ZIGNAGO VETRO

Interim Financial Report at 30 June 2020

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Zignago Vetro SpA

Registered office: Fossalta di Portogruaro (VE), Via Ita Marzotto 8

Share Capital: Euro 8,800,000 fully paid-in

Tax and Venice Company Register No.: 00717800247

www.gruppozignagovetro.com

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AT 31 JULY 2020

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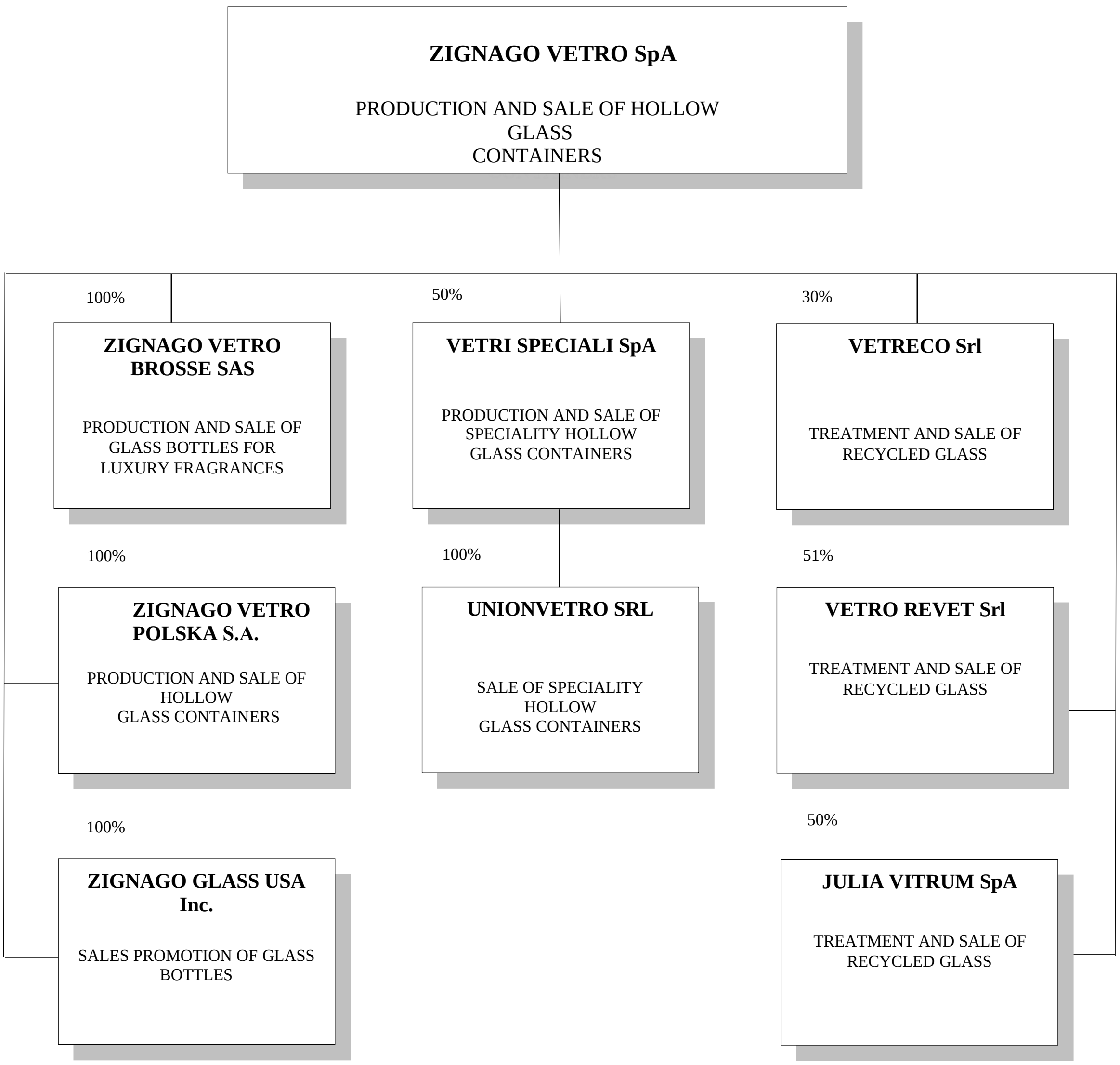

CORPORATE BODIES

Board of Directors
in office for the three-year period 2019 - 2021

chairman
Paolo Giacobbo

vice chairman
Nicolò Marzotto

chief executive officer
Paolo Giacobbo

directors
Alessia Antonelli
Ferdinando Businaro
Roberto Cardini
Giorgina Gallo
Daniela Manzoni
Gaetano Marzotto
Luca Marzotto
Stefano Marzotto
Franco Moscetti
Barbara Ravera
Manuela Romei

Control and Risks Committee

Alessia Antonelli
Luca Marzotto
Giorgina Gallo

Remuneration Committee

Daniela Manzoni

Stefano Marzotto
Franco Moscetti

Committee for Transactions with Related Parties

Ferdinando Businaro
Barbara Ravera
Manuela Romei

Lead Independent Director

Franco Moscetti

Board of Statutory Auditors
in office for the three-year period 2019 - 2021

statutory auditors
Alberta Gervasio - chairman
Carlo Pesce
Andrea Manetti

alternate auditors
Cesare Conti
Chiara Bedei

Supervisory Board

Alessandro Bentsik - chairman

Massimiliano Agnetti
Nicola Campana

Independent Auditors
for the period 2016 - 2024

KPMG SpA

Management

general manager
Roberto Cardini

chief financial officer
and investor relations manager
Roberto Celot

commercial management
Biagio Costantini
Stefano Bortoli

Directors' Report

THE ZIGNAGO VETRO GROUP

The Zignago Vetro Group operates in the production and marketing of high-quality hollow glass containers prevalently for the Food and Beverage, Cosmetics and Perfumery and "Specialty Glass" sectors (highly customised glass containers in small batches, typically used for wine, liquors and oils).

The Zignago Vetro Group operates in the market with a business-to-business model, supplying containers to its clients, which are then used in their respective industrial activities. Specifically, in the Italian market, the Group is one of the leading producers and distributors of glass containers for the food and beverage sector, while at international level it has a strong market share in the cosmetics and perfumery and specialty glass sectors.

* * *

The Annual and Condensed Interim Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union in accordance with Regulation No. 1606/2002 ("IFRS").

In particular, the condensed interim consolidated financial statements of the Group at 30 June 2020 (hereafter the "Condensed Interim Financial Statements") are prepared in accordance with IAS 34 "Interim Reporting" and Article 154-ter of the CFA, following the summary form permitted under the standard. The condensed interim financial statements therefore do not include all the information published in the annual report and must be read together with the financial statements at 31 December 2019 for full and complete disclosure of the Group financial position, results of operations and cash flow.

The accounting policies adopted for the preparation of the Condensed Interim Financial Statements are the same as those utilised for the consolidated financial statements of the Zignago Vetro Group for the year ended 31 December 2019, except for the adoption of the new standards, amendments and interpretations approved by the IASB and endorsed for adoption in Europe and obligatory for accounting periods beginning 1 January 2020.

We recall that IFRS 11 - Joint arrangements, applicable for the Group from 1 January 2014, replaces *IAS 31 Interests in Joint Ventures* and *SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers*, and identifies, on the basis of the rights and obligations of the participants, two types of agreements - joint operations and joint ventures - and governs the consequent accounting treatment to be adopted for recognition in the financial statements, removing the option to consolidate jointly controlled companies proportionally and requiring jointly controlled companies defined as joint ventures to be recognised using the equity method.
In the condensed interim consolidated financial statements of the Group at 30 June 2020 and the comparative financial statements at 30 June 2019 and the financial statements at 31 December 2019, the Group recognised the investments held in Vetri Speciali, Vetreco and Julia Vitrum, which are classified as joint venture under the equity method, instead of the proportional consolidation method. However, in the Directors’ Report the figures (and the subsequent comments) are based on the “management view of the Group business”, which provides for the proportional consolidation of joint ventures, in continuity with the accounting policies adopted until 31 December 2013. These figures however must not be considered as an alternative to those provided for by IFRS, but rather exclusively for supplementary disclosure and reflective of management’s view of the business.
For this purpose, a reconciliation of the Statement of Financial Position and of the Income Statement, prepared according to IFRS in force from 1 January 2014 and those in force at 31 December 2013, is provided in the Directors’ Report.

Pursuant to CONSOB communication DEM 6064293 of 28 July 2006 and ESMA/2015/1415 recommendations on alternative performance indicators utilised by the Parent - which although not specifically defined by IAS/IFRS are considered particularly useful to monitor the business performance - we provide the following information:

- <u>net financial debt</u> is defined by the Company as the sum of current loans and borrowings, cash and cash equivalents and non-current loans and borrowings, net of cash and cash equivalents and current financial assets. This net figure is the same as the net financial position as per CONSOB communication No. DEM/6064293 of 28 July 2006;
- <u>value of production</u>: the Company defines this as the arithmetical sum of revenues, the change in finished products, semi-finished products, and work-in-progress and the internal work capitalised;
- <u>value added:</u> the Company defines this as the difference between value of production and raw materials consumed (purchase costs plus or minus the change in raw materials and service costs);
- <u>EBITDA:</u> the Company defines this as a difference between value added and personnel expense (including those of temporary workers), plus the effect of the measurement of joint ventures using the equity method. EBITDA is a measure utilised by the issuer to monitor and measure operating performance although it is not an accounting measure under IFRS. The measurement criteria of this indicator may not be in line with that utilised by other entities and therefore it may not be entirely comparable.

Within this context, the issuer utilised a calculation model in line with its core business which included the effects deriving from the application of IFRS 11. The Company considers the results deriving from its equity investments in joint ventures as operating items and non-financial items of the Group's business, related to a clearly defined investment strategy and as such classified within the Groups interim operating results;

- EBIT: the Company defines this as the difference between EBITDA and depreciation & amortisation of property, plant and equipment and intangible assets and accruals to the provision for impairment;
- Operating profit: this performance measure is also contained in IFRS and is defined as the difference between EBIT and the net balance of non-recurring operating costs and income. We point out that this latter item includes incidental income and costs, capital gains and losses on sales of assets, insurance compensation and other minor positive and negative items;
- Free cash flow: the Company defines this as the sum of the cash flows from operating activities and cash flows from investing activities.

The figures reported in the Directors' Report and in the tables of the Notes are shown in thousands of Euro for greater clarity.
The amounts in the Directors' Report are expressed in millions of Euro, while those in the Notes are stated in thousands of Euro.

* * *

The Zignago Vetro Group, according to management's view, operates through seven Business Units, each being a separate legal entity. Given this, information concerning the operating performance of the various business segments and geographical areas (segment reporting as per IFRS 8) is included in the illustration of the financial reporting data for each company and is an integral part of this Directors' Report.

Segment reporting which coincides with the various legal entities is provided below, independently of the respective consolidation method applied.

Disclosure by region is not considered appropriate for the Group.

The operating segments ("Business Units") are identified as follows:

- Zignago Vetro SpA: this Business Unit carries out the production of glass containers for food and beverages and for cosmetics and perfumery;
- Zignago Glass USA Inc.: this Business Unit carries out the sales promotion of glass containers for food and beverages and for cosmetics and perfumery in North America;
- Zignago Vetro Brosse SAS: this Business Unit carries out the production of glass containers for perfumes;

- Vetri Speciali SpA: this Business Unit includes the production of specialty containers, principally for wine, vinegar and olive oil;

- Zignago Vetro Polska SA: this Business Unit undertakes the production of a wide range of customised containers for cosmetic and perfumery containers and also for food and beverage niche markets worldwide;

- Vetreco Srl, Vetro Revet Srl and Julia Vitrum SpA: these Business Units are engaged in the processing of raw glass into the finished material ready for use by glassmakers.

The consolidation scope of the Zignago Vetro Group at 30 June 2020 and at 31 December 2019 was as follows:

- Zignago Vetro SpA (parent)

The companies consolidated using the line-by-line method are as follows:

- Zignago Vetro Brosse SAS
- Zignago Vetro Polska S.A.
- Zignago Glass USA Inc.
- Vetro Revet Srl

The companies valued under the equity method are the following:

- Vetri Speciali SpA
- Vetreco Srl
- Julia Vitrum SpA

The basis of consolidation and measurement criteria, including the equity investments held by Zignago Vetro S.p.A. are outlined in the paragraph “accounting principles and measurement criteria” in the notes to the consolidated financial statements.
In the Directors’ Report, as previously stated, the figures are based on the “management view of the Group business”, which provides for the proportional consolidation of joint ventures, in continuity with the accounting policies adopted until 31 December 2013.

Legally-required audit

The appointment for the legally-required audit of the Annual Financial Statements and the review of the condensed interim financial statements was awarded to **KPMG SpA** for the 2016-2024 period.

Significant events in the first half of 2020

Distribution of dividends

The Shareholders’ Meeting of Zignago Vetro SpA on 28 April 2020 approved the distribution of a dividend of Euro 0.4222 per share, totalling Euro 37.005 million, with payment date of 13 May 2020.

Treasury shares

On 28 April 2020, the Shareholders’ Meeting revoked, for the part not executed, the resolution granted in favour of the Board of Directors to purchase and sell treasury shares, as approved by the Shareholders’ Meeting of 2 May 2019 and authorised the Board of Directors to purchase and sell treasury shares for a maximum number not exceeding the total nominal amount, including any shares held by subsidiaries, corresponding to one-fifth of the share capital. The new authorisation is proposed for a period of 18 months, commencing from 28 April 2020. The minimum purchase price shall not be less than 20%, and the maximum price not more than 20%, of the share price registered on the trading day prior to each transaction; the sale price shall not be 20% higher or lower than the share price registered on the trading day prior to each transaction. These price limits will not be applied where the sale of shares is to employees, including management, executive directors and consultants of Zignago Vetro and its subsidiaries in relation to incentive stock option plans.
In the first six months of 2020, no treasury shares were acquired or sold.
At 30 June 2020, the company still had in portfolio 308,975 treasury shares, corresponding to 0.35% of the share capital, purchased for Euro 1.09 million.

Operating performance

The first half of 2020, as noted, featured the spread of the Covid-19 pandemic, which significantly impacted the markets on which the Group companies operate. While lock-down and social distancing measures have largely limited people's mobility and thus also many forms of consumption, demand has risen in some cases, especially in relation to food consumption.

In the second quarter, however, although within a wider international picture still significantly impacted by the spreading pandemic, positive signals emerged across various market segments in terms of a recovery in demand and an easing of the drop.

From an operating point of view, all the Group companies quickly reacted to the new conditions, putting in place all necessary measures to align with the regulations issued by the respective national Governments, firstly to protect the health and safety of workers, in addition to introducing all measures available to ensure working continuity.
There were no infections at Group facilities, nor a need for isolation measures, and thanks also to the production flexibility that made it possible to focus on product segments that were less impacted by the crisis, the company's operations did not experience substantial interruptions, except for the French facility, at which activities were partially suspended. This facility is the only plant for which recourse was made, although to a limited extent, to the available social security schemes.

Against this backdrop, the main impact of Covid-19 was seen in the luxury perfume segment, particularly for Zignago Vetro Brosse, which reported a drop in revenues of approx. Euro 15 million (-48.6%) on the same period of the previous year, with consequent impacts also on the margin.

Despite the impacts outlined regarding the pandemic, no situations arose such as to require the write-down of the Group's financial assets.

Consolidated revenues in the first half of 2020 amounted to Euro 196 million, down 6.3% on the same period in the previous year (Euro 210 million).

Materials and external services in H1 2020, including changes in inventories and internal production, amounted to Euro 102 million, compared to Euro 106 million in the first half of 2019 (-3.9%). As a percentage on revenues, these costs increased from 50.6% to 51.9%.

The **consolidated added value** in the first half of 2020 was Euro 94.5 million, compared to Euro 103.6 million in the same period of the previous year (-8.8%). The margin was 48.1% compared to 49.4%.

Personnel expense in the first half of 2020 amounted to Euro 45.6 million compared to Euro 47.4 million in the first half of 2019 (-3.6%). The increase is related to wage cost movements. It accounted for 23.2% of revenues in H1 2020 (increasing on 22.6% in H1 2019).

Consolidated EBITDA in the first half year of 2020 was Euro 48.9 million compared to Euro 56.3 million in the same period of 2019 (-13.1%), a 24.9% revenue margin (26.8% in H1 2019).

The **Consolidated EBIT** in H1 2020 totalled Euro 21.9 million compared to Euro 30.7 million in the first half of 2019 (-28.7%). The EBIT margin was 11.2% (14.7% in the first half of 2019).

The **consolidated operating profit** in the first half of 2020 was 28.4% lower than the same period in the previous year (respectively Euro 22.1 million and Euro 30.9 million). The revenue margin was 11.3% in the first half of 2020 compared to 14.7% in H1 2019.

The **consolidated profit before tax** for the period was Euro 18.8 million compared to Euro 29.7 million in the same period of the previous year (-36.7%). The revenue margin was 9.6% in the first six months of 2020 compared to 14.1% in H1 2019.

The tax rate in the period was 25.7% compared to 25.1% in H1 2019.

The **consolidated net profit** in H1 2020 was Euro 14 million compared to Euro 22.4 million in the same period of the previous year (-37.7%). The revenue margin was 7.1% compared to 10.7% in 2019.

The **cash flow** generated from the profit and amortisation/depreciation in H1 2020 amounted to Euro 40.3 million, compared to Euro 47.4 million in the same period of the previous year (decreasing Euro 7.1 million).

The key data of the Zignago Vetro Group **reclassified consolidated income statement** in H1 2020 and 2019, according to management's view as described previously, are shown below.

	H1 2020		H1 2019		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	196,427	100.0%	209,689	100.0%	(6.3%)
Changes in finished and semi-finished products and work-in-progress	9,396	4.8%	6,105	2.9%	53.9%
Internal production of fixed assets and contributions on investments	828	0.4%	1,531	0.7%	(45.9%)
Value of production	206,651	105.2%	217,325	103.6%	(4.9%)
Cost of goods and services	(112,110)	(57.1%)	(113,682)	(54.2%)	(1.4%)
Value added	94,541	48.1%	103,643	49.4%	(8.8%)
Personnel expense	(45,641)	(23.2%)	(47,350)	(22.6%)	(3.6%)
EBITDA	48,900	24.9%	56,293	26.8%	(13.1%)
Amortisation & Depreciation	(26,361)	(13.4%)	(24,978)	(11.9%)	5.5%
Accruals to provisions	(627)	(0.3%)	(592)	(0.3%)	5.9%
EBIT	21,912	11.2%	30,723	14.7%	(28.7%)
Net recurring non-operating income	197	0.1%	168	0.1%	17.3%
Operating Profit	22,109	11.3%	30,891	14.7%	(28.4%)
Net financial expense	(1,476)	(0.8%)	(1,615)	(0.8%)	(8.6%)
Net exchange rate gains/(losses)	(1,868)	(1.0%)	383	0.2%	n.a.
Profit before taxes	18,765	9.6%	29,659	14.1%	(36.7%)
Income taxes	(4,831)	(2.5%)	(7,449)	(3.6%)	(35.1%)
(Tax-rate H1 2020: 25.7%)					
(Tax-rate H1 2019: 25.1%)					
(Profit) Loss non-con. int.	52	---	222	0.1%	(76.6%)
Profit for the period	13,986	7.1%	22,432	10.7%	(37.7%)

Consolidated net revenues for H1 2020 and 2019 were as follows:

(Euro thousands)	H1 2020	H1 2019	Change %
Zignago Vetro SpA	115,838	109,900	5.4%
Zignago Vetro Brosse SAS	16,730	32,520	(48.6%)
Vetri Speciali SpA	45,626	47,772	(4.5%)
Zignago Vetro Polska SA	22,159	24,005	(7.7%)
Vetreco	2,918	2,207	32.2%
Zignago Glass USA Inc.	534	221	141.6%
Vetro Revet	3,276	3,504	(6.5%)
Julia Vitrum	5	---	0.0%
Total aggregate	207,086	220,129	(5.9%)
Elimination inter-company revenues	(10,659)	(10,440)	2.1%
Total Consolidated	196,427	209,689	(6.3%)

Consolidated revenues by geographic segment for the first half 2020 and 2019 were broken down as follows:

(Euro thousands)	H1 2020	H1 2019	Change %
Italy	134,153	132,471	1.3%
European Union (Italy excluded)	50,457	65,987	(23.5%)
Other areas	11,817	11,231	5.2%
Total Consolidated	196,427	209,689	(6.3%)

Consolidated revenues outside Italy for the first half 2020 amounted to Euro 62.3 million, compared to Euro 77.1 million in the first half of 2019 (-19.3%) and account for 31.4% of total revenues (36.8% in the first half 2019). The breakdown by Company was as follows:

(Euro thousands)	H1 2020	H1 2019	Change %
Zignago Vetro SpA	23,158	21,478	7.8%
Zignago Vetro Brosse SAS	15,114	29,871	(49.4%)
Vetri Speciali SpA and its subsidiary	8,800	9,748	(9.7%)
Zignago Vetro Polska SA	15,278	16,121	(5.2%)
Total	62,350	77,218	(19.3%)

The contribution to the **consolidated profit** for the first half of 2020 and 2019 of each of the Companies included in the consolidation scope was as follows:

The consolidation adjustments relate principally to the elimination of the Vetri Speciali SpA dividends (Euro 12.4 million in 2020, Euro 10.2 million in 2019) and items concerning the proportional consolidation of the non-subsidiary companies (*).

