, pursuant to and for the purposes of art. 114-bis of the CLF, the adoption of a new long-term incentive plan reserved for the Chief Executive Officer–Chief Operating Officer, key management personnel of the Company and other managers chosen by the Chief Executive Officer–Chief Operating Officer.

The "Italmobiliare 2020-2022 Phantom Stock Grant Plan" will be aimed at further aligning the interests of management and those of the shareholders; support the achievement of medium-long term corporate strategic objectives; ensure a high level of attraction and retention of key resources, offering remuneration packages aligned with market practices.

The Plan provides for the assignment of a certain number of rights to receive "Phantom Stock" linked to the value of the Italmobiliare stock at the end of the three-year vesting period 2020 - 2022 based on the achievement of a specific performance target to which the Plan is connected, the Net Asset Value per share. The payout of the plan will be in cash and will therefore depend on the number of "Phantom Stock" accrued (based on the performance indicator) and the value of the Italmobiliare stock, based on the stock market performance.

A detailed description of the purposes and characteristics of the Plan is contained in the Information Document (the "Information Document"), prepared pursuant to art. 114-bis of

the CLF and art. 84-bis of the Issuers Regulation, which will be published in accordance with the law.

The Board of Directors has also verified the level of achievement of the objectives of the 2017-2019 Cash Incentive Plan linked to the performance of Italmobiliare S.p.A. shares, approved by the Shareholders' Meeting of April 19, 2017, processing the related final balance. The information relating to the amounts paid to the Chief Executive Officer and key management personnel will be included in the Remuneration Report, which will be published pursuant to the law.

Recalling that Italmobiliare was among the forerunners in Italy in adopting innovative solutions for sustainable development and in 2019 launched a formal procedure for the strategic planning of sustainability to promote the explicit integration of ESG factors (Environment, Social, Governance), the Board of Directors resolved to authorise payment to the Fondazione Cav. Lav. Carlo Pesenti of a contribution for the year 2020 of € 800,000 to promote initiatives that meet the main social challenges, in addition to charitable donations.

## **BOND ISSUES**

There are no bond issues in the period under review and no issues are expected to mature in the 18 months after December 31, 2019.

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*Italmobiliare's 2019 Annual Report, the Report on Corporate Governance and the Ownership Structure, the Consolidated Non-Financial Report and the other documents required by current legislation will be available at the registered office and on the website [www.italmobiliare.it](http://www.italmobiliare.it) as required by law.*

*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 press release agrees with the supporting documentation, books of account and accounting entries.*

### **Disclaimer**

This press release may contain forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: continued volatility and further deterioration of capital and financial markets, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in laws and regulations and the institutional environment (in each case in Italy or abroad), and many other factors, most of which are beyond the Group's control.

**ITALMOBILIARE ON THE INTERNET: [www.italmobiliare.it](http://www.italmobiliare.it)**

## **Italmobiliare**

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The attached income statement and statement of financial position figures are currently being examined by the independent auditors.

Italmobiliare Group					
Income statement (in thousands of euro)	2019		2018		Change %
		%		%	
Revenue and income	565,875	100.0	463,069	100.0	22.2
Other revenue and income	11,216		9,453		
Change in inventories	5,000		11,221		
Internally produced and capitalised assets	326		329		
Raw materials and supplies	(246,091)		(227,350)		
Services	(87,472)		(77,326)		
Employee benefits expenses	(103,458)		(98,676)		
Other operating income (expenses)	(19,488)		(39,497)		
<b>Gross operating profit (EBITDA)</b>	<b>125,908</b>	<b>22.3</b>	<b>41,223</b>	<b>8.9</b>	<b>n.s.</b>
Amortization and depreciation	(27,704)		(21,152)		
Impairment losses of non-current assets	(1,119)		1,218		
<b>Operating profit (EBIT)</b>	<b>97,085</b>	<b>17.2</b>	<b>21,289</b>	<b>4.6</b>	<b>n.s.</b>
Finance income	326		635		
Finance costs	(6,026)		(5,148)		
Net gain/(loss) on exchange-rate differences and derivatives	316		(296)		
Impairment of financial assets	(2,601)				
Share of profit/(loss) of equity-accounted associates	10,475		1,975		
<b>Profit (loss) before tax</b>	<b>99,575</b>	<b>17.6</b>	<b>18,455</b>	<b>4.0</b>	<b>n.s.</b>
Income tax	(22,537)		13,217		
<b>Profit (loss) for the year</b>	<b>77,038</b>	<b>13.6</b>	<b>31,672</b>	<b>6.8</b>	<b>n.s.</b>
Attributable to:					
<b>Owners of the parent company</b>	<b>63,250</b>	<b>11.2</b>	<b>27,701</b>	<b>6.0</b>	<b>n.s.</b>
<b>Non-controlling interests</b>	<b>13,518</b>	<b>2.3</b>	<b>3,971</b>	<b>0.9</b>	<b>n.s.</b>
Earnings per share					
- Basic	1.514 €		0.660 €		
- Diluted	1.510 €		0.658 €		

