ZIGNAGO VETRO

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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.zignagovetro.com

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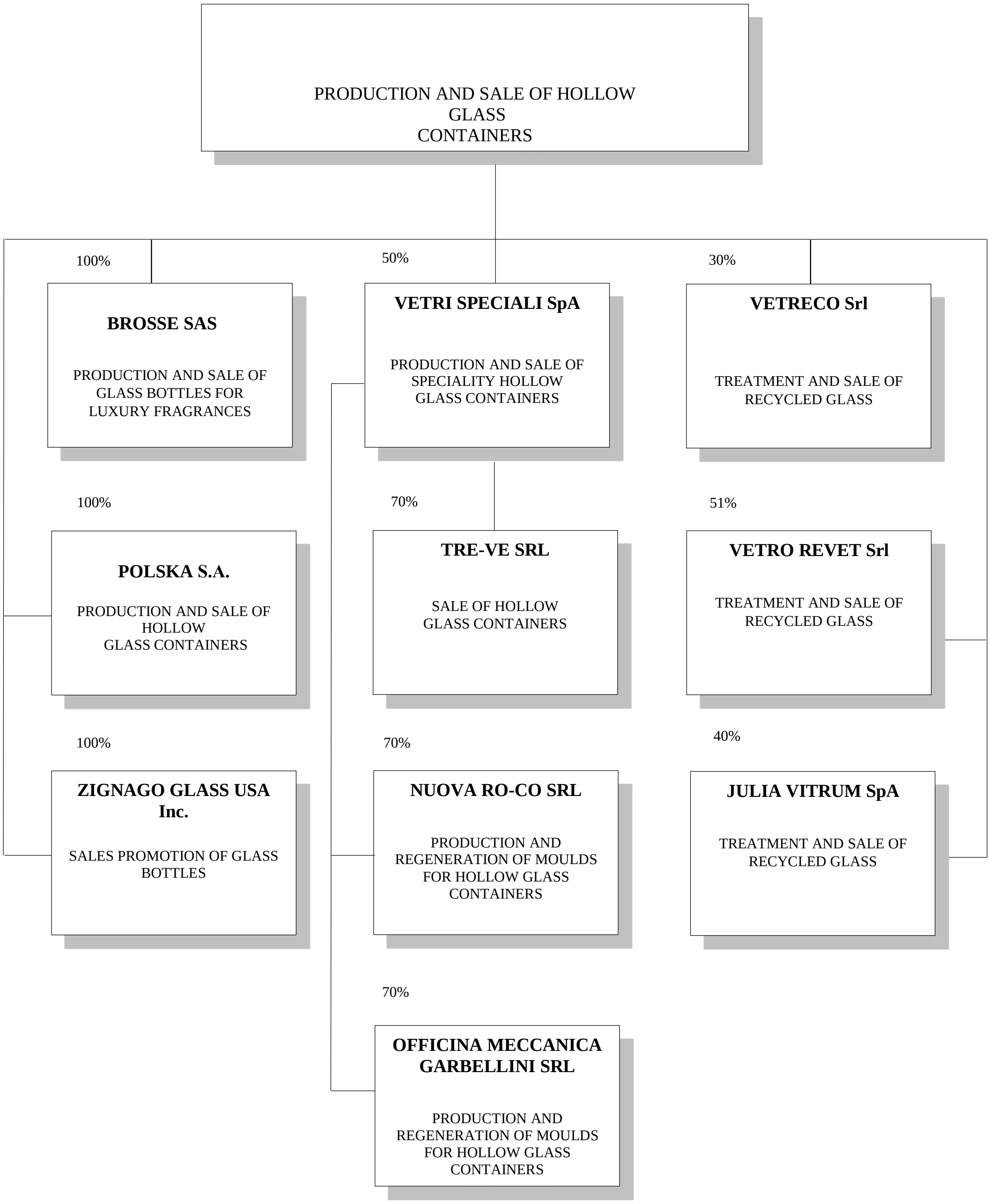
ZIGNAGO VETRO GROUP STRUCTURE

AT 27 APRIL 2021

ACTIVITIES AND SHAREHOLDINGS



COMPANY BODIES

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

chairman
Paolo Giacobbo

vice chairman
Nicolò Marzotto

chief executive officer
Roberto Cardini

directors
Alessia Antonelli
Ferdinando Businaro
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

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 utilises 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 Interim Report for the period ended 31 March 2021 and 2020, unaudited, was prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and approved by the European Union in accordance with Regulation No. 1606/2002 ("IFRS").

The Interim Report at 31 March 2021 is prepared in accordance with IAS 34 "Interim Reporting" and Article 154-ter of the CFA, following the summary form permitted under the standard. This Interim Report therefore does not include all the information published in the annual report and must be read together with the financial statements at 31 December 2020 for full and complete disclosure of the Group accounts.