(Euro thousands)	H1 2020	H1 2019	Change %
Zignago Vetro SpA	21,830	19,046	14.6%
Zignago Vetro Brosse Sas	(4,403)	2,892	(252.2%)
Vetri Speciali SpA (*)	8,420	9,144	(7.9%)
Zignago Vetro Polska Sa	230	1,500	(84.7%)
Zignago Glass USA Inc.	(29)	(107)	(72.9%)
Vetro Revet Srl	(106)	(454)	(76.7%)
Vetreco Srl (*)	415	360	15.3%
Julia Vitrum Spa (*)	(24)	(21)	n.a.
Total aggregate	26,333	32,360	(18.6%)
Consolidation adjustments	(12,347)	(9,928)	24.4%
Group Profit	13,986	22,432	(37.7%)

The key data of the reclassified consolidated income statement of the Zignago Vetro Group in H1 2020 and 2019, based on the application of international accounting standards, and therefore IFRS 11, are illustrated below.

	H1 2020		H1 2019		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	148,518	100.0%	160,232	100.0%	(7.3%)
Changes in finished and semi-finished products and work-in-progress	8,100	5.5%	6,503	4.1%	24.6%
Internal production of fixed assets and contributions on investments	828	0.6%	1,531	1.0%	(45.9%)
Value of production	157,446	106.0%	168,266	105.0%	(6.4%)
Cost of goods and services	(89,455)	(60.2%)	(92,086)	(57.5%)	(2.9%)
Value added	67,991	45.8%	76,180	47.5%	(10.7%)
Personnel expense	(35,278)	(23.8%)	(36,722)	(22.9%)	(3.9%)
Equity-accounted Joint Ventures	8,811	5.9%	9,483	5.9%	(7.1%)
EBITDA	41,524	28.0%	48,941	30.5%	(15.2%)
Amortisation & Depreciation	(21,752)	(14.6%)	(20,648)	(12.9%)	5.3%
Accruals to provisions	(329)	(0.2%)	(466)	(0.3%)	(29.4%)
EBIT	19,443	13.1%	27,827	17.4%	(30.1%)
Net recurring non-operating income	36	---	(56)	---	n.a.
Operating Profit	19,479	13.1%	27,771	17.3%	(29.9%)
Net financial expense	(1,289)	(0.9%)	(1,373)	(0.9%)	(6.1%)
Net exchange rate gains/(losses)	(1,864)	(1.3%)	381	0.2%	n.a.
Profit before taxes	16,326	11.0%	26,779	16.7%	(39.0%)
Income taxes	(2,392)	(1.6%)	(4,569)	(2.9%)	(47.6%)
(Tax-rate H1 2020: 14.7%)					
(Tax-rate H1 2019: 17.1%)					
(Profit) Loss non-con. int.	52	---	222	---	n.a.
Group Profit	13,986	9.4%	22,432	14.0%	(37.7%)

For a better understanding of the performances for H1 2020, stated in accordance with management's view, a reconciliation is provided below of the reclassified income from joint ventures measured using the equity method and that utilising the proportional consolidation criteria, as adopted by the Group until 31 December 2013.

		Proportional consolidation					
	H1 2020 IAS/ IFRS	Vetri Speciali SpA	Vetreco Srl	Julia Vitrum Spa	Adjustment to Parent principles	Neutralisation JV using the equity criteria	H1 2020 pre-IFRS 11 (management view)
	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.
Revenues	148,518	45,626	2,918	5	---	(640)	196,427
Changes in finished and semi-finished products and work-in-progress	8,100	1,222	74	---	---	---	9,396
Internal production of fixed assets and contributions on investments	828	---	---	---	---	---	828
Value of production	157,446	46,848	2,992	5	---	(640)	206,651
Cost of goods and services	(89,455)	(21,372)	(1,919)	(4)		640	(112,110)
Value added	67,991	25,476	1,073	1	---	---	94,541
Personnel expense	(35,278)	(10,114)	(229)	(20)	---	---	(45,641)
Equity-accounted Joint Ventures	8,811	---	---	---	---	(8,811)	---
EBITDA	41,524	15,362	844	(19)	---	(8,811)	48,900
Amortisation & Depreciation	(21,752)	(4,418)	(191)	---	---	---	(26,361)
Accruals to provisions	(329)	(298)	---	---	---	---	(627)
EBIT	19,443	10,646	653	(19)	---	(8,811)	21,912
Net recurring non-operating income	36	161	---	---	---	---	197
Operating Profit	19,479	10,807	653	(19)	---	(8,811)	22,109
Net financial expense	(1,289)	(120)	(62)	(5)	---	---	(1,476)
Net exchange rate gains/(losses)	(1,864)	(4)	---	---	---	---	(1,868)
Profit before taxes	16,326	10,683	591	(24)	---	(8,811)	18,765
Income taxes	(2,392)	(2,263)	(176)	---	---	---	(4,831)
(Profit) Loss non-con. int.	52	---	---	---	---	---	52
Profit for the period	13,986	8,420	415	(24)	---	(8,811)	13,986

Statement of financial position

The **reclassified statement of financial position** of the Zignago Vetro Group at 30 June 2020, prepared according to management's view as described previously, is presented in condensed form and compared with 31 December and 30 June 2019.

	30.06.2020		31.12.2019		30.06.2019	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	88,987		94,779		107,578	
Other receivables	15,953		24,322		19,346	
Inventories	120,935		109,379		104,641	
Current non-financial payables	(96,054)		(94,907)		(97,347)	
Payables on fixed assets	(5,459)		(11,562)		(13,010)	
A) Working capital	124,362	26.7%	122,011	25.8%	121,208	26.0%
Net tangible and intangible assets	306,441		317,776		314,267	
Goodwill	43,197		43,228		43,230	
Other equity investments and non-current assets	6,216		5,473		4,363	
Non-current provisions and non-financial payables	(15,241)		(15,196)		(16,259)	
B) Net fixed capital	340,613	73.3%	351,281	74.2%	345,601	74.0%
A+B= Net capital employed	464,975	100.0%	473,292	100.0%	466,809	100.0%
Financed by:						
Current loans and borrowings	144,509		153,703		175,187	
Cash and cash equivalents	(54,425)		(48,876)		(30,886)	
Current net debt	90,084	19.4%	104,827	22.1%	144,301	30.9%
Non-current loans and borrowings	176,741	38.0%	146,583	31.0%	131,401	28.1%
C) Net financial debt	266,825	57.4%	251,410	53.1%	275,702	59.1%
Opening equity	221,946		200,132		200,132	
Dividends paid in the period	(37,005)		(31,569)		(31,569)	
Change in translation reserve & other share. eq. changes	(661)		330		325	
Profit for the period	13,986		53,053		22,432	
D) Group equity	198,266	42.6%	221,946	46.9%	191,320	41.0%
E) Non-controlling interest equity	(116)		(64)		(213)	
D+E) Total Consolidated Equity	198,150	42.6%	221,882	46.9%	191,107	40.9%
C+D+E = Total financial debt and equity	464,975	100.0%	473,292	100.0%	466,809	100.0%

Working capital at 30 June 2020 increased overall by Euro 2.4 million on 31 December 2019. Trade receivables decreased Euro 5.8 million, with inventories increasing Euro 11.6 million and current non-financial payables by Euro 1.1 million. Other receivables reduced Euro 8.4 million, while fixed asset payables decreased Euro 6.1 million.

Net fixed capital at 30 June 2020 decreased on 31 December 2019 by Euro 10.7 million. In particular, in the period investments (Euro 14.9 million), net of disposals (Euro 0.8 million), were lower than depreciation (Euro 26.4 million).

Capital expenditure in the first half of 2020 amounted to Euro 14.9 million (Euro 38.3 million in H1 2019) and concerns:

- Zignago Vetro SpA for Euro 6 million and relating to the replacement and maintenance of plant, machinery and equipment and for the purchase of moulds (Euro 23.2 million in the same period of 2019);
- Zignago Vetro Brosse SAS for Euro 2.7 million (Euro 1 million in the first half of 2019), principally for plant and industrial equipment, including moulds;
- Vetri Speciali SpA for Euro 6.1 million (Euro 5.8 million in H1 2019), mainly for the replacement of plant and equipment;
- Zignago Vetro Polska for Euro 2.2 million (net of the currency effect of Euro 2.3 million) for new plant, in addition to equipment and moulds (Euro 7.4 million in H1 2019 for plant upgrading);
- Vetreco and Vetro Revet respectively for Euro 0.2 million and Euro 0.1 million for new plant and equipment.
- Julia Vitrum for Euro 0.7 million for the start-up of construction on the new production facility.

At 30 June 2020, the Zignago Vetro Group had 2,573 **employees.** At 31 December 2019, they numbered 2,601. The employees of Vetri Speciali SpA and Vetreco have been fully incorporated.

The composition of Group personnel at 30 June 2020 is shown in the table below.

Composition	Executives	White-collar	Blue-collars
Workforce	32	501	2,040
Average age	52	42	42
Years worked	13	16	14

Consolidated equity amounted to Euro 198.2 million at 30 June 2020 (at 31 December 2019: Euro 221.9 million; at 30 June 2019: Euro 191.1 million). The decrease on 31 December 2019 is principally due to the distribution of dividends (Euro -37 million) and the profit for the period (Euro +14 million).

The **consolidated net financial debt** at 30 June 2020 was Euro 266.8 million (31 December 2019: Euro 251.4 million; at 30 June 2019: Euro 275.7 million).

The cash flow movements in the consolidated net financial debt at 30 June 2020 and at 31 December 2019 and 30 June 2019 were as follows:

	30 June 2020	31 December 2019	30 June 2019
	(Euro thousands)	(Euro thousands)	(Euro thousands)
Net debt at 1 January	**(251,410)**	**(217,079)**	**(217,079)**
Self-financing:			
- profits for the period	13,986	53,053	22,432
- amortisation & depreciation	26,361	48,436	24,978
- net change in provisions	45	(928)	135
- net gains from sale of property, plant and equipment	72	(416)	(93)
	40,464	**100,145**	**47,452**
Increase in working capital	3,752	(20,623)	(21,268)
Investments in property, plant and equipment	(21,945)	(85,609)	(57,194)
Investments in intangible assets	31	(44)	(46)
Net Decrease (increase) of other medium/long-term assets	(743)	2,696	3,806
Sales prices of property, plant and equipment	744	416	93
	(18,161)	**(103,164)**	**(74,609)**
Free cash flow	**22,303**	**(3,019)**	**(27,157)**
Dividends distributed	(37,005)	(31,569)	(31,569)
Effect on equity of currency conversion of financial statements in foreign currencies and other changes	(713)	257	103
	(37,718)	(31,312)	(31,466)
Increase of net debt	**(15,415)**	**(34,331)**	**(58,623)**
Net debt at end of period	**(266,825)**	**(251,410)**	**(275,702)**

It includes approx. Euro 4.9 million for financial liabilities regarding leases according to the IFRS 16 standard.

The **reclassified statement of financial position** of the Zignago Vetro Group at 30 June 2020, according to IFRS in force at 30 June 2020, including the effects from IFRS 11, as from 1 January 2014, compared with 31 December 2019 and 30 June 2019, is reported below:

	30.06.2020		31.12.2019		30.06.2019	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	68,605		78,022		84,036	
Other receivables	13,438		19,920		23,396	
Inventories	99,421		89,761		84,907	
Current non-financial payables	(76,485)		(75,266)		(81,391)	
Payables on fixed assets	(3,406)		(6,941)		(12,022)	
A) Working capital	101,573	24.9%	105,496	24.6%	98,926	23.9%
Net tangible and intangible assets	231,161		244,888		247,358	
Goodwill	2,707		2,738		2,740	
Equity investments measured using the equity method	79,469		83,035		74,526	
Other equity investments & non-current assets	5,461		4,913		3,718	
Non-current provisions and non-financial payables	(12,469)		(12,368)		(13,231)	
B) Net fixed capital	306,329	75.1%	323,206	75.4%	315,111	76.1%
A+B= Net capital employed	407,902	100.0%	428,702	100.0%	414,037	100.0%
Financed by:						
Current loans and borrowings	120,123		127,915		145,815	
Cash and cash equivalents	(47,585)		(44,805)		(26,718)	
Current net debt	72,538	17.8%	83,110	19.4%	119,097	28.8%
Non-current loans and borrowings	137,214	33.6%	123,710	28.9%	103,833	25.1%
C) Net financial debt	209,752	51.4%	206,820	48.2%	222,930	53.8%
Opening equity	221,946		200,132		200,132	
Dividends	(37,005)		(31,569)		(31,569)	
Other equity changes	(661)		330		325	
Cash Flow Hedge reserve	---		---		---	
Profit for the period	13,986		53,053		22,432	
D) Closing equity	198,266	48.6%	221,946	51.8%	191,320	46.2%
E) Consolidated equity	(116)		(64)		(213)	
C+D+E = Total financial debt & equity	407,902	100.0%	428,702	100.0%	414,037	100.0%

For a better understanding of the statement of financial position at 30 June 2020, stated in accordance with management's view, a reconciliation is provided below of the financial position of joint ventures measured using the equity method and that utilising the proportional consolidation method, as adopted by the Group until 31 December 2013.

		Proportional consolidation					
	30.06.2020 IAS/IFRS	Vetri Speciali SpA	Vetreco Srl	Julia Vitrum Spa	Adjustment to Parent principles	Neutralisation JV using the equity criteria	30.06.2020 pre-IFRS 11 (management view)
	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.
Trade receivables	68,605	20,090	411	4	---	(123)	88,987
Other receivables	13,438	1,243	1,016	256	---	---	15,953
Inventories	99,421	21,224	290	---	---	---	120,935
Current non-financial payables	(76,485)	(18,815)	(857)	(20)	---	123	(96,054)
Payables on fixed assets	(3,406)	(1,303)	---	(750)	---	---	(5,459)
A) Working capital	101,573	22,439	860	(510)	---	---	124,362
Net tangible and intangible assets	231,161	68,619	4,961	1,700	---	---	306,441
Goodwill	2,707	40,490	---	---	---	---	43,197
Equity investments measured using the equity method	79,469	---	---	---	---	(79,469)	---
Other equity investments & non-current assets	5,461	748	7	---	---	---	6,216
Non-current provisions and non-financial payables	(12,469)	(2,749)	(23)	---	---	---	(15,241)
B) Net fixed capital	306,329	107,108	4,945	1,700	---	(79,469)	340,613
A+B= Net capital employed	407,902	129,547	5,805	1,190	---	(79,469)	464,975
Financed by:							
Current loans and borrowings	120,123	23,647	739	---	---	---	144,509
Cash and cash equivalents	(47,585)	(6,401)	(168)	(271)		---	(54,425)
Current net debt	72,538	17,246	571	(271)	---	---	90,084
Non-current loans and borrowings	137,214	34,385	4,142	1,000		---	176,741
C) Net financial debt	209,752	51,631	4,713	729	---	---	266,825
Opening equity	221,946	81,873	677	485	---	(83,035)	221,946
Dividends	(37,005)	(12,377)	---	---	---	12,377	(37,005)
Other equity changes	(661)	---	---	---	---	---	(661)
Cash Flow Hedge reserve	---	---	---	---	---	---	---
Profit for the period	13,986	8,420	415	(24)	---	(8,811)	13,986
D) Closing equity	198,266	77,916	1,092	461	---	(79,469)	198,266
C+D= Total financial debt							
Non-controlling interest equity	(116)	---	---	---	---	---	(116)
financial debt & equity	407,902	129,547	5,805	1,190	---	(79,469)	464,975

Research, development and advertising costs

The companies of the Group undertook research and development focused on plant, process and product innovation which resulted in, among other developments, the use of new materials, the introduction of new products and the application of new technical-production solutions for the "food and beverages", "cosmetics and perfumery" and "special containers" sectors.
The Parent also carried out research and development for the design and introduction of new information management systems, including improvements to the process IT set up, in order to create more efficient and effective operating instruments.
Therefore, the Company availed of the tax credit under Law 190/2014, establishing this amount according to the methodologies communicated in the Tax Agency Circular.

Environmental information

In the first half of 2020, the commitment of the Zignago Vetro Group continued in the protection of the environment with the continual improvement of the policies of territorial protection and management of environmental issues with actions aimed to reduce atmospheric emissions and energy consumption in the utilisation of natural resources and the optimisation of the production cycle, while remaining continually attentive to new and future technology developed internationally.

Risks related to personnel, safety and management

The Companies of the Zignago Vetro Group implement plant management policies to minimise the risk of accidents ensuring high levels of security in line with best industrial practices, utilising insurance to guarantee an extensive degree of protection for company structures, third party risks and interruptions in production activity. The company trains and motivates the workforce to guarantee efficiency and normal operational continuity.

Personal data security and protection

With regards to the obligations under Regulation (EU) 679/2016 (European General Data Protection ("GDPR")), the Group companies adopted the technical and organisational measures necessary to ensure the confidentiality and protection of processed data as set out in Article 32 of the Regulation.

Financial instruments: Group objectives & policies and description of risks

The main financial instruments used by the Zignago Vetro Group consist of trade receivables and payables, cash & cash equivalents, bank borrowing and interest rate swap contracts.

As regards the Group’s financial management, the cash flow from operating activities are considered to be consistent with objectives for repayment of existing debt and such as to assure appropriate financial balance and adequate return on equity via dividend flows.

At 30 June 2020 the Zignago Vetro SpA Group had undertaken 9 interest rate swaps in order to hedge the interest rate risk on non-current loans undertaken by the parent Zignago Vetro SpA. The mark-to-market of these derivatives at 30 June 2020 were as follows (in Euro):

Company	Bank	Underlying	Date of signing	Notional amount at reference date	Maturity	Market value at 30.06.2020
Zignago Vetro SpA	Unicredit	Loan	20/12/2019	57,000,000	20/12/2024	(442,414)
Zignago Vetro SpA	Mediobanca	Loan	21/01/2015	2,597,143	31/12/2020	(11,048)
Zignago Vetro SpA	Mediobanca	Loan	31/03/2015	3,462,857	31/12/2020	(14,731)
Zignago Vetro SpA	BPM	Loan	29/07/2019	7,000,000	30/06/2024	(26,308)
Zignago Vetro SpA	Intesa SanPaolo	Loan	13/02/2018	27,142,857	30/12/2022	(317,735)
Zignago Vetro SpA	Credit Agricole	Loan	27/12/2018	10,000,000	29/12/2023	(140,550)
Zignago Vetro SpA	BPER	Loan	18/06/2020	10,000,000	18/06/2025	(39,073)
Zignago Vetro SpA	BNL	Loan	06/05/2020	10,000,000	07/05/2025	(51,323)
Zignago Vetro SpA	BNL	Loan	26/05/2020	22,000,000	29/07/2023	(279,188)
Total				149,202,857		(1,322,370)

The above-mentioned transactions were undertaken for hedging purposes. However, these transactions do not comply with all the requirements of IFRS to qualify for hedge accounting. For these transactions Zignago Vetro SpA does not use the so-called hedge accounting method and records the economic effects of hedging directly to profit or loss.

We consider that the Zignago Vetro Group is not exposed to credit risk any higher than the industry average, given that most receivables relate to customers of well-established commercial reliability and that receivables are insured. Allowance for impairment has in any case been made to cover against any residual credit risks. We specify that such allowances were made in the period and in previous periods against specific positions involved in procedures or with longer past-due status than the Group companies’ average collection times. Collective allowances for impairment have also been made for potential bad debts.

In relation to the currency risk, we report that the Group generally, in accordance with the Group policy up to the present moment, did not undertake currency hedging instruments; the only exception is the Polish subsidiary which undertook a currency forward contract in view of contingent and temporary requirements. Therefore, the Group remains exposed to the currency risk on the assets and liabilities in foreign currencies at period-end, which is not considered significant. A number of Group subsidiaries are located in countries not within the Eurozone: the United States and Poland. As the Group's functional currency is the Euro, the income statements of these companies are translated into Euro at the average exchange rate and, on like-for-like basis for revenues and profit in the local currency, changes in the exchange rate may impact the value in Euro of revenues, costs and profit (loss).