n.s.= not significant

<b>Italmobiliare Group</b>					
<b>Consolidated statement of comprehensive income</b> (in thousands of euro)	<b>2019</b>	<b>%</b>	<b>2018</b>	<b>%</b>	<b>Change %</b>
<b>Profit (loss) for the year</b>	<b>77,038</b>	<b>13.6</b>	<b>31,672</b>	<b>6.8</b>	<b>n.s.</b>
<b>Other comprehensive income (expense) from continuing operations</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Remeasurement of net defined benefit liability	(304)		219		
Remeasurement of net defined benefit liability - share of other comprehensive income of associates	(36)				
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI	114,651		(177,448)		
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI-share of other comprehensive income of associates					
Income tax	502		1,267		
<b>Total items that will never be reclassified to profit or loss</b>	<b>114,813</b>		<b>(175,962)</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation reserve	1,471		55		
Foreign currency translation reserve - share of other comprehensive income of associates	523		541		
Fair value gain/(loss) arising on hedging instruments during the period	(194)		(559)		
Fair value gain/(loss) arising on hedging instruments during the period - share of other comprehensive income of associates	518		226		
Income tax	182				
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>2,500</b>		<b>263</b>		
<b>Other comprehensive income (expenses) from to continuing operations net of tax effect</b>	<b>2,500</b>		<b>263</b>		
Other comprehensive income (expenses) from assets classified as held for sale					
<b>Total other comprehensive income for the year</b>	<b>117,313</b>		<b>(175,699)</b>		
<b>Total comprehensive income for the year</b>	<b>194,351</b>	<b>34.3</b>	<b>(144,027)</b>	<b>-31.1</b>	<b>n.s.</b>
Attributable to:					
<b>Owners of the parent company</b>	180,866		(148,145)		
<b>Non-controlling interests</b>	13,485		4,118		

<b>Italmobiliare Group</b>			
<b>Statement of financial position</b> (in thousands of euro)	<b>31/12/2019</b>	<b>31/12/2018</b>	<b>Change</b>
<b>Non-current assets</b>			
Property, plant and equipment	161,033	148,534	12,499
Investment property	7,919	8,864	(945)
Goodwill	181,864	167,141	14,723
Intangible assets	178,592	184,892	(6,300)
Investments in associates	164,147	102,384	61,763
Other equity investments	210,531	404,382	(193,851)
Trade receivables and other non-current assets	180,909	157,057	23,852
Deferred tax assets	13,075	32,349	(19,274)
Non-current receivables from employees	648	554	94
<b>Total non-current assets</b>	<b>1,098,718</b>	<b>1,206,157</b>	<b>(107,439)</b>
<b>Current assets</b>			
Inventories	57,202	58,170	(968)
Trade receivables	96,646	92,043	4,603
Other current assets including derivative financial instruments	22,953	27,830	(4,877)
Tax assets	8,089	6,204	1,885
Equity investments, bonds and current financial receivables	372,150	248,504	123,646
Cash and cash equivalents	248,112	121,930	126,182
<b>Total current assets</b>	<b>805,152</b>	<b>554,681</b>	<b>250,471</b>
Non-current assets held for sale	6,713	6,171	542
<b>Total assets</b>	<b>1,910,583</b>	<b>1,767,009</b>	<b>143,574</b>
<b>Equity</b>			
Share capital	100,167	100,167	
Share premium	55,607	177,191	(121,584)
Reserves	1,236	(31,174)	32,410
Treasury shares	(12,154)	(134,659)	122,505
Retained earnings	1,213,873	1,090,936	122,937
<b>Equity attributable to owners of the parent company</b>	<b>1,358,729</b>	<b>1,202,461</b>	<b>156,268</b>
Non-controlling interests	115,467	99,775	15,692
<b>Total equity</b>	<b>1,474,196</b>	<b>1,302,236</b>	<b>171,960</b>
<b>Non-current liabilities</b>			
Financial liabilities	118,817	113,333	5,484
Employee benefits	12,525	12,321	204
Provisions	64,107	77,186	(13,079)
Other non-current liabilities	9,219	5,622	3,597
Deferred tax liabilities	53,843	57,546	(3,703)
<b>Total non-current liabilities</b>	<b>258,511</b>	<b>266,008</b>	<b>(7,497)</b>
<b>Current liabilities</b>			
Loans and borrowings	21,658	25,065	(3,407)
Financial liabilities	36,416	47,173	(10,757)
Trade payables	68,857	78,200	(9,343)
Provisions	788	952	(164)
Tax liabilities	2,252	9,533	(7,281)
Other liabilities	47,338	37,264	10,074
<b>Total current liabilities</b>	<b>177,309</b>	<b>198,187</b>	<b>(20,878)</b>
<b>Total liabilities</b>	<b>435,820</b>	<b>464,195</b>	<b>(28,375)</b>
Liabilities directly associated with assets classified as held for sale	567	578	(11)
<b>Total equity and liabilities</b>	<b>1,910,583</b>	<b>1,767,009</b>	<b>143,574</b>

