

## **ITALMOBILIARE: THE BOARD OF DIRECTORS EXAMINES THE POSSIBLE IMPACTS OF THE COVID-19 EMERGENCY**

**Milan, March 25, 2020** – At today's meeting, in compliance with the recommendation of the ESMA (European Securities and Markets Authority), Italmobiliare's Board of Directors reviewed the impacts of the current economic situation and assessed all of the initiatives implemented on a timely basis, both at holding company level and at the portfolio companies. Smart working from home was encouraged and operating procedures were reviewed, limiting possible opportunities for contagion, while at the same time making it possible for production to continue. Specific insurance policies have also been stipulated to cover all personnel and ensure health safety in the workplace.

The Board of Directors acknowledges that the crisis linked to the Coronavirus pandemic had caused a general shock to all financial markets, which can be seen in the drastic correction posted by all global stock market indices.

At the moment, given that it is impossible to forecast the duration of the health crisis and its potential effects, it is premature to hypothesize reliable estimates and assessments as to how the pandemic will reflect on the main economic and performance indicators of the Company and its unlisted subsidiaries and associates. The HeidelbergCement stock, practically the only listed investment left in the portfolio, has dropped since the start of the year by more than 43%, with a decrease of about 31% only in the period between March 4 - the date of examination of the Italmobiliare 2019 financial statements - and today. This investment, which at December 31 represented less than 10% of NAV, currently has a value of approximately 93.8 million euro.

With regard to the performance of the portfolio companies, which overall represent around 43% of the Company's NAV, the Board of Directors acknowledges that their activities during the period were managed in compliance with all the safety procedures required by government provisions and that Tecnica Group and Iseo have suspended production and logistics of the Italian plants only in the last few days, following the more stringent rules on the continuation of industrial activities.

The overall effect of this crisis on the various businesses and their short-term prospects is difficult to assess right now, also because the portfolio companies operate in a variety of different sectors. However, diversification and careful management of the risks, which has always been a characteristic of these companies, may help limit the potential impacts. What can be said today is that the predominant part of the portfolio in terms of Net Asset Value is represented by companies in sectors related to the food chain (Caffè Borbone, Sirap and Capitelli) and to the energy sector (Italgen and AGN Energia), so-called 'essential' services

and goods. For these companies, it is reasonable to assume that the impact of the crisis should be relatively moderate. Specific measures to reduce the operating activity will be implemented for the other companies, particularly those exposed to "retail" trends or that supply "non-essential" goods and services and potentially more subject to the security measures and limitations adopted at international level, though with particular attention to their financial needs and cash flows.

Italmobiliare's financial position is particularly positive, approximately 500 million euro, invested mainly in liquid and low-risk investments, on which the impacts of the current situation do not appear to be significant. This financial strength will make it possible to implement the initiatives needed to support the portfolio companies and ensure that they overcome the crisis.

In light of this overall analysis, the Board of Directors reconfirmed the proposal to the Shareholders' Meeting, to be held on April 21, 2020, of an ordinary dividend of 0.6 euro and an extraordinary dividend of 1.2 euro.

The Board of Directors then expressed its full and unanimous appreciation for all the voluntary initiatives promoted in recent weeks by the Company and Group companies in support of the institutions and health operators to help them deal with the serious emergency in the country, mainly aimed at buying medical and hospital material.

ITALMOBILIARE ON THE INTERNET: <a href="http://www.italmobiliare.it">www.italmobiliare.it</a>
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**Italmobiliare**

**Media Relations      Tel. (0039) 02.29024.212**

**Investor Relations    Tel. (0039) 02.29024.212**