Zignago Vetro SpA is exposed to fluctuations in some commodity prices, in particular those relating to energy factors, such as fuel, utilised in the production process. In order to neutralise the price effect, as these fluctuations may significantly impact production costs, the Company assesses hedging operations through the use of derivative financial instruments.
At 30 June 2020, Zignago Vetro did not have any fuel hedging derivative contracts.

The Group's present reference market does not include areas possibly requiring country-risk management. Trade transactions substantially take place in western countries, primarily in the Euro and USD areas.

* * *

Pursuant to the Bank of Italy/ Consob /Isvap document No. 2 of 6 February 2009 and IAS 1.25-26, it is considered, based on the Group`s strong profitability, solid financial position and in spite of the current economic environment - shaped by the Covid-19 pandemic - that there are no uncertainties or risks on the going concern of the business.

Reconciliation between the Zignago Vetro Group and the Parent Zignago Vetro SpA profit for the period and equity

The reconciliation between the profit for the period and equity at 30 June 2020 of the Parent and the Consolidated profit for the period and equity are summarised below:

(Euro thousands)	Net Profit H1 2020	Equity 30.06.2020
Financial statements of the Parent	**21,830**	**116,780**
Consolidation adjustments:		
- interests in joint ventures measured using equity method	8,811	52,590
- reversal of inter-group dividend	(12,377)	---
- reversal of inter-company Profit	(26)	(174)
- goodwill on acquisition of investee Zignago Polska SA	---	690
- goodwill on acquisition of Vetro Revet Srl investment	---	2,017
- IFRS 16	(6)	(22)
- Loan investee Zignago Polska	10	(144)
	(3,588)	**54,957**
Carrying amount of equity investments:		
Zignago Brosse SAS	---	(4,000)
Zignago Glass USA Inc.	---	(189)
Zignago Polska SA	---	(10,327)
Vetro Revet Srl	---	(3,030)
	---	**(17,546)**
Profit for the period and equity of the subsidiaries:		
Zignago Vetro Brosse SAS	(4,403)	19,716
Zignago Glass USA Inc.	(29)	(721)
Zignago Polska SA	230	25,200
Vetro Revet Srl	(54)	(120)
	(4,256)	**44,075**
(Profit) loss non-con. int.	**(52)**	**(116)**
Consolidated Financial Statements	**13,934**	**198,150**

* * * *

It is considered that the information provided, together with the information illustrated below and relating to the performance of the individual companies, represents a true, balanced and exhaustive analysis of the situation of the Group and of the results of operations, overall and in the various sectors, in accordance with the size and complexity of the Group's business operations.

For greater clarity, the result of operations and statement of financial position of the parent and subsidiaries are presented according to the contribution of each of them to the Condensed Interim Consolidated Financial Statements. They are shown according to normal reporting practices.

THE COMPANY

Zignago Vetro SpA

In the first half of 2020, Beverage and Food container demand in Italy and in Europe overall remained strong, thanks to the excellent results achieved in the first quarter and the improvements for bottles for oils and food containers that continued also into the second quarter. This therefore allowed the company to offset the impacts from the COVID 19 related lockdown.
In particular, in June signs emerged of a recovery also in the beverages segment, whose demand was particularly weak in the months of April and May.
The cosmetics and perfumery market globally was significantly hit by the social and industrial lockdown, which continues to affect a number of geographic areas.
Perfumery container demand, which at the beginning of the year was very strong, gradually slowed throughout the period. The Premium market suffered the greatest impact as the main distribution channels (Retail and Travel Retail) were inactive for an extended period of time and are now only partially operational.
With regards to Cosmetics, the same dynamics were apparent, including for the luxury brands, as impacted by the inactivity of the main distribution channels, while the Non-Premium products sold on channels such as the Supermarkets and Pharmacies saw less severe declines.
The Skin-care and Nail varnish segments were impacted to a more contained extent.
We indicate the major online sales growth in the Cosmetics and Perfumery segments, which however did not offset the lack of Retail and Travel Retail channel sales.

The Zignago Vetro SpA reclassified income statement for the first half of 2020 compared to the same period of the previous year is presented on the next page.

	H1 2020		H1 2019		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	115,838	100.0%	109,900	100.0%	5.4%
Changes in finished and semi-finished products and work-in-progress	5,647	4.9%	1,374	1.3%	311.0%
Internal production of fixed assets and contributions on investments	494	0.4%	1,176	1.1%	(58.0%)
Value of production	121,979	105.3%	112,450	102.3%	8.5%
Cost of goods and services	(72,306)	(62.4%)	(64,465)	(58.7%)	12.2%
Value added	49,673	42.9%	47,985	43.7%	3.5%
Personnel expense	(21,668)	(18.7%)	(21,392)	(19.5%)	1.3%
EBITDA	28,005	24.2%	26,593	24.2%	5.3%
Amortisation & Depreciation	(15,548)	(13.4%)	(14,106)	(12.8%)	10.2%
Accruals to provisions	(120)	(0.1%)	(110)	(0.1%)	9.1%
EBIT	12,337	10.7%	12,377	11.3%	(0.3%)
Net recurring non-operating income	77	0.1%	22	---	250.0%
Operating Profit	12,414	10.7%	12,399	11.3%	0.1%
Investment income	12,377	10.7%	10,213	9.3%	21.2%
Net financial expense	(696)	(0.6%)	(779)	(0.7%)	(10.7%)
Net exchange rate gains/(losses)	(9)	---	(4)	---	125.0%
Profit before taxes	24,086	20.8%	21,829	19.9%	10.3%
Income taxes	(2,256)	(1.9%)	(2,783)	(2.5%)	(18.9%)
(Tax-rate H1 2020: 9.3%)					
(Tax-rate H1 2019: 12.7%)					
Profit for the period	21,830	18.8%	19,046	17.3%	14.6%

Revenues in the first half of 2020 of Euro 115.8 million grew 5.4% on the first half of the previous year (Euro 109.9 million). Sales of glass containers and accessories (these latter referring to Zignago Vetro SpA services on the market) amounted to Euro 110.5 million, up 5.4% (Euro 104.7 million in the first half of 2019).

Exports decreased in the first half of the year by 9.4% on the first half of 2019, accounting for 18.6% of container and accessory revenues (21.7% in 2019).

Revenues by geographic area, excluding sundry materials and services:

(Euro thousands)	H1 2020	H1 2019	Change %
Italy	89,919	82,003	9.7%
European Union (Italy excluded)	16,511	18,079	(8.7%)
Other areas	4,045	4,608	(12.2%)
Total	110,475	104,690	5.5%
of which export	20,556	22,687	(9.4%)
%	18.6%	21.7%	

Raw material and service costs on revenues, net of changes in inventories and internal production, in H1 2020 were 57.1% compared to 56.3% in H1 2019 – amounting to Euro 66.1 million in H1 2020 and Euro 61.9 million in the first half of 2019.

The added value was 42.9% of revenues in the first half of 2020 compared to 43.7% in the first half of 2019.

Personnel expense increased 1.3% in H1 2020 compared to the same period of 2019. It accounted for 18.7% of revenues in the first half of 2020 (19.5% in H1 2019).

EBITDA totalled Euro 28 million in H1 2020, compared to Euro 26.6 million in the first half of 2019 (+5.3%), a margin of 24.2% (24.2% in 2019).

EBIT in the first half of 2020 reduced 0.3% on the previous year (Euro 12.3 million compared to Euro 12.4 million), reporting a revenue margin of 10.7% (11.3% in H1 2019).

Investment income in the first half of 2020 amounting to Euro 12.4 million comprises Vetri Speciali SpA dividends (Euro 10.2 million in 2019).

Net financial expense in H1 2020 amounted to Euro 0.7 million, compared to Euro 0.8 million in the same period of the previous year, principally due to the fair value measurement of interest rate derivatives, which in the first half of 2020 resulted in financial expense of Euro 0.7 million, and the obtaining of new loans.

The profit before taxes in H1 2020 was Euro 24.1 million compared to Euro 21.8 million in H1 2019 (Euro +2.3 million; +10.3%). The margin was 20.8% compared to 19.9%.

The tax rate in the period, taking account of the largely exempt investment income in the separate financial statements of Zignago Vetro, was 9.3%, compared to 12.74% in H1 2019.

The profit in H1 2020 amounted to Euro 21.8 million, compared to Euro 19 million in the first half of 2019 (+14.6%).

The cash flow generated from the profit for the period and amortisation/depreciation in the first half of the year amounted to Euro 37.4 million, compared to Euro 33.2 million in the same period of the previous year (+12.7%).

The **reclassified statement of financial position** of Zignago Vetro SpA at 30 June 2020 and 31 December 2019 and 30 June 2019 was as follows:

	30.06.2020		31.12.2019		30.06.2019	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	59,239		63,436		66,716	
Other receivables	9,261		14,468		13,480	
Inventories	67,718		59,890		53,564	
Current non-financial payables	(62,694)		(60,840)		(58,549)	
Payables on fixed assets	(2,560)		(4,355)		(9,563)	
A) Working capital	70,964	26.8%	72,599	26.3%	65,648	24.4%
Net tangible and intangible assets	156,132		165,638		166,954	
Investments	44,425		44,425		44,425	
Non-consolidated investments and other non-current assets	2,770		2,864		1,987	
Non-current provisions and non-financial payables	(9,494)		(9,591)		(10,108)	
B) Net fixed capital	193,833	73.2%	203,336	73.7%	203,258	75.6%
A+B= Net capital employed	264,797	100.0%	275,935	100.0%	268,906	100.0%
Financed by:						
Current loans and borrowings	110,877		112,362		124,825	
Cash and cash equiv. & fin. receivables	(90,760)		(83,379)		(64,562)	
Current net debt	20,117	7.6%	28,983	10.5%	60,263	22.4%
Non-current loans and borrowings	127,900	48.3%	115,521	41.9%	95,297	35.4%
C) Net financial debt	148,017	55.9%	144,504	52.4%	155,560	57.8%
Opening equity	131,431		125,869		125,869	
Dividends	(37,005)		(31,569)		(31,569)	
Profit for the period	21,830		37,010		19,046	
Cash Flow Hedge reserve						
Other changes	524		121		---	
D) Closing equity	116,780	44.1%	131,431	47.6%	113,346	42.2%
C+D = Total financial debt and equity	264,797	100.0%	275,935	100.0%	268,906	100.0%

The working capital at 30 June 2020 decreased on 31 December 2019 by Euro 1.6 million (-2.3%). Trade receivables decreased Euro 5.2 million compared to 31 December 2019, due to reduced sales in the second quarter as a result of the pandemic, with other receivables reducing Euro 5.2 million, while inventories increased Euro 7.8 million compared to 31 December 2019. Current non-financial payables increased Euro 1.9 million compared to 31 December 2019, while fixed asset payables decreased Euro 1.8 million.

Net fixed capital at 30 June 2020 was Euro 9.5 million lower than 31 December 2019, mainly due to lower net investments (overall Euro 6 million) than amortisation and depreciation in the period (Euro 15.5 million).

The net capital employed at 30 June 2020 decreased Euro 11.1 million compared to 31 December 2019.

Equity at 30 June 2020 decreased on 31 December 2019 by Euro 14.7 million following the distribution of dividends for Euro 37 million.

The net financial debt at 30 June 2020 was Euro 148 million, increasing Euro 3.5 million on 31 December 2019. It includes approx. Euro 3 million for financial liabilities regarding leases according to the new IFRS 16 standard.

Employees of the Company at 30 June 2020 numbered 708, broken down as follows: 16 executives, 148 white-collar and 544 blue-collar.
At 31 December 2019, employees numbered 700: 13 executives, 148 white-collar and 538 blue-collar.
At 30 June 2019, there were 696 employees, of which: 14 executives, 147 white-collar and 519 blue-collar.

The company's markets still feature significant uncertainty, with a lack of visibility and consequently prudency among clients in terms of the expected timeframe and means for a pick up in demand.
Positive signals however emerged in the final month of the period and in the current period, although to an uneven extent among the various market segments, leading to an expectation that demand will significantly recover in the second half of the year and consequently also business volumes, against that reported for the second quarter.
In addition, it appears reasonable to consider that, given the characteristics of our markets, over the medium-term demand will recover to pre-pandemic levels and continue to grow.

THE CONSOLIDATED SUBSIDIARIES

Zignago Vetro Brosse SAS

Registered office: Vieux-Rouen-sur-Bresle (France)
Business sector: glass bottles for luxury fragrances

Chairman	Maurizio Guseo
"Comité de Direction"	Roberto Celot Alberto Faggion Paolo Giacobbo Franco Grisan Nicolò Marzotto Michele Pezza Sergio Pregliasco

In the first half of 2020, global luxury Cosmetic and Perfumery container demand dropped significantly from the month of March, due to the lock-down imposed across many countries as a result of the Covid-19 outbreak. Many sector players significantly cut their operations and postponed to next year the majority of new scheduled launches. The recovery, after the progressive reopening, appears uncertain and the key operators do not yet appear to have a clear view on future developments.
The Carafes market for luxury alcohol, in particular cognacs, was heavily impacted by the travel retail and sales crisis in the key market of China.

The **reclassified consolidated income statement** of Zignago Vetro Brosse in H1 2020 compared to the same period of the previous year is shown below:

	H1 2020		H1 2019		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	16,730	100.0%	32,520	100.0%	(48.6%)
Changes in finished and semi-finished products and work-in-progress	112	0.7%	2,395	7.4%	(95.3%)
Value of production	16,842	100.7%	34,915	107.4%	(51.8%)
Cost of goods and services	(11,827)	(70.7%)	(18,367)	(56.5%)	(35.6%)
Value added	5,015	30.0%	16,548	50.9%	(69.7%)
Personnel expense	(7,154)	(42.8%)	(9,255)	(28.5%)	(22.7%)
EBITDA	(2,139)	(12.8%)	7,293	22.4%	n.a.
Amortisation & Depreciation	(1,850)	(11.1%)	(2,606)	(8.0%)	(29.0%)
Accruals to provisions	(205)	(1.2%)	(300)	(0.9%)	(31.7%)
EBIT	(4,194)	(25.1%)	4,387	13.5%	n.a.
Net recurring non-operating income (charges)	8	---	(9)	---	n.a.
Operating Profit/(loss)	(4,186)	(25.0%)	4,378	13.5%	n.a.
Net financial expense	(132)	(0.8%)	(128)	(0.4%)	3.1%
Net exchange rate gains/(losses)	---	---	11	---	n.a.
Profit/(loss) before taxes	(4,318)	(25.8%)	4,261	13.1%	n.a.
Income taxes	(85)	(0.5%)	(1,369)	(4.2%)	(93.8%)
Profit/(loss) for the period	(4,403)	(26.3%)	2,892	8.9%	n.a.

Revenue in the first half of 2020 of Euro 16.7 million reduced 48.6% on the same period of the previous year (Euro 32.5 million), in accordance with that described previously.

Revenues by geographic segment:

(Euro thousands)	H1 2019	H1 2019	change %
Italy	1,616	2,648	(39.0%)
European Union (Italy excluded)	14,328	28,207	(49.2%)
Other areas	786	1,665	(52.8%)
Total	16,730	32,520	(48.6%)

Material costs and external services, including inventory changes, in the first half of 2020 were 70% of revenue compared to 49.1% in the first half of 2019.

Personnel expenses in the first half of 2020 accounted for 42.8% of revenue, compared to 28.5% in the same period of 2019.

EBITDA in the first half of 2020 was a loss of Euro 2.1 million, compared to a profit of Euro 7.3 million in the same period of 2019. The margin was -12.8% compared to 22.4%.

EBIT in H1 2020 totalled Euro 4.2 million (Euro 4.4 million in the first half of the previous year).

The result before taxes in H1 2020 was a loss of Euro 4.3 million (profit of Euro 4.3 million in the first half of 2019).

The result for the period was a loss of Euro 4.4 million.

The cash flow generated from the result for the period and amortisation/depreciation in the first half of 2020 and 2019 amounted to Euro -2.6 million and Euro 5.5 million respectively.

The **reclassified statement of financial position** of Zignago Vetro Brosse at 30 June 2020 and 31 December 2019 and 30 June 2019 was as follows:

	30.06.2020		31.12.2019		30.06.2019	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	4,281		8,664		11,347	
Other receivables	1,448		2,422		1,984	
Inventories	20,933		20,853		23,210	
Current non-financial payables	(8,512)		(7,904)		(10,512)	
Payables on fixed assets	(517)		(1,886)		(227)	
A) Working capital	17,633	52.9%	22,149	59.6%	25,802	62.8%
Net tangible and intangible assets	17,118		16,255		16,663	
Equity investments and other non-current assets	608		635		422	
Non-current provisions and non-financial payables	(2,006)		(1,881)		(1,772)	
B) Net fixed capital	15,720	47.1%	15,009	40.4%	15,313	37.2%
A+B= Net capital employed	33,353	100.0%	37,158	100.0%	41,115	100.0%
Financed by:						
Current loans and borrowings	7,780		25,898		26,289	
Cash and cash equivalents	(8,735)		(14,003)		(10,150)	
Current net debt	(955)	(2.9%)	11,895	32.0%	16,139	39.3%
Non-current loans and borrowings	14,592	43.8%	1,144	3.1%	2,189	5.3%
C) Net financial debt	13,637	40.9%	13,039	35.1%	18,328	44.6%
Opening equity	24,119		19,895		19,895	
Other equity changes			---			
Profit/(loss) for the period	(4,403)		4,224		2,892	
D) Closing equity	19,716	59.1%	24,119	64.9%	22,787	55.4%
C+D = Total financial debt and Equity	33,353	100.0%	37,158	100.0%	41,115	100.0%

Working capital at 30 June 2020 decreased Euro 4.5 million on 31 December 2019 (reduction in trade receivables of Euro 4.4 million). Compared to 30 June 2019, working capital decreased Euro 8.2 million, due mainly to the reduction in trade receivables (Euro 7.1 million) and the decrease in inventories (Euro 2.3 million).

Net fixed capital at 30 June 2020 increased on 31 December 2019 by Euro 0.7 million, owing principally to investments (Euro 2.7 million) lower than amortisation/depreciation (Euro 1.9 million).

The net financial debt amounted to Euro 13.6 million at 30 June 2020 (Euro 13 million at 31 December 2019 and Euro 18.3 million at 30 June 2019).

At 30 June 2020, there were 293 employees (at 31 December and 30 June 2019 respectively 310 and 349 employees).

It is expected that in the second half of the year, luxury cosmetic and perfumery container demand will recover, although to levels far behind the pre-Covid-19 situation. Further development is forecast for the luxury alcohol Caraffes market. It is expected therefore that company revenues in the second half of the year will be lower than the previous year.
Although the timeframe for an emergence from the crisis in demand is currently unforeseeable, it is however reasonable to expect that it will be transitory and will not undermine the fundamentals of the relative markets and the solidity of clients - therefore allowing the company to return to growth over the medium-term.

Zignago Vetro Polska S.A.

Registered office: Trabkj (Poland)
Business sector: glass containers

Chairman:	Paolo Giacobbo
"Management Board":	Michele Pezza – General Manager Roberto Cardini Roberto Celot Alberto Faggion Franco Grisan Nicolò Marzotto Stefano Marzotto Sergio Pregliasco
"Supervisory Board":	Paolo Nicolai - chairman Stefano Perosa Carlo Pesce

The situation created by the spread of Covid-19 was also in Poland similar to that in the rest of the areas in which the Group operates.
The global Cosmetics and Perfumery markets which the company serves have been impacted by the closure of retail stores and beauty salons, while the higher end segments have been greatest hit by the drop in Travel Retail. On the other hand, the increase in online sales has rewarded those brands already present on this channel.
The European Beverages and Food market however saw a strong performance in terms of the supermarkets, while impacted by the pandemic in terms of Horeca channel products.