<b>Italmobiliare Group</b>				
Statement of cash flows (in thousands of euro)	December 31, 2019		December 31, 2018	
<b>Net financial position at the beginning of the year</b>		<b>222.3</b>		<b>494.8</b>
Cash flows from operating activities		105.4		10.0
Capital expenditure:				
<i>Property, plant &amp; equipment, investment property and intangible assets</i>	(33.5)		(15.1)	
<i>Non-current financial assets</i>	(122.9)		(420.7)	
<b>Capital expenditure</b>		<b>(156.4)</b>		<b>(435.8)</b>
Proceeds from disposal of non-current assets		357.7		48.5
Purchase of treasury shares		0.9		(0.1)
Dividends paid		(26.3)		(23.1)
Capital increases		3.5		94.2
Translation differences		10.3		46.7
Other		(42.2)		(11.6)
<b>Change in net financial position</b>		<b>252.9</b>		<b>(271.2)</b>
Cash flows relating to assets classified as held for sale				(1.3)
<b>Net financial position at the end of the year</b>		<b>475.2</b>		<b>222.3</b>

<b>Italmobiliare Group</b>			
Net financial position (in thousands of euro)	December 31, 2019	December 31, 2018	Change
<b>Current financial assets</b>	<b>630,936</b>	<b>380,551</b>	<b>250,385</b>
Cash and cash equivalents	248,112	121,930	126,182
Derivatives - assets	431	2,391	(1,960)
Other current financial assets	382,393	256,230	126,163
<b>Current financial liabilities</b>	<b>(67,330)</b>	<b>(83,260)</b>	<b>15,930</b>
Loans and borrowings	(21,658)	(25,065)	3,407
Current loans and borrowings	(45,276)	(56,241)	10,965
Derivatives - liabilities	(396)	(1,954)	1,558
<b>Non-current financial assets</b>	<b>31,059</b>	<b>38,527</b>	<b>(7,468)</b>
Non-current financial assets	31,027	38,527	(7,500)
Non-current derivatives	32		32
<b>Non-current financial liabilities</b>	<b>(119,576)</b>	<b>(113,892)</b>	<b>(5,684)</b>
Non-current financial liabilities	(118,817)	(113,333)	(5,484)
Non-current derivatives	(759)	(559)	(200)
<b>Total net financial position</b>	<b>475,089</b>	<b>221,926</b>	<b>253,163</b>
Assets classified as held for sale	147	334	(187)
<b>Total net financial position</b>	<b>475,236</b>	<b>222,260</b>	<b>252,976</b>