The Zignago Vetro Polska SA **reclassified income statement** for the first half of 2020 compared to the same period of the previous year is shown below:

	H1 2020		H1 2019		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	22,159	100.0%	24,005	100.0%	(7.7%)
Changes in finished and semi-finished products and work-in-progress	2,332	10.5%	(652)	(2.7%)	n.a.
Internal production of fixed assets	334	1.5%	355	1.5%	(5.9%)
Value of production	24,825	112.0%	23,708	98.8%	4.7%
Cost of goods and services	(12,895)	(58.2%)	(13,211)	(55.0%)	(2.4%)
Value added	11,930	53.8%	10,497	43.7%	13.7%
Personnel expense	(5,465)	(24.7%)	(4,957)	(20.6%)	10.2%
EBITDA	6,465	29.2%	5,540	23.1%	16.7%
Amortisation & depreciation	(3,915)	(17.7%)	(3,531)	(14.7%)	10.9%
Accruals to provisions	---	---	(56)	(0.2%)	(100.0%)
EBIT	2,550	11.5%	1,953	8.1%	30.6%
Net recurring non-operating income (charges)	(19)	(0.1%)	(48)	(0.2%)	(60.4%)
Operating Profit	2,531	11.4%	1,905	7.9%	32.9%
Net financial expense	(385)	(1.7%)	(384)	(1.6%)	0.3%
Net exchange rate gains/(losses)	(1,855)	(8.4%)	374	1.6%	n.a.
Profit before taxes	291	1.3%	1,895	7.9%	(84.6%)
Income taxes	(61)	(0.3%)	(395)	(1.6%)	(84.6%)
Profit for the period	230	1.0%	1,500	6.2%	(84.7%)

Revenues in H1 2020 totalled Euro 22.2 million, compared to Euro 24 million in H1 2019 (-7.7%). Revenues include, in addition to glass containers, also decoration services and the contribution charged to clients for the creation of moulds for specific products and other services.

Revenue by geographic segment

(Euro thousands)	H1 2020	H1 2019	change %
Italy	6,880	7,550	(8.9%)
European Union (Italy excluded)	13,305	14,678	(9.4%)
Other areas	974	1,777	(45.2%)
Total	21,159	24,005	(11.9%)

Materials and external services, including changes in inventories and internal production of fixed assets, amounted in the first six months of 2020 to Euro 10.2 million – 46.2% of revenues (Euro 13.5 million and 56.3% in H1 2019).

Personnel expense amounted to Euro 5.5 million and accounted for 24.7% of revenues (Euro 5 million and 20.6% in the same period of the previous year). The increase in the first six months of 2020 compared to the same period of 2019 (+10.2%) is principally due to the expanded workforce, related to the installation of the new production line.

EBITDA in H1 2020 amounted to Euro 6.5 million - 29.2% revenue margin (Euro 5.5 million in the same period of the previous year - 23.1% revenue margin).

EBIT totalled Euro 2.6 million in H1 2020 compared to Euro 2 million in H1 2019, with a 11.5% revenue margin compared to 8.1% in the previous year.

The profit before taxes in H1 2020 was Euro 0.3 million. In the same period of 2019, it amounted to Euro 1.9 million.

The first half of 2020 reported a profit of Euro 0.2 million, compared to Euro 1.5 million in H1 2019.

The cash flow generated by the profit for the period and amortisation/depreciation amounted to Euro 4.1 million, 18.7% of revenues (in H1 2019 Euro 5 million, 21% of revenues).

The **reclassified statement of financial position** of Zignago Vetro Polska SA at 30 June 2020 and 31 December 2019 and 30 June 2019 was as follows:

	30.06.2020		31.12.2019		30.06.2019	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	7,062		7,457		7,624	
Other receivables	1,315		1,380		847	
Inventories	10,959		9,209		8,249	
Current non-financial payables	(6,422)		(6,710)		(6,867)	
Payables on fixed assets	(329)		(700)		(2,232)	
A) Working capital	12,585	20.1%	10,636	16.6%	7,621	12.3%
Net tangible and intangible assets	48,817		52,825		54,306	
Non fully consolidated eq. investments & other medium/long-term assets	1,991		1,303		1,222	
Non-current provisions & non-financial payables	(767)		(681)		(1,086)	
B) Net fixed capital	50,041	79.9%	53,447	83.4%	54,442	87.7%
A+B= Net capital employed	62,626	100.0%	64,083	100.0%	62,063	100.0%
Financed by:						
Current loans and borrowings	4,889		5,502		4,550	
Cash and cash equivalents	(3,154)		(4,651)		(5,314)	
Current net liquidity	1,735	2.8%	851	1.3%	(764)	(1.2%)
Non-current loans and borrowings	35,691	57.0%	37,087	57.9%	39,273	63.3%
C) Net financial debt	37,426	59.8%	37,938	59.2%	38,509	62.0%
Opening equity	26,145		21,771		21,771	
Other equity changes	(1,175)		272		1,500	
Profit for the period	230		4,102		283	
D) Closing equity	25,200	40.2%	26,145	40.8%	23,554	38.0%
C+D= Total liquidity and equity	62,626	100.0%	64,083	100.0%	62,063	100.0%

The working capital at 30 June 2020 increased Euro 1.9 million compared to 31 December 2019. Net fixed capital amounted to Euro 50 million at 30 June 2019, decreasing Euro 3.4 million on 31 December 2019, principally due to amortisation/depreciation (Euro 3.9 million) higher than investments (Euro 2.2 million) and due to the currency effect on fixed assets.

The debt at 30 June 2020 was Euro 37.4 million, while at 31 December 2019 and 30 June 2019 respectively Euro 37.9 million and Euro 38.5 million.

At 30 June 2020 employees numbered 657, while at 31 December and 30 June 2019 respectively 685 and 657.

Assuming that in the second half of the year the blockages caused by the pandemic will gradually ease, it is expected that the Beverages and Food container market for the supermarkets shall continue to perform as reported for the first half of the year, while the Horeca products will once again begin to grow, although slowly and not achieving therefore their 2019 levels.

For Cosmetics and Perfumery, the market is expected to contract until September, with thereafter a recovery thanks to a slow return to normality. It is forecast that the premium products and perfumes, most closely linked to Travel Retail, shall continue to be impacted, while the Skincare, Make Up and Nail varnish segments will recover quicker, supported by recovering consumption and a re-opening of markets such as South America and the Far East, which currently remain very weak.

Vetri Speciali SpA

Registered office: Trento – Via Manci, 5
Business sector: specialty glass containers

Chairman:	Stefano Marzotto
Vice Chairman:	Vitaliano Torno
Chief Executive Officer:	Osvaldo Camarin
Directors:	Luca Marzotto
	Massimo Noviello
Statutory Auditors:	Carlo Pesce - chairman
	Lorenzo Buraggi
	Andrea Manetti

As for the wider glass containers market, special container demand in the first half of the year reflected the impact from the Covid-19 outbreak. Orders saw a tentative recovery from June, also among overseas clients.

The **reclassified income statement** of Vetri Speciali SpA for H1 2020 compared to the same period of the previous year, for the share pertaining to Zignago Vetro SpA (50%), is summarised below:

	H1 2020		H1 2019		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	45,626	100.0%	47,772	100.0%	(4.5%)
Changes in finished and semi-finished products and work-in-progress	1,222	2.7%	(506)	(1.1%)	n.a.
Value of production	46,848	102.7%	47,266	98.9%	(0.9%)
Cost of goods and services	(21,372)	(46.8%)	(20,733)	(43.4%)	3.1%
Value added	25,476	55.8%	26,533	55.5%	(4.0%)
Personnel expense	(10,114)	(22.2%)	(10,422)	(21.8%)	(3.0%)
EBITDA	15,362	33.7%	16,111	33.7%	(4.6%)
Amortisation & Depreciation	(4,418)	(9.7%)	(4,170)	(8.7%)	5.9%
Accruals to provisions	(298)	(0.7%)	(126)	(0.3%)	136.5%
EBIT	10,646	23.3%	11,815	24.7%	(9.9%)
Net recurring non-operating income	161	0.4%	224	0.5%	(28.1%)
Operating Profit	10,807	23.7%	12,039	25.2%	(10.2%)
Net financial expense	(120)	(0.3%)	(170)	(0.4%)	(29.4%)
Net exchange rate gains/(losses)	(4)	---	2	---	n.a.
Profit before taxes	10,683	23.4%	11,871	24.8%	(10.0%)
Income taxes	(2,263)	(5.0%)	(2,727)	(5.7%)	(17.0%)
(Tax-rate H1 2020: 21.2%)					
(Tax-rate H1 2019: 23.0%)					
Profit for the period	8,420	18.5%	9,144	19.1%	(7.9%)

Revenues in the first half of 2020 amount to Euro 45.6 million, a decrease of 4.5% compared to Euro 47.8 million in the first half of the previous year.

Exports accounted for 19.3% of revenues (20.4% in the same period of 2019).

Revenues by geographic segment:

(Euro thousands)	H1 2020	H1 2019	change %
Italy	36,827	38,024	(3.1%)
European Union (Italy excluded)	5,418	6,583	(17.7%)
Other areas	3,381	3,165	6.8%
Total	45,626	47,772	(4.5%)

The share of material costs and external services in the first half of 2020, including the changes in the share of inventory, account for 44.2% of revenues compared to 44.5% in the first half of 2019.

The share of personnel expenses in H1 2020 compared to the same period in 2019 decreased by 3%, due to wage movements.

EBITDA was Euro 15.4 million in the first half of 2020, a decrease of 4.6% compared to the same period of 2019 (Euro 16.1 million), and a margin of 33.7% on revenues (unchanged on 2019).

The portion of EBIT in the period was Euro 10.6 million, reducing 9.9% (Euro 11.8 million in the same period of 2019), with a margin of 23.3% compared to 24.7%.

The profit before taxes amounted to Euro 10.7 million in the first half of 2020, down on Euro 11.9 million in the first half of 2019 and with a margin of 23.4% compared to 24.8%.

The tax rate in the first six months of 2020 was 21.2%, compared to 23% in H1 2019.

The profit in H1 2020 amounted to Euro 8.4 million, compared to Euro 9.1 million in the first half of 2019, with a H1 2020 margin of 18.5% (19.1% in H1 2019).

The cash flow generated from the profit for the period and amortisation/depreciation in the first half of the year amounted to Euro 12.8 million compared to Euro 13.3 million in the same period of 2019.

The **reclassified statement of financial position** of Vetri Speciali SpA at 30 June 2020 and 31 December and 30 June 2019, for the share pertaining to Zignago Vetro SpA (50%), was as follows:

	30.06.2020		31.12.2019		30.06.2019	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	20,090		16,127		22,226	
Other receivables	1,241		3,247		542	
Inventories	21,224		19,394		19,411	
Current non-financial payables	(18,815)		(18,182)		(20,076)	
Payables on fixed assets	(1,303)		(3,864)		(978)	
A) Working capital	22,437	17.3%	16,722	13.7%	21,125	17.4%
Net tangible and intangible assets	68,619		66,958		62,222	
Goodwill	40,490		40,490		40,490	
Equity investments and other non-current assets	750		573		641	
Non-current provisions and non-financial payables	(2,749)		(2,802)		(3,003)	
B) Net fixed capital	107,110	82.7%	105,219	86.3%	100,350	82.6%
A+B= Net capital employed	129,547	100.0%	121,941	100.0%	121,475	100.0%
Financed by:						
Current loans and borrowings	23,647		25,036		28,757	
Cash and cash equivalents	(6,401)		(3,699)		(3,419)	
Current net debt	17,246	13.3%	21,337	17.5%	25,338	20.9%
Non-current loans and borrowings	34,385	26.5%	18,731	15.4%	22,963	18.9%
C) Net financial debt	51,631	39.9%	40,068	32.9%	48,301	39.8%
Opening equity	81,873		74,243		74,243	
Dividends	(12,377)		(10,213)		(10,213)	
Other equity changes	---		(95)		---	
Profit for the period	8,420		17,938		9,144	
D) Closing equity	77,916	60.1%	81,873	67.1%	73,174	60.2%
C=D Total financial debt and equity	129,547	100.0%	121,941	100.0%	121,475	100.0%

The portion of trade receivables at 30 June 2020 increased 24.6% (Euro +4 million) compared to 31 December 2019 and decreased Euro 2.1 million on 30 June 2019.

The share of inventories at 30 June 2020 increased 9.4% (Euro +1.8 million) compared to 31 December 2019 and increased Euro 1.8 million (+9.3%) compared to 30 June 2019.

The share of net fixed capital of Euro 77.9 million at 30 June 2020 was Euro 4 million lower than 31 December 2019 and Euro 6.8 million higher than 30 June 2019, due to greater capital expenditure than depreciation.

The share of debt at 30 June 2020 amounted to Euro 51.6 million, an increase of Euro 11.6 million (+28.9%) on 31 December 2019 and increasing Euro 3.3 million (+6.9%) on 30 June 2019. During the period the portion of dividends paid was Euro 12.4 million (Euro 10.2 million in 2019).

At 30 June 2020 employees numbered 834 (100% of the data), while at 31 December and 30 June 2019 respectively 827 and 826.

It is expected that, on the basis of a gradual resolution of the pandemic, the special container demand recovery may continue also in the second half of the year, bringing revenue to the levels which were originally forecast for the second half of the year before the Covid-19 outbreak.

* * *

For completeness the reclassified consolidated income statement and statement of financial position of Vetri Speciali SpA (100% of the relative data) are presented below.

The **reclassified consolidated income statement** of Vetri Speciali SpA (100% of the data) for H1 2020 and H1 2019 is shown below:

	H1 2020		H1 2019		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	91,252	100.0%	95,544	100.0%	(4.5%)
Changes in finished and semi-finished products and work-in-progress	2,443	2.7%	(1,011)	(1.1%)	n.a
Value of production	93,695	102.7%	94,533	98.9%	(0.9%)
Cost of goods and services	(42,743)	(46.8%)	(41,465)	(43.4%)	3.1%
Value added	50,952	55.8%	53,068	55.5%	(4.0%)
Personnel expense	(20,227)	(22.2%)	(20,844)	(21.8%)	(3.0%)
EBITDA	30,725	33.7%	32,224	33.7%	(4.7%)
Amortisation & Depreciation	(8,836)	(9.7%)	(8,339)	(8.7%)	6.0%
Accruals to provision	(595)	(0.7%)	(251)	(0.3%)	137.1%
EBIT	21,294	23.3%	23,634	24.7%	(9.9%)
Net recurring non-operating income (charges)	322	0.4%	447	0.5%	(28.0%)
Operating profit	21,616	23.7%	24,081	25.2%	(10.2%)
Net financial expense	(240)	(0.3%)	(339)	(0.4%)	(29.2%)
Net exchange rate gains/(losses)	(7)	---	3	---	(333.3%)
Profit before taxes	21,369	23.4%	23,745	24.9%	(10.0%)
Income taxes	(4,525)	(5.0%)	(5,456)	(5.7%)	(17.1%)
Profit for the period	16,844	18.5%	18,289	19.1%	(7.9%)

The **reclassified consolidated statement of financial position** of Vetri Speciali SpA (100% of the data) at 30 June 2020, 31 December 2019 and 30 June 2019 is summarised below:

	30.06.2020		31.12.2019		30.06.2019	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	40,185		32,258		44,456	
Other receivables	2,483		6,493		1,084	
Inventories	42,447		38,788		38,822	
Current non-financial payables	(37,632)		(36,364)		(40,152)	
Payables on fixed assets	(2,605)		(7,728)		(1,956)	
A) Working capital	44,878	17.3%	33,447	13.7%	42,254	17.4%
Net tangible and intangible assets	137,237		133,915		124,443	
Goodwill	80,980		80,979		80,980	
Investments	1,499		1,145		1,281	
Non-current provisions and non-financial payables	(5,498)		(5,604)		(6,006)	
B) Net fixed capital	214,218	82.7%	210,435	86.3%	200,698	82.6%
A+B= Net capital employed	259,096	100.0%	243,882	100.0%	242,952	100.0%
Financed by:						
Current loans and borrowings	47,290		50,072		57,513	
Cash and cash equivalents	(12,803)		(7,398)		(6,837)	
Current net debt	34,487	13.3%	42,674	17.5%	50,676	20.9%
Non-current loans and borrowings	68,772	26.5%	37,461	15.4%	45,925	18.9%
C) Net financial debt	103,259	39.9%	80,135	32.9%	96,601	39.8%
Opening equity	163,747		148,489		148,489	
Dividends	(24,754)		(20,427)		(20,427)	
Other equity changes	---		(190)		---	
Profit for the period	16,844		35,875		18,289	
D) Closing equity	155,837	60.1%	163,747	67.1%	146,351	60.2%
C+D= Total Financial Debt and Equity	259,096	100.0%	243,882	100.0%	242,952	100.0%

Vetreco Srl

Registered office: Supino (FR) – Via Morolense
Business sector: treatment and sale of recycled glass

Chairman:	Rocco Furia
Vice Chairman:	Pietro Iallonardo
Directors:	Roberto Cardini
	Roberto Celot
	John Gerard Sadlier
	Antonino Virgilito
Statutory Auditors:	Alberto Faggion - chairman
	Riccardo Bolla
	Augusto Valchera

In the first half of 2020, the Group increased production, thanks to the greater plant treatment capacity installed over the previous year.
The Covid-19 emergency had marginal impacts on normal operations, which did not suffer substantial stoppages. The significant reduction in incoming raw glass in the month of March has gradually abated to reach close to normal levels. Overall, the good production levels were possible thanks to the use also of raw material stocks.

The **reclassified income statement** of Vetreco Srl (100% of the data) for H1 2020 and 2019 is reported below:

	H1 2020		H1 2019		Changes
	Euro thou.	%	Euro thou.	%	Euro
Revenues	9,728	100.0%	7,358	100.0%	32.2%
Changes in finished and semi-finished and products and work-in-progress	248	2.5%	360	4.9%	n.a.
Value of production	9,976	102.5%	7,718	104.9%	29.3%
Cost of goods and services	(6,400)	(65.8%)	(4,547)	(61.8%)	40.8%
Value added	3,576	36.8%	3,171	43.1%	12.8%
Personnel expense	(763)	(7.8%)	(688)	(9.4%)	10.9%
EBITDA	2,813	28.9%	2,483	33.7%	13.3%
Amortisation & depreciation	(638)	(6.6%)	(532)	(7.2%)	19.9%
EBIT	2,175	22.4%	1,951	26.5%	11.5%
Net recurring non operating income (charges)	---	---	---	---	---
Operating Profit	2,175	22.4%	1,951	26.5%	11.5%
Net financial expense	(207)	(2.1%)	(241)	(3.3%)	(14.1%)
Profit before taxes	1,968	20.2%	1,710	23.2%	15.1%
Income taxes, deferred taxes & IRAP	(586)	(6.0%)	(509)	(6.9%)	15.1%
Profit for the period	1,382	14.2%	1,201	16.3%	15.1%

In the first half, the company reported revenues of Euro 9.7 million, principally concerning the sale of raw glass for furnaces, raw glass third party processing and metal waste sales.

The **reclassified statement of financial position** of Vetreco Srl (100% of the data) at 30 June 2020, 31 December 2019 and 30 June 2019 was as follows:

	30.06.2020		31.12.2019		30.06.2019	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	1,367		2,593		4,858	
Other receivables	3,387		3,044		1,948	
Inventories	965		746		1,077	
Current non-financial payables	(2,858)		(5,302)		(4,550)	
Payables on fixed assets	---		(34)		(34)	
A) Working capital	2,861	14.8%	1,047	6.0%	3,299	17.5%
Net tangible and intangible assets	16,537		16,612		15,630	
Equity investments and other non-current assets	22		22		24	
Non-current provisions and non-financial payables	(74)		(88)		(80)	
B) Net fixed capital	16,485	85.2%	16,546	94.0%	15,574	82.5%
A+B = Net capital employed	19,346	100.0%	17,593	100.0%	18,873	100.0%
Financed by:						
Current loans and borrowings	2,464		2,506		2,052	
Cash and cash equivalents	(560)		(973)		(1,445)	
Current net debt	1,904		1,533		607	
Non-current loans and borrowings	13,808		13,808		15,355	
C) Net financial debt	15,712	81.2%	15,341	87.2%	15,962	84.6%
Opening equity	2,252		1,709		1,710	
Shareholder capital payment	---		---		---	
Other equity changes	---		---		---	
Profit for the period	1,382		543		1,201	
D) Closing equity	3,634	18.8%	2,252	12.8%	2,911	15.4%
C+D = Total financial debt and Equity	19,346	100.0%	17,593	100.0%	18,873	100.0%

Working capital amounted to Euro 2.9 million, increasing Euro 1.8 million over 31 December 2019, principally due to the decrease in current non-financial payables (Euro -2.4 million).

Net fixed capital at 30 June 2020 was Euro 0.1 million lower than 31 December 2019.

Net capital employed at 30 June 2020 increased Euro 1.8 million compared to 31 December 2019.

The increase in equity at 30 June 2020 compared to 31 December 2019 was Euro 1.4 million, relating to the profit in the period.

The net financial debt at 30 June 2020 amounted to Euro 15.7 million, an increase of Euro 0.4 million on 31 December 2019 (Euro 15.3 million).

The company workforce at 30 June 2020 numbered 29.
Employees at 31 December 2019 numbered 29, unchanged compared to 30 June 2019.

The company expects that through the use of inventory and stock, it may still continue to operate at good levels for a number of months, assuming that subsequently a gradual return to normality will occur.

* * *

Vetro Revet Srl

Registered office: Empoli (FI) – Via 8 marzo No. 9
Business sector: treatment and sale of recycled glass

Chairman:	Sergio Pregliasco
Directors:	Mauro Biason Alessandro Canovai Roberto Celot Alessia Scappini
Statutory Auditors:	Stefano Peppolini - Chairman Alberto Faggion Andrea Manetti

Operating performance

The Covid-19 emergency has affected the quantities of incoming raw glass and consequently the Company's production volumes since March. This situation gradually rectified over the following months, with close to normal levels returning.

The **reclassified income statement** of Vetro Revet Srl for H1 2020 and 2019 is reported below:

	H1 2020		H1 2019		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	3,276	100.0%	3,504	100.0%	(6.5%)
Changes in finished and semi-products and work-in-progress	9	0.3%	50	1.4%	(82.0%)
Value added	3,285	100.3%	3,554	101.4%	(7.6%)
Cost of goods and services	(2,354)	(71.9%)	(2,819)	(80.5%)	(16.5%)
Value added	931	28.4%	735	21.0%	26.7%
Personnel expense	(724)	(22.1%)	(871)	(24.9%)	(16.9%)
EBITDA	207	6.3%	(136)	(3.9%)	(252.2%)
Amortisation & depreciation	(226)	(6.9%)	(232)	(6.6%)	(2.6%)
Accruals to provisions	(4)	-0.001	---	---	n.a.
EBIT	(23)	(0.7%)	(368)	(10.5%)	(93.8%)
Net recurring non operating income (charges)	(30)	(0.9%)	(21)	(0.6%)	42.9%
Operating Profit /(loss)	(53)	(1.6%)	(389)	(11.1%)	(86.4%)
Net financial expense	(53)	(1.6%)	(65)	(1.9%)	(18.5%)
Profit/(loss) before taxes	(106)	(3.2%)	(454)	(13.0%)	(76.7%)
Income taxes, deferred taxes & IRAP	---	---	---	---	---
Profit/(loss) for the period	(106)	(3.2%)	(454)	(13.0%)	(76.7%)

Revenues derive almost exclusively from the sale of raw glass for furnaces.

The principal cost items are materials and external services, labour costs and amortisation and depreciation.

The net loss for H1 2020 was Euro 0.1 million (loss of Euro 0.5 million in H1 2019), reflecting the gradual improvement in performances - in line with expectations.

The **reclassified statement of financial position** of Vetro Revet Srl at 30 June 2020 and 31 December and 30 June 2019 was as follows:

	30.06.2020		31.12.2019		30.06.2019	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	2,228		2,247		2,088	
Other receivables	1,219		1,477		1,539	
Inventories	52		42		87	
Current non-financial payables	(2,899)		(3,538)		(3,787)	
A) Working capital	600	6.9%	228	2.5%	(73)	(0.9%)
Net tangible and intangible assets	8,233		9,171		8,696	
Other investments and non-current assets	23		26		26	
Non-current provisions & loans and borrowings	(202)		(215)		(266)	
B) Net fixed capital	8,054	93.1%	8,982	97.5%	8,456	100.9%
A+B= Net capital employed	8,654	100.0%	9,210	100.0%	8,383	100.0%
Financed by:						
Current loans and borrowings	3,669		4,121		3,571	
Cash and cash equivalents	(394)		(396)		(1,066)	
Current net debt	3,275		3,725		2,505	
Non-current loans and borrowings	4,873		4,873		5,572	
C) Net financial debt	8,148	94.2%	8,598	93.4%	8,077	96.3%
Opening equity	612		760		760	
Other equity changes	---		---		---	
Profit/(loss) for the period	(106)		(148)		(454)	
D) Closing equity	506	5.8%	612	6.6%	306	3.7%
C+D = Total financial debt and equity	8,654	100.0%	9,210	100.0%	8,383	100.0%

The working capital at 30 June 2020 increased on 31 December 2019 by Euro 0.4 million.

The net fixed capital at 30 June 2020 of Euro 8.1 million decreased Euro 0.9 million on 31 December 2019.

Equity amounted to Euro 0.5 million, decreasing Euro 0.1 million on 31 December 2019, as a result of the loss in the period.

At 30 June 2020, the company workforce numbered 31, remaining unchanged on 31 December 2019.

It is expected that although the coming months of the year will continue to feature lower than forecast raw material input flows, thanks to the partial return to normal levels, the undersaturation of plant shall be reduced, with an expected improvement in the result against the first half of the year.

Atypical and/or unusual transactions

There were no atypical and/or unusual transactions for the period ended 30 June 2020 as defined by Consob Communication DEM/6064293.

Julia Vitrum SpA

Registered office: San Vito al Tagliamento (PN) – Via Gemona, 5
Business sector: treatment and sale of recycled glass

Chairman:	Roberto Celot
Vice Chairman:	Guido Amato
Directors:	Sergio Pregliasco Francesco Simone
Statutory Auditors:	Mariantonietta Cianci - Chairperson Andrea Manetti Tommaso Menin

The **reclassified income statement** of Julia Vitrum SpA for H1 2020 and 2019, for the share pertaining to Zignago Vetro SpA (50%), was as follows:

	H1 2020			H1 2019
	Euro thou.	%	Euro thou.	%
Revenues	5	n.a.	---	n.a.
Changes in finished and semi-products and work-in-progress	---	---	---	n.a.
Value added	5	n.a.	---	n.a.
Cost of goods and services	(4)	n.a.	(21)	n.a.
Value added	1	n.a.	(21)	n.a.
Personnel expenses	(20)	n.a.		n.a.
EBITDA	(19)	n.a.	(21)	n.a.
Amortisation & depreciation	---	n.a.		n.a.
EBIT	(19)	n.a.	(21)	n.a.
Net recurring non operating income (expense)	---	n.a.		n.a.
Operating Profit/(loss)	(19)	n.a.	(21)	n.a.
Net financial expense	(5)	n.a.		n.a.
Profit/(loss) before taxes	(24)	n.a.	(21)	n.a.
Income taxes, deferred taxes & IRAP	---	n.a.	---	n.a.
Profit/(loss) for the period	(24)	n.a.	(21)	n.a.

The **reclassified statement of financial position** of Julia Vitrum at 30 June 2020 and 31 December 2019, for the share pertaining to Zignago Vetro SpA (50%), was as follows:

	30.06.2020		31.12.2019		30.06.2019	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	4		---		---	
Other receivables	256		215		170	
Inventories	---		---		---	
Current non-financial payables	(20)		(16)		(6)	
Payables on fixed assets	(750)		(747)		---	
A) Working capital	(510)	(42.9%)	(548)	(135.3%)	164	40.4%
Net tangible and intangible assets	1,700		953		---	
Goodwill	---		---		---	
Other equity investments & non-current assets	---		---		---	
Non-current provisions and non-financial payables	---		---		---	
B) Net fixed capital	1,700	142.9%	953	235.3%	---	0.0%
A+B= Net capital employed	1,190	100.0%	405	100.0%	164	40.4%
Financed by:						
Current loans and borrowings	---		---		---	
Cash and cash equivalents	(271)		(80)		(316)	
Current net debt	(271)	(22.8%)	(80)	(19.8%)	(316)	(77.9%)
Non-current loans and borrowings	1,000	84.0%	---	0.0%	---	0.0%
C) Net financial debt	729	61.3%	(80)	(19.8%)	(316)	(77.9%)
Opening equity	485		---		---	
Dividends	---		---		---	
Other equity changes	---		500		500	
Profit for the period	(24)		(15)		(21)	
D) Closing equity	461	38.7%	485	119.8%	479	118.3%
C+D = Total financial debt and equity	1,190	100.0%	405	100.0%	164	40.4%

On 31 March 2020, the company hired a new technical director in order to coordinate the design and installation of the new production plant.

Significant events after 30 June 2020

There were no significant events after 30 June 2020.

Outlook

In July, as the health emergency in various geographic areas gradually abated, the recovery of the markets in which Group companies operate (beginning in June) gained ground - although at different rates across the various sectors.
Situations of uncertainty among operators persist, linked in particular to the continuing severe restrictions on mobility and the relative difficulties of certain geographic areas and distribution channels, with consequent repercussions for the visibility of consumption.

Against this general backdrop, it is considered that the effects of the pandemic could also affect the second half of the year, although likely to a much lesser extent than in the first half and with certain sectors seeing improved results on the second half of 2019.

It is expected that the Group will be able to manage this period of turbulence while maintaining a solid and balanced financial situation.

Fossalta di Portogruaro, 31 July 2020

For the Board of Directors
The Chairman
Mr. Paolo Giacobbo

Condensed Interim Consolidated Financial Statements

Consolidated
Financial Statements

Statement of financial position

(Euro thousands)	30.06.2020	31.12.2019	30.06.2019	Notes
ASSETS				
Non-current assets				
Property, plant and equipment	229,069	242,479	247,185	(1)
Goodwill	2,707	2,738	2,740	(2)
Intangible assets	2,092	2,402	173	
Equity-accounted Joint Ventures	79,469	83,035	74,526	(3)
Equity investments	389	389	389	
Other non-current assets	747	487	279	(4)
Deferred tax assets	4,325	4,044	3,050	
Total non-current assets	**318,798**	**335,574**	**328,342**	
Current assets				
Inventories	99,421	89,761	84,907	(5)
Trade receivables	68,605	78,022	84,036	(6)
Other current assets	12,408	14,705	16,889	(7)
Tax Assets	3,912	5,215	6,507	
Cash and cash equivalents	47,585	44,805	26,718	(8)
Total current assets	**231,931**	**232,508**	**219,057**	
TOTAL ASSETS	**550,729**	**568,082**	**547,399**	
EQUITY & LIABILITIES				
EQUITY				
Share capital	8,800	8,800	8,800	
Reserves and other equity items	39,733	39,356	39,991	
Acquisition of treasury shares	(1,093)	(1,093)	(1,093)	
Retained earnings	136,840	121,830	121,190	
Net Profit	13,986	53,053	22,432	
TOTAL EQUITY OWNERS OF THE PARENT	**198,266**	**221,946**	**191,320**	(9)
NON-CONTROLLING INT. EQUITY	**(116)**	**(64)**	**(213)**	
TOTAL EQUITY	**198,150**	**221,882**	**191,107**	
LIABILITIES				
Non-current liabilities				
Provisions for risks and charges	3,967	3,963	4,441	(10)
Post-employment benefits	4,414	4,299	4,561	(11)
Non-current loans and borrowings	137,214	123,710	103,832	(12)
Other non-current liabilities	1,876	1,876	2,145	(13)
Deferred tax liabilities	2,212	2,230	2,084	
Total non-current liabilities	**149,683**	**136,078**	**117,063**	
Current liabilities				
Bank loans and borrowings non-current portion	120,123	127,915	145,816	(14)
Trade and other payables	59,938	60,005	70,664	(15)
Other current liabilities	20,439	20,945	19,556	(16)
Current income taxes	2,396	1,257	3,193	(17)
Total current liabilities	**202,896**	**210,122**	**239,229**	
TOTAL LIABILITIES	**352,579**	**346,200**	**356,292**	
TOTAL EQUITY AND LIABILITIES	**550,729**	**568,082**	**547,399**	

Income Statement

(Euro thousands)	H1 2020	H1 2019	Notes
Revenues	**148,518**	**160,232**	(18)
Raw material, ancillary, consumables and goods	(23,723)	(27,822)	(19)
Service costs	(55,690)	(55,094)	(20)
Personnel expense	(35,278)	(36,598)	(21)
Amortisation & Depreciation	(21,752)	(20,648)	(22)
Other operating costs	(2,129)	(2,444)	
Other operating income	722	662	
Equity-accounted joint ventures	8,811	9,483	(3)
Operating Profit	**19,479**	**27,771**	
Financial income	204	73	
Financial expense	(1,493)	(1,447)	(23)
Net exchange rate gains/(losses)	(1,864)	382	(24)
Profit before taxes	**16,326**	**26,779**	
Income taxes	(2,392)	(4,569)	(25)
(Profit) loss non-con. int.	52	222	
Group Profit	**13,986**	**22,432**	
Attributable to			
Owners of the parent	13,986	22,432	
Non-controlling interests	(52)	(222)	
Consolidated profit	**13,934**	**22,210**	
Earnings per share:			
Basic (and diluted) earnings per share	**0.159**	**0.256**	

Statement of Comprehensive Income

(Euro thousands)	H1 2020	H1 2019
Profit for the period	**13,986**	**22,432**
Items that will be subsequently reclassified to profit or loss		
Translation difference for foreign operations	(1,206)	279
Profit/(loss) cash flow hedge		
Tax effect	---	---
	(1,206)	*279*
Total items that will be subsequently reclassified to profit or loss	***(1,206)***	***279***
Items that will not be subsequently reclassified to profit or loss		
Actuarial gains/(losses) on defined benefit plans	---	---
Tax effect	---	---
	---	---
Total items that will not be subsequently reclassified to profit or loss	---	---
Other comprehensive income (expense) for the year, net of taxes	**(1,206)**	**279**
Total comprehensive income for the period	**12,780**	**22,711**
Attributable to:		
Owners of the parent	12,780	22,711
Non-controlling interests (Loss)	(52)	(222)

Statement of Cash Flows

(Euro thousands)		H1 2020	H1 2019
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before taxes		**16,326**	**26,779**
Adjustments to reconcile net profit with cash flow generated from operating activities:			
Amortisation & Depreciation		21,752	20,475
Losses/(gains) on sale of property, plant & equipment		72	---
Accrual to allowance for impairment		44	466
Net accruals to post-employment benefits		115	32
Net changes to other provisions		4	184
Change in assets and liabilities items due to translation effect		2,356	(596)
Net financial income		(204)	(837)
Exchange rate effect		1,864	382
Financial expenses		1,493	1,065
Income taxes paid in the period		(249)	(6,953)
Equity-accounted joint ventures		(8,811)	(9,483)
Dividends distributed by equity-accounted joint ventures		12,377	10,213
Changes in operating assets and liabilities:			
Decrease/(increase) in trade receivables		9,373	(19,599)
Decrease/(increase) in other current assets		2,297	(59)
Decrease/(increase) in inventories		(9,680)	(5,724)
Increase/(decrease) in trade & other payables		2,994	9,405
Increase/(decrease) in other current liabilities		(506)	(371)
Change in other non-current assets and liabilities		(259)	621
Total adjustments and changes		**35,032**	**(779)**
Net Cash Flows from operating activities	**(A)**	**51,358**	**26,000**
CASH FLOW FROM INVESTING ACTIVITIES:			
Gross investments in intangible assets		---	(55)
Gross investments in property, plant and equipment		(11,125)	(31,824)
Increase/(decrease) in payables for purchases of non-current assets		(3,061)	(11,489)
Sales price of property, plant and equipment		744	93
Net cash flow used in investing activities	**(B)**	**(13,442)**	**(43,275)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid in the period		(1,073)	(1,081)
Interest received in the period		185	451
Non-realised exchange rate effect		(1,864)	(382)
Net increase (decrease) of short-term bank payables		(10,234)	63,978
Net change non-current loans and borrowings		15,946	(20,234)
Dividends distributed		(37,005)	(31,569)
Other changes		115	213
Net cash flow used in financing activities	**(C)**	**(33,930)**	**11,376**
Change in assets and liabilities items due to translation effect	**(D)**	**(1,206)**	**279**
Net change in cash and cash equivalents	**(A+B+C+D)**	**2,780**	**(5,620)**
Cash & cash equivalents at beginning of the period		**44,805**	**32,338**
Cash & cash equivalents at end of the period		**47,585**	**26,718**

Statement of changes in Equity

	Share capital	Legal reserve	Revaluation reserve	Other reserves	Capital paid-in	Treasury shares	Translation reserve	Actuarial profit/(loss) on inc deferred benefit plans	Retained earnings	Net Profit	Group equity	Total non-controlling interest equity	Total consolidated equity
Balance at 31 December 2018	**8,800**	**1,760**	**27,334**	**11,546**	**157**	**(1,093)**	**(1,248)**	**(922)**	**108,778**	**45,020**	**200,132**	**9**	**200,141**
Profit (Loss)	---	---	---	---	---	---	---	---	---	22,432	22,432	(222)	22,210
Other profits/(losses), net of tax effect	---	---	---	---	---		279	---	---	---	279	---	279
Total Comp. Income (expense)	---	---	---	---	---	---	279	---	---	22,432	22,711	(222)	22,489
Allocation of result	---	---	---	---	---	---	---	---	45,020	(45,020)	---	---	---
Sale of treasury shares	---	---	---	---	---	---	---	---	---	---	---	---	---
Other changes	---	---	---	1,085	---	---	---	---	(1,039)	---	46	---	46
Movement non-controlling interests eq.	---	---	---	---	---	---	---	---	---	---	---	---	---
Distribution of dividends	---	---	---	---	---	---	---	---	(31,569)	---	(31,569)	---	(31,569)
Balance at 30 June 2019	**8,800**	**1,760**	**27,334**	**12,631**	**157**	**(1,093)**	**(969)**	**(922)**	**121,190**	**22,432**	**191,320**	**(213)**	**191,107**
Profit (Loss)	---	---	---	---	---	---	---	---	---	30,621	30,621	149	30,770
Other profits/(losses), net of tax effect	---	---	---	---	---	---	25	(266)	---	---	(241)	---	(241)
Total Comp. Income (expense)	---	---	---	---	---	---	25	(266)	---	30,621	30,380	149	30,529
Allocation of result	---	---	---	---	---	---	---	---	---	---	---	---	---
Sale of treasury shares	---	---	---	---	---	---	---	---	---	---	---	---	---
Other changes		---	---	(686)	---	---	---	---	640	---	(46)	---	(46)
Movement non-controlling interests eq.	---	---	---	---	---	---	---	---	---	---	---	---	---
IFRS 2	---	---	---	292	---	---	---	---	---	---	292	---	292
Distribution dividends	---	---	---	---	---	---	---	---	---	---	---	---	---
Balance at 31 December 2019	**8,800**	**1,760**	**27,334**	**12,237**	**157**	**(1,093)**	**(944)**	**(1,188)**	**121,830**	**53,053**	**221,946**	**(64)**	**221,882**
Profit (Loss)	---	---	---	---	---	---	---	---	---	13,986	13,986	(52)	13,934
Other profits/(losses), net of tax effect	---	---	---	---	---	---	(1,206)	---	---	---	(1,206)	---	(1,206)
Total Comp. Income (expense)	---	---	---	---	---	---	(1,206)	---	---	13,986	12,780	(52)	12,728
Allocation of result	---	---	---	---	---	---	---	---	53,053	(53,053)	---	---	---
Sale of treasury shares	---	---	---	---	---	---	---	---	---	---	---	---	---
Other changes	---	---	---	1,059	---	---	---	---	(1,038)	---	21	---	21
IFRS 2	---	---	---	524	---	---	---	---	---	---	524	---	524
Movement non-controlling interests eq.	---	---	---	---	---	---	---	---	---	---	---	---	---
Distribution of dividends	---	---	---	---	---	---	---	---	(37,005)	---	(37,005)	---	(37,005)
Balance at 30 June 2020	**8,800**	**1,760**	**27,334**	**13,820**	**157**	**(1,093)**	**(2,150)**	**(1,188)**	**136,840**	**13,986**	**198,266**	**(116)**	**198,150**

Notes to the financial statements

SUMMARY OF THE IFRS INTERNATIONAL ACCOUNTING STANDARDS USED FOR THE PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2020

Group activities

Zignago Vetro SpA is a joint stock company limited by shares domiciled at Fossalta di Portogruaro via Ita Marzotto No. 8.

The publication of the condensed interim consolidated financial statements at 30 June 2020 of Zignago Vetro S.p.A. was approved by the Board of Directors on 31 July 2020.

General preparation criteria

The condensed interim consolidated financial statements at 30 June 2020 and for the period ended at that date are presented in accordance with IAS 34 – *Interim financial reporting*, which relates to the reporting of interim financial information and data (the "Condensed Interim Consolidated Financial Statements"). Accounting standard IAS 34 provides for a minimum level of information significantly lower than that required by IFRS, where information has already been published on the complete Financial Statements prepared in accordance with IFRS.

Therefore, the present condensed interim consolidated financial statements, which were prepared in "condensed" form and include the minimum disclosures required by IAS 34, should be read together with the Group consolidated financial statements for the year ended 31 December 2019, prepared in accordance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. IFRS include all the revised international accounting standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

The Condensed Interim Consolidated Financial Statements at 30 June 2020 consist of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the statement of changes in equity and these notes.

New accounting policies and interpretations adopted by the Group from 1 January 2020

The accounting policies adopted for the preparation of the condensed interim consolidated financial statements are the same as those utilised for the consolidated financial statements of the Zignago Vetro Group for the year ended 31 December 2019, except for the adoption of new standards, amendments and interpretations approved by the IASB and endorsed in Europe, application of which is obligatory for accounting periods beginning 1 January 2020 as per the following table.