<b>Italmobiliare S.p.A</b>					
<b>Income statement</b> (euro)	<b>2019</b>	<b>%</b>	<b>2018</b>	<b>%</b>	<b>Change</b> <b>%</b>
<b>Revenue</b>					
Revenue and income	86,117,938		54,960,147		
<b>Total revenue and income</b>	<b>86,117,938</b>	<b>100.0</b>	<b>54,960,147</b>	<b>100.0</b>	<b>56.7</b>
Other revenue and income	815,118		2,027,233		
Raw materials and supplies	(263,487)		(189,148)		
Services	(7,695,973)		(7,353,032)		
Employee benefits expenses	(14,162,043)		(14,876,855)		
Other operating income (expenses)	(19,134,688)		(33,126,782)		
<b>EBITDA</b>	<b>45,676,865</b>	<b>53.0</b>	<b>1,441,563</b>	<b>2.6</b>	<b>n.s.</b>
Amortization and depreciation	(699,490)		(588,581)		
<b>EBIT</b>	<b>44,977,375</b>	<b>52.2</b>	<b>852,982</b>	<b>1.6</b>	<b>n.s.</b>
Finance income and costs	(69,809)		(142,688)		
Impairment of financial assets	(14,280,652)				
<b>Profit (loss) before tax</b>	<b>30,626,914</b>	<b>35.6</b>	<b>710,294</b>	<b>1.3</b>	<b>n.s.</b>
Income tax	(10,896,888)		19,085,051		
<b>Profit (loss) for the year</b>	<b>19,730,026</b>	<b>22.9</b>	<b>19,795,345</b>	<b>36.0</b>	<b>-0.3</b>

<b>Italmobiliare S.p.A.</b>			
<b>Statement of financial position</b> (euro)	<b>31/12/2019</b>	<b>31/12/2018</b>	<b>Change</b>
<b>Non-current assets</b>			
Property, plant and equipment	5,518,287	4,113,679	1,404,608
Investment property	9,502,229	14,649,672	(5,147,443)
Intangible assets	231,351	154,365	76,986
Equity investments in subsidiaries and associates	429,709,019	360,821,621	68,887,398
Other equity investments	210,398,883	403,860,561	(193,461,678)
Deferred tax assets	7,433,566	25,936,507	(18,502,941)
Other non-current assets	187,075,722	145,985,736	41,089,986
<b>Total non-current assets</b>	<b>849,869,057</b>	<b>955,522,141</b>	<b>(105,653,084)</b>
<b>Current assets</b>			
Trade receivables	498,327	580,505	(82,178)
Other current assets including derivative financial instruments	1,137,745	8,737,865	(7,600,120)
Tax assets	5,837,594	3,573,100	2,264,494
Equity investments, bonds and current financial receivables	354,368,645	237,100,332	117,268,313
Cash and cash equivalents	190,080,907	90,157,283	99,923,624
<b>Total current assets</b>	<b>551,923,218</b>	<b>340,149,085</b>	<b>211,774,133</b>
<b>Total assets</b>	<b>1,401,792,275</b>	<b>1,295,671,226</b>	<b>106,121,049</b>
<b>Equity</b>			
Share capital	100,166,937	100,166,937	-
Share premium	55,606,873	177,191,252	(121,584,379)
Reserves	1,464,087	(24,729,420)	26,193,507
Treasury shares	(12,153,618)	(134,659,116)	122,505,498
Retained earnings	1,201,936,002	1,112,119,269	89,816,733
<b>Total equity</b>	<b>1,347,020,281</b>	<b>1,230,088,922</b>	<b>116,931,359</b>
<b>Non-current liabilities</b>			
Financial liabilities	218,122	-	218,122
Employee benefits	689,314	636,374	52,940
Provisions	20,500,000	33,942,435	(13,442,435)
Tax liabilities	8,300,000	-	8,300,000
Other non-current liabilities	116,878	7,614,210	(7,497,332)
Deferred tax liabilities	460,369	620,018	(159,649)
<b>Total non-current liabilities</b>	<b>30,284,683</b>	<b>42,813,037</b>	<b>(12,528,354)</b>
<b>Current liabilities</b>			
Loans and borrowings	1,018	8,871	(7,853)
Financial liabilities	2,340,561	9,837,475	(7,496,914)
Trade payables	2,043,048	1,315,168	727,880
Provisions	-	-	-
Tax liabilities	72,683	5,107,535	(5,034,852)
Other current liabilities	20,030,001	6,500,218	13,529,783
<b>Total current liabilities</b>	<b>24,487,311</b>	<b>22,769,267</b>	<b>1,718,044</b>
<b>Total liabilities</b>	<b>54,771,994</b>	<b>65,582,304</b>	<b>(10,810,310)</b>
<b>Total equity and liabilities</b>	<b>1,401,792,275</b>	<b>1,295,671,226</b>	<b>106,121,049</b>