Document title	Issue date	Effective entry date	EU Regulation and publication date
Amendment to references to the Conceptual Framework in IFRS	March 2018	1 January 2020 (*)	29 November 2019 (EC) 2019/2075 - 6 December 2019
Definition of material (Amendments to IAS 1 and IAS 8)	October 2018	1 January 2020	29 November 2019 (EC) 2019/2104 - 10 December 2019
Reform of reference indices for the determination of interest rates (Amendments to IFRS 9, IAS 39 and IFRS 7)	September 2019	1 January 2020	15 January 2020 (EC) 2020/34 - 16 December 2020
Definition of a business (Amendments to IFRS 3)	October 2018	1 January 2020	21 April 2020 (EC) 2020/551 - 22 April 2020

(*) The new Conceptual Framework for Financial Reporting was published on 23 March 2018 and came into force on 1 January 2020.

The Conceptual Framework describes the concepts underlying financial reporting prepared in accordance with IFRS and assists the IASB in the development of new accounting standards, the preparers of financial statements to define an accounting standard in the absence of a specific IFRS provision and all those who need to understand and interpret IFRS. The main innovations introduced in the new Conceptual Framework are:

- description of new concepts, which were not present in the previous version of the document:
  - “measurement”, with an indication of the factors to be taken into account for the selection of the measurement criteria
  - supplementary “presentation” and “disclosures” with an indication of the circumstances in which income and expenses are to be recognised to other comprehensive income
  - “derecognition”
- updating and clarifying some concepts existing in the previous version:
  - definition of assets and liabilities
  - criteria for the recognition of assets and liabilities in the financial statements
  - “prudence”
  - “measurement uncertainty”
  - “substance over form”
  - “stewardship”.

The document that was subject to endorsement by the European Union is the document published at the same time as the new Conceptual Framework with which the IASB updated the references to the new Conceptual Framework published in 2018 in the various accounting standards (IAS/IFRS) and interpretations (SIC/IFRIC), with the following two exemptions:

- in IFRS 3 Business Combinations, for the definitions of assets and liabilities, the IASB decided to maintain the reference to the version of the Framework published in 2001, as the analyses on the potential impacts of the new definitions included in the March 2018 version are still ongoing
- in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the IASB indicated that the preparers of IFRS financial statements, which are required to define an accounting policy to be applied to regulatory account balances related to rate-regulated activities, should continue to refer to the version of the Framework published in 2001, pending completion of the ongoing project that will lead to the publication of a new accounting policy applicable to such transactions.

The amendments to the references to the new Conceptual Framework, published in March 2018, are applicable retrospectively to financial statements for financial years beginning on or after 1 January 2020. They may be applied in advance.

As part of the broader "Better Communication in Financial Reporting" project, by which the IASB seeks to improve the way financial information is communicated to users of financial statements, the definition of "material" has been amended.

The following table presents the old and new definition of "material":

Old definition	New definition
Material: Omissions or incorrect measurements of accounts are material if, individually or overall, they may impact the economic decisions of the readers of the financial statements.	Material: Information is material if it is reasonable to assume that its omission, misrepresentation or concealment could influence the decisions that the main users of financial statements prepared for general purposes make on the basis of those financial statements, which provide financial information about the specific reporting entity. […] The information is concealed if it is disclosed in such a way as to have, for the main users of the financial statements, a similar effect to the omission or misstatement of the same information.

Regulation (EC) No. 2020/34 of 15 January 2020, published in the Official Journal of the European Union on 16 January 2020, adopted the document issued by the IASB on "Interest Rate Benchmark Reform (amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures)".

Benchmarks, such as Interbank Offered Rates (IBOR), play a very important role in global financial markets. Following a number of incidents of manipulation and the significant reduction in trade on

the interbank market, in February 2013, the G20 asked the Financial Stability Forum (FSB) to promote a process to review the main financial benchmarks.
In July 2014, the FSB published the following recommendations:

- strengthen the calculation of IBOR's so that they are linked to actual transactions concluded on the market and improve the controls on the inputs used to determine them
- identify risk-free interest rates as an alternative to the IBOR's.

This reform, still ongoing globally, has created uncertainties about the timing and amount of future cash flows associated with certain financial instruments, with the consequent risk of having to terminate hedging relationships designated in accordance with IAS 39 or IFRS 9. According to the IASB, discontinuing hedging relationships because of these uncertainties does not provide useful information to users of financial statements; therefore, the document has made specific amendments to IAS 39, IFRS 9 and IFRS 7, introducing derogations during the period of uncertainty.
With this first phase of the project, the IASB amended IFRS 9, IAS 39 and IFRS 7 to allow entities not to discontinue hedging transactions until the reform of interest rate benchmarks has been completed.
In particular, temporary derogations have been introduced from the application of the specific hedge accounting provisions of IFRS 9 and IAS 39, to be applied obligatorily to all hedging transactions directly impacted by the interest rate benchmark reform.

With Regulation (EC) No. 2020/551 of 21 April 2020, published in the Official Journal of the European Union on 22 April 2020, the IASB document "Definition of a business (Amendments to IFRS 3 - Business Combinations)" was adopted.
With this document, the IASB amended the definition of business under IFRS 3 in order to clarify some interpretative doubts that had emerged during the Post Implementation Review of this accounting standard carried out from 2013 to 2015.
The amendments to IFRS 3 are applicable prospectively for years beginning on or after 1 January 2020. Earlier application is permitted by providing information in the notes to the financial statements.
The definition of business plays a very important role in the preparation of the financial statements. The accounting treatment to be applied to transactions whereby an entity acquires control of a group of assets and liabilities (and any liabilities) from a third-party changes where that group of assets and liabilities is considered a business or an acquisition of a group of assets.
As a result of the amendments, paragraph B7 of IFRS 3 states that a business is "comprises inputs and processes applied to those factors that are capable of contributing to the creation of production ("outputs").
Paragraph B8 of IFRS 3 also clarifies that an integrated set of activities and assets is a business where it includes at least one substantial input and process that together contribute significantly to the ability to create an output.

Below we report the IFRS, interpretations and amendments to existing accounting policies and interpretations, or specific provisions within the standards and interpretations approved by the IASB, which have not yet been endorsed for adoption in Europe at the approval date of these consolidated financial statements.

Document title	**Issue date**	**Effective date**	**EU Regulation and publication date**
Covid-19-Related rent concessions (Amendments to IFRS 16)	May 2020	1 June 2020	Q3/Q4 2020
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	May 2020	1 January 2022	TBD
Onerous Contracts—Cost of Fulfilling a Contract (amendments to IAS 37)	May 2020	1 January 2022	TBD
Annual Improvements to IFRS® Standards 2018–2020	May 2020	1 January 2022	TBD
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	1 January 2022	TBD
IFRS 17 – Insurance contracts	May 2017	1 January 2023 (*)	TBD
Classification of Liabilities as Current or Non-current (amendments to IAS 1)	January 2020	1 January 2023 (**)	TBD

(*) In March 2020, the IASB postponed the date of entry into force of IFRS 17 to 1 January 2023. The final amendment to IFRS 17 will be published in Q2 2020.

(**) On 4 May 2020, the IASB published an ED to postpone the date of entry into force to 1 January 2023.

The statement of financial position is presented in comparative form with 31 December 2019 and 30 June 2019. The results reported were consistent in the three periods presented and show the consolidated statement of financial position of the Zignago Vetro Group, with the full consolidation of Zignago Vetro Brosse SAS, Zignago Vetro Polska SA, Vetro Revet Srl and Zignago Glass Usa Inc. and application of the equity method to Vetri Speciali SpA, Vetreco Srl and Julia Vitrum SpA.

These Condensed Interim Consolidated Half-Year Financial Statements of the Zignago Group as at and for the six months ended 30 June 2020 were prepared under the historical cost method, except for investments in financial assets and in derivative instruments, which are recorded at fair value.

They were prepared in Euro, the currency of the area in which the Group operates. All the amounts reported in the statements and notes to the condensed consolidated half-year financial statements are expressed in thousands of Euro, unless otherwise indicated.

Consolidation scope and basis of consolidation

The main consolidation criteria adopted were as follows:

- the elimination of the carrying amount of equity investments against the recognition of the assets and liabilities of the subsidiary according to the line-by-line method or at equity;
- the recognition of any possible non-controlling interest in equity;
- the elimination of all intergroup transactions, consisting of payables and receivables, sales and purchases, and unrealised profits and losses.

The assets and liabilities, expenses and income of the companies consolidated using the line-by-line method are fully included in the consolidated financial statements; the book value of the investments is eliminated against the corresponding portion of equity of the investees.
At the control acquisition date, the equity of the investees is established attributing to the relevant assets and liabilities their present value. Any positive difference between the acquisition cost and the fair value of the net assets acquired is recognized in “Goodwill”; if negative, it is recognised in profit and loss.
The share of the equity and of profit and loss for the period relating to non-controlling interests is recognised in specific accounts in equity and in profit and loss. In the case of full control not being acquired the non-controlling interest equity is established based on the share of the present value attributable to the assets and liabilities at the date of acquisition of control, excluding any attributable goodwill (so-called partial goodwill method). Alternatively, in the case of full control not being acquired, the entire amount of goodwill (negative goodwill) generated by the acquisition is recorded considering therefore also the shareholding of non-controlling interests (so-called full goodwill method); they are expressed at their overall fair value including therefore the share of goodwill (negative goodwill). The goodwill calculation method (negative goodwill) is chosen on a case by case basis for each business combination.
With regard to equity investments acquired subsequent to the acquisition of control (non-controlling interest acquisitions), any difference between the acquisition cost and the corresponding portion of equity acquired is recognised to equity; similarly, the effects from the sale of the non-controlling share without loss of control are recognised to equity.

If the acquisition value of the investments is above the pro-rata value of the equity of the investment, the positive difference is attributed, where possible, to the net assets acquired based on the fair value of the same while the residual is recorded in the account “Goodwill”.

Goodwill is not amortised but is subject to verification, at least annually, of an impairment test when events or changes occur indicating that the carrying value can no longer be recovered. The goodwill is stated at cost net of any impairment losses.

The half-year financial statements of the subsidiaries utilised for the preparation of the condensed consolidated half-year financial statements are those approved by the respective Board of Directors. The data of the consolidated companies are adjusted, where necessary, in line with the accounting principles utilised by the Parent, which are in accordance with the IFRS adopted by the European Union.

The companies included in the consolidation scope at 30 June 2020 and 2019 and at 31 December 2019 are shown below; the percentage holdings refer to 30 June 2020.

CONSOLIDATION SCOPE

Company	Registered office	Share capital (in Units of local currency)	Percentage holding of the Group
Zignago Vetro SpA (Parent)	Fossalta di Portogruaro (VE)	8,800,000	---
Companies consolidated using the line-by-line method:			
Zignago Vetro Brosse SAS	Vieux-Rouen-sur-Bresle (France)	4,000,000	100%
Zignago Vetro Polska SA	Trabkj (Poland)	PNL 3,594,000	100%
Zignago Glass USA Inc.	New York (U.S.A.)	USD 200,000	100%
Vetro Revet Srl	Empoli (FI)	402,000	51%
Equity-accounted investees:			
Vetri Speciali SpA	Trento (TN)	10,062,400	50%
Vetreco Srl	Supino (FR)	400,000	30%
Unionvetro Srl *	Roverè della Luna (TN)	31,200	50%
Julia Vitrum SpA	San Vito al Tagliamento (PN)	500,000	50%

*held 100% by Vetri Speciali Spa

Translation of financial statements in currencies other than the Euro

The rules for the translation of financial statements of Companies which operate in a currency other than the Euro are the following:

- the assets and the liabilities were translated using the exchange rate at the balance sheet date;
- the costs and revenues, and income and charges, were translated using the average exchange rate for the period;
- the "Translation reserve" includes both the exchange rate differences generated from the translation of foreign currency profit and loss items and at a rate different from the closing rate exchange, and also those generated from the translation of opening equity at a closing rate exchange which is a different from the closing exchange;
- goodwill related to the acquisition of a foreign entity is treated as assets and liabilities of the foreign entity and translated at the closing date.

For the conversion of the Financial Statements expressed in foreign currencies, the rates indicated in the following table are applied (foreign currency for every 1 Euro).

Description	USD US Dollar	PLN Polish Zloty
Average exchange rate:		
- January/June 2020	1.1021	4.4112
- January/December 2019	1.1195	4.2978
- January/June 2019	1.12978	4.2920
Closing exchange rate at:		
- 30 June 2020	1.1198	4.4560
- 31 December 2019	1.1234	4.2568
- 30 June 2019	1.1380	4.2496

Use of estimates

The preparation of the Condensed Interim Consolidated Financial Statements and the relative notes in application of IFRS require that management make estimates and assumptions on the values of the assets and liabilities in the consolidated half-year report and on the information relating to the assets and potential liabilities at the balance sheet date. The actual results may differ from those estimated. The estimates are used to value the doubtful debt and inventory obsolescence provisions, depreciation and amortisation, write-downs of assets, variable incentive and remuneration systems, deferred taxes, other provisions and funds and customer liabilities for packaging returns and the relative lease assets and liabilities.

The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognized in the statement of profit and loss.

The subjective relevant assessments of company management in applying the Group accounting policies and the main sources of uncertainty upon estimates were the same as those for the preparation of the consolidated financial statements for the year ended 31 December 2019. Compared to the consolidated financial statements at 31 December 2019, Management updated the valuations and estimates in light of the events in the first half of 2020, the forecast figures and the best available forecasts.

IFRS 13 requires that the financial instruments measured at fair value are classified based on three fair value hierarchy levels which reflect the significance of the input utilised in the determination of fair value. Based on the standard, the three fair value levels are as follows:

- Level 1 of fair value: the measurement inputs of the instruments are listed prices for identical instruments in active markets with access at the measurement date;
- Level 2 of fair value: the measurement inputs of the instruments are different than the prices listed at the previous point, which are directly or indirectly observable on the market;
- Level 3 of fair value: the measurement inputs of the instruments are not based on observable market data.

As indicated by the regulation, the hierarchy of the approaches adopted for the determination of all financial instruments (shares, units, bonds and derivatives), attributes priority to official prices available on active market for the assets and liabilities to be measured and, in their absence, to the measurement of assets and liabilities based on significant quotations, where they refer to similar assets and liabilities. On a residual basis, measurement techniques may be utilised based on non-observable inputs, and, therefore, more discretional.

Assets and liabilities valued at fair value on a recurring basis: breakdown by fair value level

The following table shows the assets and liabilities measured at fair value at 30 June 2020 by fair value hierarchy level.

	Book Value	Fair Value Level 1	2	3	Total
Financial assets not measured at Fair Value					
Cash and cash equivalents (*)	47,585	---	---	47,585	47,585
Trade receivables (*)	68,605	---	---	68,605	68,605
Financial assets measured at Fair Value					
Other receivables for TEE (white certificates)	770	770	---	---	770
Hedges	---	---	---	---	---
Financial liabilities not measured at Fair Value					
Non-current loans and borrowings (*)	137,214	---	---	137,214	137,214
Lease liabilities (IFRS 16)	4,972	---	---	4,972	4,972
Bank loans & borrowings and current portion of non-current loans & borrowings	118,801	---	1,322	118,801	120,123
Other non-current payables (*)	1,876	---	---	1,876	1,876
Trade and other payables (*)	59,938	---	---	59,938	59,938

(*) The amounts refer to current financial assets and liabilities whose book value reasonably approximates fair value, which consequently has not been stated.

NOTES TO THE MAIN STATEMENT OF FINANCIAL POSITION ACCOUNTS

NON-CURRENT ASSETS

	30.06.2020	31.12.2019	30.06.2019
1 – Property, plant and equipment	229,069	242,479	247,185

Property, plant and equipment at 30 June 2020 amounted to Euro 229,069 thousand, after depreciation in the period of Euro 21.4 million and capital expenditure of Euro 11.2 million, net of fixed assets in progress items (gross of decreases in the period).

The table below shows the historical cost, accumulated depreciation and carrying amount of property, plant and equipment in the two periods:

(Euro thousands)	Balance at 30.06.2020			Balance at 30.06.2019		
	Historical cost	Accumulated depreciation	Net value	Historical cost	Accumulated depreciation	Net value
Land and buildings	112,854	(38,941)	73,913	103,387	(37,004)	66,383
Right-of-use (IFRS 16)	6,790	(1,866)	4,924	6,188	(598)	5,590
Plant & machinery	357,792	(235,377)	122,415	363,752	(217,713)	146,039
Industrial & commercial equipment	80,241	(73,257)	6,984	76,215	(70,107)	6,108
Other assets	14,747	(11,045)	3,702	13,688	(10,527)	3,161
Assets in progress	17,131	---	17,131	19,904	---	19,904
Total	589,555	(360,486)	229,069	583,134	(335,949)	247,185

(Euro thousands)	Balance at 01.01.2020	Acquisitions & capitalisations	Decreases	Depreciation	Exchange differences	Balance at 30.06.2020
Land and buildings	76,526	20	(41)	(1,833)	(759)	73,913
Right-of-use (IFRS 16)	5,430	120	---	(420)	(206)	4,924
Plant & machinery	137,307	846	(797)	(13,718)	(1,223)	122,415
Industrial & commercial equipment	11,572	420	---	(4,915)	(93)	6,984
Other assets	4,196	106	---	(556)	(44)	3,702
Assets in progress and advances	7,448	9,699	---	---	(16)	17,131
Total	242,479	11,211	(838)	(21,442)	(2,341)	229,069

Property, plant and equipment includes Euro 6.8 million for the right-of-use on property subject to lease contracts.

Assets in progress mainly concern ordinary investments at the Zignago Vetro Spa and Zignago Vetro Brosse Sas production sites.

	30.06.2020	31.12.2019	30.06.2019
2 - Goodwill	2,707	2,738	2,740

The Euro 2,707 thousand recognised as goodwill at 30 June 2020 reflects the higher value paid for the acquisition of Zignago Vetro Polska SA (Euro 690 thousand) and Vetro Revet Srl (Euro 2,017 thousand).
Goodwill comprises Euro 2,017 thousand regarding the gain paid for the acquisition by Zignago Vetro Spa of the 51% stake in Vetro Revet Srl.
The goodwill arises from the possibility to ensure the procurement of recycled glass in Tuscany in service of the adjacent Empoli facility.
The substantial break-even performance reported by the company Vetro Revet for the first half of 2020 is not considered an indication that goodwill was impaired in the period, also in view of the earnings outlook for the second half of the year and next year.
This goodwill was therefore not subject to an impairment test.

	30.06.2020	31.12.2019	30.06.2019
3 - Equity accounted Joint Ventures	79,469	83,035	74,526

The Group has three investments in jointly controlled companies:
- Vetri Speciali SpA;
- Vetreco Srl;
- Julia Vitrum SpA

Vetri Speciali SpA derives from a corporate restructuring operation undertaken in 2004 and is involved in the production and sale of specialty glass containers. The company's registered offices are at via Manci 5, Trento. Production is carried out at the Spini di Gardolo (TN), Pergine Valsugana (TN), Ormelle (TV) and San Vito al Tagliamento (PN) facilities.
The JV is a strategic investment for the Group, undertaken as part of the production diversification pursued by the Parent.
The Zignago Group holds 50% of ordinary company shares; all shares guarantee equal rights.
In 2020, the Company distributed dividends totalling Euro 24.8 million to shareholders.
Vetreco Srl is an Italian limited liability company domiciled in Supino (FR), incorporated in July 2010 as a joint venture, involved in the processing of raw glass and the supply of cullet ready for re-use in production.
The investment percentage of Zignago Vetro SpA is 30%.

Julia Vitrum SpA is an Italian company domiciled in San Vito al Tagliamento (PN), incorporated in April 2019 as a joint venture, involved in the processing of raw glass and the supply of cullet ready for re-use in production.
The investment percentage of Zignago Vetro SpA is 50%.

The valuation of the joint ventures at equity and the movements in the period are summarised below:

(Euro thousands)	30.06.2020	31.12.2019	30.06.2019
Value of **Vetri Speciali SpA** investment in Zignago Vetro	25,320	25,320	25,320
Vetri Speciali Equity at 100%	155,837	163,747	146,351
Vetri Speciali Equity at 50%	77,919	81,874	73,175
Difference between value of investment and share of Eq. of the subsidiary	52,599	56,554	47,856
Valuation using the equity method of Vetri Speciali investment			
Share of equity	77,919	81,874	73,175
Uniform accounting principles	19	18	19
Total valuation using the equity method	77,938	81,892	73,194
Increase/(decrease) of carrying amount of investment compared to valuation using the equity method	52,618	56,572	47,874
Movement in valuation using the equity method			
Valuation using the equity method at beginning of year	81,892	74,262	68,994
Profit: pro quota	8,420	17,938	9,144
Other statement of comprehensive income items in year:	---	---	---
IAS 19 effect	---	(95)	---
Dividends	(12,377)	(10,213)	(10,213)
Uniform accounting principles		0	0
Valuation under the equity method at end of year	77,935	81,892	67,925
P&L effect of valuation using the equity method of the investment	8,420	17,938	9,144

(Euro thousands)	30.06.2020	31.12.2019	30.06.2019
Value of **Vetreco Srl** investment in Zignago Vetro	1,059	1,059	1,059
Vetreco Equity at 100%	3,634	2,255	2,911
Vetreco Equity at 30%	1,090	677	873
Difference between value of investment and share of Eq. of the subsidiary	31	(383)	(186)
Valuation under the equity method of Vetreco Srl investment			
Share of equity	1,090	677	873
Uniform accounting principles	-	-	-
Total valuation using the equity method	1,090	677	873
Increase/(decrease) of carrying amount of investment compared to valuation using the equity method	31	(382)	(186)
Movement in valuation using the equity method			
Valuation using the equity method at beginning of year	677	513	513
Profit: pro quota	415	164	360
Other statement of comprehensive income items in year:	-	-	-
IAS 19 effect	-	-	-
Dividends	-	-	-
Uniform accounting principles	-	-	-
Valuation under the equity method at end of year	1,092	677	873
P&L effect of valuation using the equity method of the investment	415	164	360

(Euro thousands)	30.06.2020	31.12.2019	30.06.2019
Value of **Julia Vitrum Spa** investment in Zignago Vetro	500	500	500
Julia Vitrum Equity at 100%	922	970	958
Julia Vitrum Equity at 50%	461	485	479
Difference between value of investment and share of Equity of the subsidiary	(39)	(15)	(21)
Valuation using the equity method of Julia Vitrum Spa investment			
Share of equity	461	485	479
Uniform accounting principles	-	-	-
Total valuation using the equity method	461	485	479
Increase/(decrease) of carrying amount of investment compared to valuation using the equity method	(39)	(15)	(21)
Movement in valuation using the equity method			
Valuation using the equity method at beginning of year	(15)	-	-
Profit: pro quota	(24)	(15)	(21)
Other statement of comprehensive income items in year:	-	-	-
IAS 19 effect	-	-	-
Dividends	-	-	-
Uniform accounting principles	-	-	-
Valuation under the equity method at end of year	(39)	(15)	(21)
P&L effect of valuation using the equity method of the investment	(24)	(15)	(21)

The key financial and performance indicators of the jointly-controlled companies recognised to the consolidated financial statements and valued at equity are also reported.

These figures relate also to the Parent interim reporting date and incorporate the totality of investments held. All investments operate on a going concern basis.

The statement of financial position and income statement of Vetri Speciali SpA is summarised below:

Vetri Speciali SpA Group (100%) (Euro thousands)	30.06.2020	31.12.2019	30.06.2019
Goodwill	80,980	80,979	80,980
Other non-current assets	138,736	135,060	125,724
Non-current assets	219,716	216,039	206,704
Cash and cash equivalents	12,803	7,398	6,837
Other current assets	85,115	77,539	84,262
Current assets	97,918	84,937	91,099
TOTAL ASSETS	317,634	300,976	297,803
Capital and reserves	155,837	163,747	146,351
Equity	155,837	163,747	146,351
Non-current bank loans and borrowings	68,772	37,461	45,925
Other non-current liabilities	5,498	5,604	6,006
Non-current liabilities	74,270	43,065	51,931
Bank loans & borrowings and current portion of medium/long-term loans	47,290	50,072	57,513
Other current liabilities	40,237	44,092	42,108
Current liabilities	87,527	94,164	99,621
TOTAL LIABILITIES	317,634	300,976	297,903

The statement of financial position and income statement of Vetreco Srl is summarised below:

Vetri Speciali SpA Group (100%) (Euro thousands)	30.06.2020	30.06.2019
Revenues	88,774	93,430
Costs of production	(58,322)	(61,010)
Amortisation & Depreciation	(8,836)	(8,339)
Operating Profit	21,616	24,081
Financial Income	26	8
Financial Expense	(266)	(347)
Exchange rate gains/(losses)	(7)	3
Profit before taxes	21,369	23,745
Income taxes	(4,525)	(5,456)
Profit for the period	16,844	18,289
Other positive (negative) statement of comprehensive income items	---	---
Total comprehensive income	16,844	18,289

Vetreco (100%) (Euro thousands)	30.06.2020	31.12.2019	30.06.2019
Other non-current assets	16,559	16,634	15,654
Non-current assets	16,559	16,634	15,654
Cash and cash equivalents	560	973	1,445
Other current assets	5,719	6,383	7,882
Current assets	6,279	7,356	9,327
TOTAL ASSETS	22,838	23,990	24,981
Capital and reserves	3,634	2,252	2,911
Equity	3,634	2,252	2,911
Other non-current liabilities	13,882	13,896	15,434
Non-current liabilities	13,882	13,896	15,434
Bank loans & borrowings and current portion of medium/long-term loans	2,464	2,506	2,053
Other current liabilities	2,858	5,336	4,583
Current liabilities	5,322	7,842	6,636
TOTAL LIABILITIES	22,838	23,990	24,981

Vetreco (100%) (Euro thousands)	30.06.2020	30.06.2019
Revenues	9,728	7,358
Costs of production	(6,915)	(4,875)
Amortisation & Depreciation	(638)	(532)
Operating Profit	2,175	1,951
Financial Expense	(207)	(241)
Profit before taxes	1,968	1,710
Income taxes	(586)	(509)
Profit for the period	1,382	1,201
Total comprehensive income	1,382	1,201

The statement of financial position and income statement of Julia Vitrum Spa is summarised below:

Julia Vitrum (100%) (Euro thousands)	30.06.2020	31.12.2019	30.06.2019
Other non-current assets	3,400	1,906	---
Non-current assets	3,400	1,906	---
Cash and cash equivalents	541	160	631
Other current assets	521	430	339
Current assets	1,062	590	970
TOTAL ASSETS	4,462	2,496	970
Capital and reserves	923	970	958
Equity	923	970	958
Other non-current liabilities	2,000	---	---
Non-current liabilities	2,000	---	---
Bank loans & borrowings and current portion of medium/long-term loans	---	---	---
Other current liabilities	1,539	1,526	12
Current liabilities	1,539	1,526	12
TOTAL LIABILITIES	4,462	2,496	970

All three joint ventures are quoted and a fair value deriving from a quoted market price is not available for any of them.

Julia Vitrum (100%) (Euro thousands)	30.06.2020	30.06.2019
Revenues	9	---
Costs of production	(47)	(42)
Amortisation & depreciation	---	---
Operating Profit	(38)	(42)
Financial Expense	(9)	---
Profit before taxes	(47)	(42)
Income taxes	---	---
Profit for the period	(47)	(42)
Total comprehensive income	(47)	(42)

Relating to the goodwill which constitutes part of the book value attributed to the Vetri Speciali joint venture, it should be noted that this was separately subject to an impairment test by the directors of the joint venture Vetri Speciali SpA, as per IAS 36, for the financial statements at 31 December 2019. The recoverability of this goodwill shall also be considered in any impairment tests on the value of the investment. In this regard, also at 30.06.2020, there was no indication of an impairment loss on the joint venture.

	30.06.2020	31.12.2019	30.06.2019
4 – Other non-current assets	747	487	279

The receivable mainly concerns guarantee deposits paid by Zignago Vetro Spa and advances paid by Zignago Vetro Polska Sa.

CURRENT ASSETS

	30.06.2020	31.12.2019	30.06.2019
5 - Inventories	99,421	89,761	84,907

The table below shows the composition of inventories:

(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
Raw material, ancillaries and consumables	20,123	19,685	19,124
Work-in-progress and semi-finished products	3,951	4,686	4,982
Finished products	81,956	70,441	64,257
Inventory provision	(6,609)	(5,051)	(3,456)
Total	99,421	89,761	84,907

Inventories include assets for the right to recover packaging from customers of Euro 7,851 thousand, compared to Euro 6,335 thousand at 31.12.2019. The right to recover assets are measured making reference to the previous carrying amount of inventories sold, less any expected costs for the recovery of returns. The increase in inventories reflects the business performance over the first six months; the increase in the inventory obsolescence provision is mainly due to Zignago Vetro Brosse.

	30.06.2020	31.12.2019	30.06.2019
6 - Trade receivables	68,605	78,022	84,036

The table below illustrates the trade receivables and the relative doubtful debt provision:

(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
Trade receivables - Italy	41,313	40,822	54,791
Trade receivables - Foreign	14,984	22,803	26,413
Bills	14,031	16,076	4,548
Doubtful debt provision	(1,723)	(1,679)	(1,716)
Total	68,605	78,022	84,036

Trade receivables decreased due to the lower sales in the second quarter of 2020 as a result of the pandemic.

At 30 June 2020 and 31 December 2019, the overdue trade receivables, but not individually written down were as follows:

(Euro thousands)	Not overdue	< 30 days	30 - 60 days	60 - 90 days	other	Total
30 June 2020	57,051	7,479	1,162	1,000	1,913	68,605
31 December 2019	63,027	10,359	1,883	1,115	1,638	78,022
30 June 2019	71,882	7,164	819	1,248	2,923	84,036

The largest part of the receivables of Zignago Vetro SpA, representing 79% of the Group receivables, are covered by insurance policies.
The Company does not have significant concentrations of credit risk at the balance sheet date.

The movements during the period in the doubtful debt provision were as follows:

(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
Provision at beginning of period	1,679	1,607	1,607
Provisions	44	251	110
Utilisations	---	(179)	---
Total	1,723	1,679	1,717

The doubtful debt provision at 30.06.2020 amounted to Euro 1.7 thousand, subsequent to the allocation of an accrual of Euro 44 thousand.

The table below shows the breakdown of trade receivables by geographical segment:

(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
Italy	54,957	56,269	59,026
E.U.	9,800	18,349	21,112
Other countries	3,848	3,404	3,898
Total	68,605	78,022	84,036

	30.06.2020	31.12.2019	30.06.2019
7 – Other current assets	12,408	14,705	16,889

The table below shows the composition of "Other current assets":

(Euro thousands)		Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
VAT receivables		7,499	10,136	11,161
Advances to social security institutions and other employee & agent receivables		274	427	---
Tax receivables as per Law 91/14		---	---	425
Other receivables		3,135	2,278	4,727
	sub)	10,908	12,841	16,313
Accrued income for:				
- interest on bank deposits		---	---	---
- services		---	---	---
Prepayments:				
- insurance premiums		467	467	5
- rent expenses and leases			---	114
- services		1,033	1,397	457
	sub)	1,500	1,864	576
Total		12,408	14,705	16,889

The account "Other receivables" principally includes receivables for CO2 quotas and receivables for the white certificates allocated at 30 June 2020.

	30.06.2020	31.12.2019	30.06.2019
8 - Cash and cash equivalents	47,585	44,805	26,718

The table below shows the composition of cash and cash equivalents:

(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
Time deposits	7,000	7,000	7,000
Bank and postal accounts	40,578	37,795	19,683
Cash in hand and similar	7	10	35
Total	47,585	44,805	26,718

For the cash flow performance of the company, reference should be made to the half-year consolidated statement of cash flows.

EQUITY

	30.06.2020	31.12.2019	30.06.2019
9 - Group Equity	198,266	221,946	191,107

Equity at 30 June 2020 decreased on 31 December 2019 by Euro 23.7 thousand, mainly due to the profit for the period (Euro +13,986 thousand), the distribution of dividends (Euro -37,005 thousand), the change in the translation reserve (Euro -1,206 thousand) and the change in the IFRS 2 Reserve (Euro +524 thousand).
An analysis of the movements in consolidated equity is shown in the condensed consolidated half-year financial statements.
During the periods considered, non-controlling interest equity concerning the investment of the shareholder La Revet Spa in Vetro Revet Srl was 49%.

NON-CURRENT LIABILITIES

	30.06.2020	31.12.2019	30.06.2019
10 - Provisions for risks and charges	3,967	3,963	4,441

The table below shows the composition of the provisions for risks and charges:

(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
Agents' supplementary indemnity provision	237	237	224
Provision for contractual risks	885	885	1,035
Provision for industrial risks	1,606	1,612	2,214
Post-employment benefits provision	1,239	1,229	968
Total	3,967	3,963	4,441

	30.06.2020	31.12.2019	30.06.2019
11 – Post-employment benefits	4,414	4,299	4,561

The table below shows the movements in the provision in the periods considered:

(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
Balance at 1 January	4,299	4,529	4,529
Interest	238	153	153
Actuarial profit/(loss)	---	226	---
Payments	(123)	(609)	(121)
Provision at end of period	4,414	4,299	4,561

	30.06.2020	31.12.2019	30.06.2019
12 - Non-current loans and borrowings	137,214	123,710	103,832

The table below shows the composition of non-current loans and borrowings:

	(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
(A)	Unsecured loan, nominal value Euro 30 million, BNL, Euribor 3 months variable rate, maturity 22 June 2021, repayment by quarterly instalments in arrears	21,945	25,935	29,925
(B)	Unsecured loan, nominal value Euro 70 million, Unicredit / Mediobanca, Euribor 3 months variable rate, maturity 31 December 2020, repayment by half-yearly instalments	6,001	9,363	12,726
(C)	Unsecured loan, nominal value Euro 15 million, Banco di Brescia, Euribor 3 months variable rate, maturity 18 December 2019, repayment by half-yearly instalments in arrears	---	---	1,913
(D)	Unicredit Bank Austria AG loan, nominal value Euro 50 million, Euribor 3 months variable rate, maturity 27 December 2021, repayment by half-yearly instalments	---	---	37,906
(E)	Banca Intesa SpA loan, nominal value Euro 40 million, Euribor 3 months variable rate, maturity 31 December 2022, repayment by half-yearly instalments	27,092	31,368	35,644
(F)	Credit Agricole Friuladria SpA loan, nominal value Euro 10 million, Euribor 3 months variable rate, maturity 31 December 2023, repayment by half-yearly instalments	9,979	9,982	9,973
(G)	Banco BPM SpA loan, nominal value Euro 7 million, Euribor 3M variable rate, maturity 30 September 2024, repayment by quarterly instalments	6,983	6,985	---
(H)	Cassa Depositi e Prestiti subsidised loan, nominal value Euro 7,990 thousand, fixed subsidised rate, 10-year duration, repayment by half-yearly instalments	405	405	---
(I)	BNL loan, nominal value Euro 2,283 thousand, Euribor 6 months variable rate, 10-year duration linked to point (G) above, repayment by half-yearly instalments.	116	116	---
(L)	Unicredit SpA loan, nominal value Euro 60 million, Euribor 3 months variable rate, maturity 20 December 2024	56,838	59,820	---
(M)	BNL loan, nominal value Euro 10 million, Euribor 3 months variable rate, maturity 7 May 2025	9,980	---	---
(N)	Ubi Banca SpA loan, nominal value Euro 10 million, fixed rate, maturity 15 April 2023	9,997	---	---
(O)	Bper Banca SpA loan, nominal value Euro 10 million, Euribor 3 months variable rate, maturity 18 June 2025	9,975	---	---
(P)	BNL loan	555	1,944	1,947
(Q)	CRCA Loan	338	483	483
(R)	Zignago Vetro Polska SA finance leases	70	74	---
(S)	BNP Paribas Loan	379	485	485
(T)	BPI Paribas Loan	500	650	650
(U)	Societè Generale Loan	326	471	471
(V)	Casse D'Epargne Loan	274	417	417
(Z)	Vetro Revet Outstanding Loans	5,745	6,072	6,379
	Total non-current loans & borrowings	167,498	154,570	138,919
	Less current portion	(35,256)	(36,326)	(40,695)
	Lease liabilities (IFRS 16)	4,972	5,466	5,608
	Non-current portion	137,214	123,710	103,832

Financial payables of Euro 4,972 thousand concerning the leasing commitments undertaken by the Group are reported.

	30.06.2020	31.12.2019	30.06.2019
13 – Other non-current liabilities	1,876	1,876	2,145

The account includes at 30 June 2020 and 31 December and 30 June 2019 the deferred income recognised against the tax asset for investments in new machinery under Legislative Decree 91/2014, which is recognised to the income statement on the basis of the depreciation calculated on the investments.

CURRENT LIABILITIES

	30.06.2020	31.12.2019	30.06.2019
14 - Bank loans and borrowings Current portion	120,123	127,915	145,816

The table below shows the composition of bank payables and the current portion of non-current loans and borrowings:

(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
Loan advances	69,794	64,916	66,958
Advances on bank drafts	6,626	16,063	12,842
Current loans	7,125	9,659	23,572
Financial liabilities for fair value int. rates derivatives	1,322	951	1,749
Curent portion of non-current loans	35,256	36,326	40,695
Total	120,123	127,915	145,816

For further details on leases and non-current loans, the current portion of which is included under bank loans and borrowings, reference should be made to the paragraph *“Non-current loans and borrowings”*.

Reconciliation of financial liabilities deriving from loans

As required by IAS 7, the following table summarises the cash flows concerning financial and derivative liabilities arising in the year:

Account	**31 Dec 19**	**Cash flow**	**Non cash changes**		**30 Jun 20**
			Acquisition	**Other**	
Bank borrowings - non-current	123,710	13,624	---	(120)	137,214
Other non-current financial liabilities	1,876	---	---	---	1,876
Non-current financial liabilities (A)	125,586	13,624	---	(120)	139,090
Bank borrowings - current	36,326	(1,070)	---	---	35,256
Bank overdrafts on borrowings for anticipation effects	16,062	(2,031)	---	---	14,031
Other current financial liabilities	20,945	(506)	---	---	20,439
Current financial liabilities (B)	73,333	(3,607)	---	---	69,726
Financial liabilities (A) + (B)	198,919	10,017	---	(120)	208,816

Finance lease payables IFRS 16

Lease liabilities amount to Euro 4,972 thousand and are comprised as follows:

Lease liabilities (Euro/1000)	Balance at 30.06.2020
Current lease liabilities	1,029
Non-current lease liabilities	3,943
Total	4,972

The movement in lease liabilities in 2020 is presented in the following table:

(Euro/1000)	**Financial payables liabilities**
31/12/2019	5,466
Increases	120
Decreases	(498)
Financial Expense	(36)
Translation differences	(80)
Other movements	---
30/06/2020	4,972

Net financial position

The following table highlights the composition of the net financial debt at 30 June 2020, 31 December 2019 and 30 June 2019 in accordance with CONSOB communication No.DEM/6064293 of 28 July 2006:

(Euro thousands)

		30.06.2020	31.12.2019	30.06.2019
A. Cash		7	10	35
B. Other cash equivalents		47,578	44,795	26,683
C. Securities held for trading		---	---	---
D. Liquidity	(A) + (B) + (C)	47,585	44,805	26,718
E. Current financial assets		---	---	---
F. Current bank loans & borrowings		81,467	90,639	103,376
G. Current portion of non-current debt		37,334	36,326	40,695
H. Other current fin. payables (derivatives)		1,322	950	1,745
I. Current financial debt	(F) + (G) + (H)	120,123	127,915	145,816
J. Net current financial position	(I) - (E) - (D)	72,538	83,110	119,098
K. Non-current bank loans & borrowings		137,214	123,710	103,832
L. Bonds issued		---	---	---
M. Other non-current payables		---	---	---
N. Non-current financial debt	(K) + (L) + (M)	137,214	123,710	103,832
O. Net financial debt	(J) + (N)	209,752	206,820	222,930

	30.06.2020	31.12.2019	30.06.2019
15 - Trade and other payables	59,938	60,005	70,664

The table below shows the breakdown of trade payables by geographic area:

(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
Italy	49,740	48,497	59,223
E.U.	10,130	11,394	10,741
Other countries	68	114	700
Total	59,938	60,005	70,664

Included among trade payables are capital expenditure payables of Euro 6,941 thousand at 30 June 2020 (Euro 12,022 thousand at 30 June 2019).

	30.06.2020	31.12.2019	30.06.2019
16 – Other current liabilities	20,439	20,945	19,556

The table below shows the composition of “Other current liabilities”:

(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
Social security institutions	4,417	3,874	3,364
Employees and consultants withholding taxes	1,687	1,745	1,762
Employee payables	12,947	13,728	12,581
Advances from customers	188	---	464
Current portion of tax credit on Law 91/2014 investments	269	539	547
Other payables	312	828	440
VAT payables	619	231	398
Accruals and deferred income			
- employees	---	---	---
- interest	---	---	---
Total	20,439	20,945	19,556

	30.06.2020	31.12.2019	30.06.2019
17 - Current tax liabilities	2,396	1,257	3,193

Tax liabilities relate to income tax for the period for the Group Companies. The Parent Zignago Vetro SpA, where applicable, complied with the option exercised by its Parent Zignago Holding SpA in relation to the national fiscal consolidation.

NOTES TO THE MAIN INCOME STATEMENT ACCOUNTS

	H1 2020	H1 2019
18 - Revenues	148,518	160,232

The following table shows the breakdown of revenues by product line:

(Euro thousands)	H1 2020	H1 2019
Core business products	142,636	154,223
Various materials	1,441	1,278
Service revenue	1,391	1,743
Other revenues	3,050	2,988
Total	148,518	160,232

Further information on revenues is reported in the Directors' Report.
Revenues by region are outlined in the table below:

(Euro thousands)	H1 2020	H1 2019
Italy	86,154	92,762
E.U.	50,547	59,404
Other countries	11,817	8,066
Total	148,518	160,232

	H1 2020	H1 2019
19- Raw materials, consumables and goods	23,723	27,822

The table below shows the costs for raw materials, ancillaries, consumables and goods:

(Euro thousands)	H1 2020	H1 2019
Purchases	34,508	35,837
Change in inventories of raw materials ancillaries, consumables and finished goods	(2,791)	(4,815)
Changes in inventory of work-in-progress semi-finished and finished products	(7,994)	(3,200)
Total	23,723	27,822

	H1 2020	H1 2019
20 - Service costs	55,690	55,094

The following table shows service costs:

(Euro thousands)	H1 2020	H1 2019
Energy and industrial services	33,594	34,341
Transport and other trading costs	10,261	9,268
Conai contribution	2,265	1,913
Other costs	9,570	9,572
Total	55,690	55,094

	H1 2020	H1 2019
21 - Personnel expenses	35,278	36,598

The following table reports personnel expense:

(Euro thousands)	H1 2020	H1 2019
Wages and salaries	26,345	27,137
Social security charges	8,089	8,564
Post-employment benefits	844	897
Total	35,278	36,598

	H1 2020	H1 2019
22 - Amortisation & Depreciation	21,752	20,648

The following table reports amortisation & depreciation:

(Euro thousands)	H1 2020	H1 2019
Depreciation of fixed assets	21,442	20,633
Amortisation of intangible assets	310	15
Total	21,752	20,648

	H1 2020	H1 2019
23 - Financial expense	1,493	1,447

The following table shows financial expense:

(Euro thousands)	H1 2020	H1 2019
Interest on bank accounts	134	96
Loan interest	489	843
Financial charges on interest rate hedges	322	103
Effect of IRS valuation at fair value	548	381
Others	---	24
Total	1,493	1,447

	H1 2020	H1 2019
24 - Net unrealised exchange rate gains/(losses)	(1,864)	382

The following table breaks down exchange rate gains (losses), mainly stemming from the conversion into Euro of the loan granted by the parent Zignago Vetro Spa to the Polish subsidiary.

	H1 2020	H1 2019
25 - Income taxes	2,392	4,569

The table below shows the composition of the income taxes between deferred and current taxes:

(Euro thousands)	H1 2020	H1 2019
Current income taxes	2,723	3,561
Net deferred tax charge/(income)	(331)	1,008
Total	2,392	4,569

OTHER INFORMATION

Earnings per share

The share capital of Zignago Vetro SpA at 30 June 2020 consists of 88,000,000 ordinary shares with a par value of Euro 0.10 each, fully subscribed and paid-in.

As outlined on page 14, Zignago Vetro SpA, in execution of its buy-back programmes, at 30 June 2020 held a total of 308,975 treasury shares for a total value of Euro 1.09 million. In the first half of 2020 and until the date of the approval of the present half-year financial report, no purchases or sales of treasury shares were made.

Information is shown below concerning the results for the period and the calculation of the basic and diluted earnings per share:

	30.06.2020	30.06.2019
Profit attributed to ordinary shareholders of the Parent for the basic earnings and the diluted earnings per share (in Euro thousands)	13,986	22,432
Weighted average number of ordinary shares, including treasury shares, to calculate basic earnings per share	88,000,000	88,000,000
Weighted average number of treasury shares	(309,975)	(308,975)
Weighted average number of ordinary shares, excluding treasury shares, to calculate basic earnings per share	87,691,025	87,691,025
Earnings per share		
- basic, for profit attributed to the ordinary shareholders of the parent	0.159	0.256
- diluted, for profit attributed to the ordinary shareholders of the parent	0.159	0.256

The basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of the parent by the average weighted number of ordinary shares outstanding during the period, excluding the average weighted number of treasury shares.

No capital transactions which would have dilutive effects on the profits attributable to each share were noted.

Segment disclosure

Segment reporting which coincides with the various legal entities is provided below.
The information on the secondary segment (geographic area) is not significant in relation to the Group.
In particular, the Business Units identified are reported at pages 8 and 9.

The criteria applied for the identification of the segment reporting were based on, among other issues, the manner in which management directs the Group and attributes managerial responsibility.

The segment disclosure is provided below:

(Euro thousands)	H1 2020						
	Zignago Vetro SpA	Zignago Vetro Brosse	Zignago Vetro Polska	Zignago Glass USA	Vetro Revet	(Eliminations)	Consolidated
Revenues	115,838	16,730	22,159	534	3,276	(10,019)	148,518
Amort. & Deprec.	(15,548)	(1,850)	(3,915)	(2)	(226)	(211)	(21,752)
Operating Result	12,414	(4,186)	2,531	(23)	(53)	8,796	19,479
Net Result	21,830	(4,403)	230	(29)	(106)	(3,536)	13,986
Assets	433,187	53,123	73,298	284	12,149	(21,312)	550,729
Liabilities	316,407	33,407	48,098	1,005	11,643	(57,981)	352,579
Investments in:							
Intangible assets	1,996	81	3	---	12	---	2,092
Property, plant and equipment	154,136	17,037	48,814	11	8,221	850	229,069

(Euro thousands)	H1 2019						
	Zignago Vetro SpA	Zignago Vetro Brosse	Zignago Vetro Polska	Zignago Glass USA	Vetro Revet	(Eliminations)	Consolidated
Revenues	109,900	32,520	24,005	221	3,504	(9,918)	160,232
Amort. & Deprec.	14,106	2,606	3,531	2	232	171	20,648
Operating Result	12,399	4,378	1,905	(102)	(389)	9,580	27,771
Net Result	19,046	2,892	1,500	(107)	(454)	(445)	22,432
Assets	416,766	63,776	77,562	179	13,774	(24,658)	547,399
Liabilities	303,420	40,989	54,009	846	13,468	(56,080)	356,652
Investments in:							
Intangible assets	21	106	10	---	36	---	173
Property, plant and equipment	166,933	16,557	54,296	13	8,660	726	247,185

Related party transactions

In accordance with Consob letter 6064293 of 28 July 2006, related party transactions are reported below.
The table below shows the composition of the receivables of the Zignago Vetro Group with related party companies at the reporting date:

(Euro thousands)	Balance at 30.06.2020	Balance at 31.12.2019	Balance at 30.06.2019
Zignago Holding SpA	803	3,547	1,235
Santa Margherita SpA and its subsidiaries	786	849	1,351
Zignago Power Srl	116	249	238
Multitecno Srl	7	3	---
Zignago Servizi Srl	---	5	4
Total receivables from related parties	1,712	4,653	2,828

The receivables from Zignago Holding SpA relate to the repayment of taxes for previous years, in relation to the Group tax consolidation, while the receivables from Santa Margherita and its subsidiaries derive from commercial operations.

The table below shows the composition of the payables of the Zignago Vetro Group with related party companies at the balance sheet date:

(Euro thousands)	Balance at 30.06.2019	Balance at 31.12.2019	Balance at 30.06.2019
Zignago Holding SpA	94	82	41
Zignago Immobiliare Srl	29	39	19
Santa Margherita SpA and its subsidiaries	14	49	103
La Vecchia Scarl	52	132	48
Zignago Servizi Srl	584	537	513
Zignago Power Srl	864	1,586	1,382
Vetreco Srl	393	---	141
Multitecno Srl	---	---	10
Total payables to related parties	2,030	2,425	2,257

The payables to Zignago Immobiliare Srl, La Vecchia Scarl and Zignago Servizi Srl are related to services received.
The payables to Zignago Power Srl relate to the purchase of electricity.

The table below shows the composition of the revenues of the Zignago Vetro Group from related parties in the period:

(Euro thousands)	H1 2020	H1 2019
Santa Margherita SpA and its subsidiaries	1,958	2,443
Zignago Power Srl	292	395
Zignago Holding Spa	11	---
Zignago Servizi Srl	22	22
Multitecno Srl	17	---
Total revenues from related parties	2,300	2,838

The revenues from Santa Margherita and its subsidiaries derive from commercial operations. Zignago Power's revenues relate to an internal electricity supply agreement.

The table below shows the composition of the costs of the Zignago Vetro Group from related parties in the period:

(Euro thousands)	H1 2020	H1 2019
Zignago Holding SpA	238	200
Zignago Immobiliare Srl	71	92
Santa Margherita SpA and its subsidiaries	224	267
La Vecchia Scarl	228	193
Zignago Servizi Srl	1,457	1,288
Zignago Power Srl	4,311	2,431
Multitecno Srl	---	11
Vetreco Srl	2,117	1,713
Total costs from related parties	8,646	6,195

The costs in the first half of 2020 of Euro 2,117 thousand concerning Vetreco Srl relate to the purchase of scrap glass.

Stock option plan

The consolidated half-year financial statements at 30 June 2020 reflect the Stock Option Plan amounts, whose Regulation was approved by the Board of Directors of the company on 26 July 2019, which stipulates:
- that the options shall be exercised by the deadline of 31 December 2024
- a vesting period begins on the grant date and concludes on the maturity date
- The exercise price of these options is Euro 7.275 and permits the subscription to shares in the ratio of 1 ordinary share for each option exercised;
- The fair value of the Plan was estimated at the grant date using the Black-Scholes method, based on the following parameters:
- share price at the option assignment date of Euro 9.81;
- estimated life of the options equal to the period from the grant date to the estimated exercise date;
- forecast dividend yield 4%;
- unitary fair value Euro 2.07.

- At 30 June 2020, 1,320,000 options have been granted.
- The effect on the H1 2020 income statement amounts to Euro 524,621.

Management of capital

The share capital includes the shares and the equity attributable to owners of the parent.
The primary capital management objective of the Group is to guarantee the maintenance of a strong credit rating in order to support operations and to maximise value for shareholders.
In order to achieve this objective, the management of Group capital aims, among other matters, to ensure compliance with covenants, related to interest bearing loans, based on financial performance indicators. Breaches in the covenants would permit the banks to request immediate repayment of the loans. There were no breaches of the covenants in the current year in relation to interest bearing loans for any of the Group companies.

The Zignago Vetro Group has payables to financial intermediaries and has a financial debt position related to the business development plan. The high generation of operating cash flows enables Group Companies not only to repay existing loans, but also to guarantee an adequate dividend to Shareholders and pursue a growth strategy.
In this context, the Group, in order to maintain or amend the capital structure, may pay dividends to Shareholders, acquire treasury shares on the market or issue new shares.
No substantial amendments were made to these objectives, to policies or to processes in the first half of 2020 and 2019 or for the year 2019.

Risk management policies

The Group will continue to prudently manage risks in all departments with careful monitoring in order to identify, reduce and eliminate such risk, therefore extensively protecting shareholder interests.

Currency risk

The currency risk is the risk that the fair value or the future cash flows of a financial instrument are altered following changes in exchange rates.
The exposure of the Group to changes in exchange rates principally concerns the operating activities of the Group (when revenues and costs are denominated in a currency other than the presentation currency of the Group).
Where these transactions are significant, the Group Companies assess the possibility of undertaking currency hedges in order to mitigate these fluctuations. During the years presented, the Group has not undertaken exchange risk hedge transactions, as such transactions undertaken by the companies of the Group are not considered significant, with the exception of the Polish subsidiary which signed a forward contract in foreign currency in view of contingent and temporary requirements.

Credit and country risks

The credit risk represents the exposure of the Group to potential losses deriving from non-compliance with obligations by trading partners; this activity is subject to ongoing monitoring within the normal management of business operations, in order to minimise the exposure to “counterparty” credit risk, also utilising appropriate insurance instruments to protect the solvency of the client or of the country risk in which this latter operates.
The Group Companies constantly assess political, social and economic risks in the areas in which they operate. No significant cases of non-fulfilment by trading partners have occurred and no significant credit risk by individual area and/or client exists.
The Group in fact only deals with established and reliable clients. Customers that request extensions of payment are subject to a credit rating check. Moreover, the collection of receivables is monitored during the year so that the exposure to losses is not substantial. Finally, in the case of new clients operating in non-EU countries, the Group companies obtain letters of credit and advance payments.

Interest rate risk

The interest rate risk is a risk that the fair value for the future cash flows of a financial instrument alters due to changes in market interest rates. The Companies of the Group are exposed to the risk of fluctuations in interest rates principally in relation to the non-current bank loans and borrowings, negotiated at floating interest rates, and amount to Euro 167 million. Where these risks are considered significant, the Companies of the Group undertake interest rate swaps in order to convert the floating rate of the non-current loans into fixed rates, which reduces the impact of the fluctuations in interest rates
Therefore, the Parent undertook interest rate swaps in order to hedge the interest rate risk on medium-long term loans for a notional value of Euro 149 million.

The characteristics of the derivative contracts, their notional value and the market value at 30 June 2020, are as follows (in Euro):

Company	Bank	Underlying	Date of signing	Notional at reference date	Maturity	Market value at 30.06.2020
Zignago Vetro SpA	Unicredit	Loan	20/12/2019	57,000,000	20/12/2024	(442,414)
Zignago Vetro SpA	Mediobanca	Loan	21/01/2015	2,597,143	31/12/2020	(11,048)
Zignago Vetro SpA	Mediobanca	Loan	31/03/2015	3,462,857	31/12/2020	(14,731)
Zignago Vetro SpA	BPM	Loan	29/07/2019	7,000,000	30/06/2024	(26,308)
Zignago Vetro SpA	Intesa SanPaolo	Loan	13/02/2018	27,142,857	30/12/2022	(317,735)
Zignago Vetro SpA	Credit Agricole	Loan	27/12/2018	10,000,000	29/12/2023	(140,550)
Zignago Vetro SpA	BPER	Loan	18/06/2020	10,000,000	18/06/2025	(39,073)
Zignago Vetro SpA	BNL	Loan	06/05/2020	10,000,000	07/05/2025	(51,323)
Zignago Vetro SpA	BNL	Loan	26/05/2020	22,000,000	29/07/2023	(279,188)
Total				149,202,857		(1,322,370)

Liquidity risk

The Group monitors the risk of a deficiency in liquidity utilising liquidity planning instruments.
The Group objective is to maintain a balance between continuity of available funds, flexibility of utilisation through utilisation of instruments such as bank overdrafts, bank loans, finance leases and adequate remuneration of its liquidity, temporarily investing exclusively with banking counterparties.
In particular the profile of the financial liabilities at 30 June 2020, 31 December 2019 and 30 June 2019 on the basis of the non-discounted contractual payments, including trade payables and other current liabilities, is summarised as follows:

(Euro thousands)	2020				
30 June 2020	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Beyond	Total
Non-current loans and borrowings	---	---	137,214	---	137,214
Other non-current liabilities	---	---	1,876	---	1,876
Bank loans & borrowings and current portion of non-current loans & borrowings	15,867	102,934	1,322	---	120,123
Trade and other payables	59,938	---	---	---	59,938
Other current liabilities	20,439	---	---	---	20,439
Current income taxes	---	2,396	---	---	2,396
Total	96,244	105,330	140,412	---	341,986

(Euro thousands)	2019				
30 June 2019	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Beyond	Total
Non-current loans and borrowings	---	---	103,832	---	103,832
Other non-current liabilities	---	---	2,145	---	2,145
Bank loans & borrowings and current portion of non-current loans & borrowings	90,087	55,729		---	145,816
Trade and other payables	70,664	---	---	---	70,664
Other current liabilities	19,556	---	---	---	19,556
Current tax payables	---	3,193	---	---	3,193
Total	180,307	58,922	105,977	---	345,206

(Euro thousands)	2019				
31 December 2019	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Beyond	Total
Non-current loans and borrowings	---	---	123,710	---	123,710
Other non-current liabilities	---	---	1,876	---	1,876
Bank loans & borrowings and current portion of medium/long-term loans	29,479	97,486	950	---	127,915
Trade and other payables	60,005	---	---	---	60,005
Other current liabilities	20,945	---	---	---	20,945
Current tax payables	---	1,257	---	---	1,257
Total	110,429	98,743	126,536	---	335,708

The terms and conditions of financial liabilities are listed below:

- There is no interest on trade payables and they are normally paid at 60 days;
- Other payables are normally paid within the month following recognition.

Risks related to the fluctuation in energy prices

The Group is exposed to fluctuations in energy purchase costs, a significant cost component in the glass sector. Where this risk is considered as significant, hedging operations may be undertaken in order to convert the variable cost into a fixed cost, which reduces the impact of fluctuations.

The supply of energy at Fossalta di Portogruaro of the Parent has been guaranteed by Zignago Power Srl, a company wholly-owned by the parent Zignago Holding SpA., which started up a natural biomass energy production plant. The risk concerning energy cost fluctuation is therefore greatly reduced.

In 2020, the Parent also agreed supply contracts at fixed prices, in line with its production programmes.

In the first half of 2020, Zignago Vetro did not undertake any fuel hedging derivative contracts.

The exposure of the Group to the risk of fluctuations in energy prices is therefore considered marginal.

Support and subsidy measures

The ESMA recommends issuers to disclose in the notes the subsidy and support measures to which the entity has had access or intends to have access, outlining the conditions of eligibility and the relevant accounting standard (e.g. IAS 20, IAS 12, IFRS 16, etc.), providing the disclosures required by the relevant standard.

It is noted that at 30 June 2020, in view of the Covid-19 emergency, group companies did not have access to significant support and subsidy measures against the results for the period.

Significant non-recurring events or transactions arising from atypical and/or unusual transactions

There were no significant non-recurring atypical and/or unusual transactions for the period ended 30 June 2020 as defined by Consob Communication DEM/6064293.

Notes

Statement
as per Article 81-ter, CONSOB Regulation No. 11971/1999

STATEMENT

Statement of the Condensed Interim Consolidated Financial Statements as per Article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999 and subsequent modifications and integrations.

1) The undersigned Paolo Giacobbo, CEO, and Roberto Celot, Executive Officer for Financial Reporting of Zignago Vetro SpA, also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998 state:
   - the accuracy of the information on company operations and
   - the effective application,

   of the administrative and accounting procedures for the condensed interim consolidated financial statements for the period from 1 January to 30 June 2020.

2) No significant aspect emerged concerning the above. The adequacy of the administrative and accounting procedures for the compilation of the condensed consolidated half-year financial statements at 30 June 2020 was evaluated through an Internal Control System based on the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission which represents a standard framework generally accepted at international level.

3) We also declare that:

3.1) The condensed interim consolidated financial statements:

   a) are drawn up in conformity with the applicable international accounting standards endorsed by the European Union in conformity with Regulation (EC) No. 1606/2002 of the European Parliament and the Commission of 19 July 2002;
   b) correspond to the underlying accounting documents and records;
   c) provide a true and fair view of the financial position, financial performance and cash flows of the issuer and of the other companies in the consolidation scope.

3.2) The Directors' Report on operations includes a reliable analysis of the significant events in the first six months of the year and their impact on the condensed interim consolidated financial statements, with a description of the principal risks and uncertainties for the remaining six months. This Directors' Report also contains a reliable analysis of the significant transactions with related parties.

Fossalta di Portogruaro, 31 July 2020

Mr. Paolo Giacobbo
Chairman & Chief Executive Officer

Mr. Roberto Celot
Executive Officer for Financial Reporting

Independent
Auditors' Report
on the Condensed Interim
Consolidated Financial Statements

The attached auditors' report and the related condensed interim consolidated financial statements are in accordance with the original version in the Italian language filed at the registered office of Zignago Vetro SpA and published in accordance with law and, subsequent to this date, KPMG SpA has not undertaken any further audit work.

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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the Shareholders of
Zignago Vetro S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Zignago Vetro Group comprising the statement of financial position, income statement, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes thereto, as at and for the six months ended 30 June 2020. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Zignago Vetro Group as at and for the six months ended 30 June 2020 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Padua, 3 August 2020

KPMG S.p.A.

(signed on the original)

Silvia Di Francesco
Director of Audit

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