In particular, the accounting principles adopted for the preparation of the Interim Report for the period ended 31 March 2021 and 2020 are the same as those utilised for the consolidated financial statements of the Zignago Vetro Group for the year ended 31 December 2020 and were applied consistently for all periods presented, except for the adoption of the new standards, amendments and interpretations approved by the IASB and approved for adoption in Europe and obligatory for accounting periods beginning 1 January 2021.

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 Consolidated Financial Statements to the Interim Report for the period ended 31 March 2021 and for the comparative financial statements at 31 March 2020 and the annual financial statements at 31 December 2020, the Group recognised the investments held in Vetri Speciali and Vetreco, which are classified as joint ventures, 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 Balance Sheet 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, liquidity and non-current loans and borrowings. 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 and the change in finished product, semi-finished product, and work-in-progress inventories and the internal production of fixed assets;
- <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 inventories and costs for outside services);
- <u>EBITDA:</u> the Company defines this as a difference between value added and payroll and employee benefit costs (including those of temporary workers), plus the result of the investments in joint ventures under the equity method. EBITDA is a measure utilised by the issuer to monitor and measure operating performance although not an accounting measure as per 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 Group's interim operating results;
- <u>EBIT:</u> the Company defines this as the difference between EBITDA and depreciation & amortisation of tangible assets plus provisions & write-downs, including allowance for bad debts;

- 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, grants, 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 this Interim Report, if not otherwise stated, are expressed in thousands of Euro in the financial statements and in millions of Euro in the Explanatory Notes, excepted where otherwise stated.

* * *

The Zignago Vetro Group, according to management's view, operates through five Business Units, each being a separate legal entity. Given this, information concerning the operating performance of the various operating and geographical segments (segment reporting under 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 Vetro Polska SA: this Business Unit undertakes the production of a wide range of customised products for cosmetic and perfumery containers and also for food and beverage niche markets worldwide;
- 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, spirits, vinegar and olive oil;

- Zignago Glass USA Inc.: this Business Unit carries out the sales promotion of glass containers for food and beverages and for cosmetics and perfumery on the American continent;

- Tre-Ve Srl: this Business Unit is engaged in the marketing of glass containers, mainly in Italy;

- 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;

- Nuova RO-CO Srl and Officina Meccanica Garbellini Srl: this Business Unit is engaged in the marketing and regeneration of glass container moulds.

The consolidation scope of the Zignago Vetro Group at 31 March 2021 is unchanged compared to 31 December 2020.
The companies consolidated using the line-by-line method are 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 SA
- 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.

Events in the first three months of 2021

Dividends distributed.

The Shareholders’ Meeting of Zignago Vetro SpA on 27 April 2021 approved the distribution of a dividend of Euro 0.36 per share, totalling Euro 31.569 million, with payment date 12 of May 2021.

Treasury shares.

On 27 April 2021, 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 28 April 2020 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 27 April 2021. 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 three months of 2021, no treasury shares were sold.

At 31 March 2021, the company still had in portfolio 308,975 treasury shares, corresponding to 0.35% of the share capital, purchased for Euro 1.09 million. In the first three months of 2021, no treasury shares were acquired.

Performance of the Zignago Vetro Group

In the first quarter of the year, the markets continued on the path to recovery initiated in the second half of 2020, following the dramatic impact that the COVID-19 pandemic had in 2020 on global markets - and even more so on people's lifestyles.

This trend is however still uneven among the various market sectors in which the Group operates. In fact, while demand linked to the food and beverages markets generally grew, particularly for products linked to large-scale retail distribution, recovery on those segments most directly affected by continued reduced mobility is still uncertain. Signs have also emerged however of growing confidence in the forthcoming reopening of these product segments - particularly perfumery and cosmetics - and the gradual recovery of normal conditions, with a consequent re-awakening of demand.

Consequently, the Group overall reports a strong increase in business volumes in the first quarter compared to the last quarter of 2020.

Although against the current economic climate, glass continues to prove to be an ever-more appreciated material among producers and consumers for its features of healthiness, sturdiness, conservability and recyclability.

Again in Q1 2021, all Group companies continued to operate as normal, with results generally improving.

All appropriate prevention and protection measures against the ongoing emergency remain in place. Furthermore, in the first quarter there were no significant impacts from the COVID-19 outbreak.

In order to better illustrate the performance, as previously stated, the figures are based on the "management view of the Group business", which provides for the proportional consolidation of joint ventures, as permitted by the accounting standards in force until 31 December 2013.

According to *"management's view"* therefore, **consolidated revenues** of the Zignago Vetro Group for the first quarter of 2021 amounted to Euro 110.2 million (+1.1% on the same period of the previous year: Euro 109.0 million).

Materials and external services, including changes in inventories and internal production of fixed assets, amounted to Euro 58.7 million compared to Euro 58.8 million in Q1 2020 (-0.2%), accounting for 53.3% of revenues compared to 54.0% in the same period of the previous year.

Personnel expense amounted to Euro 23.1 million, compared to Euro 23.6 million in Q1 2020 (-1.9%). The percentage on revenues decreased from 21.6% to 20.9%.

EBITDA was Euro 28.4 million (Euro 26.5 million in Q1 2020), up 6.9% on the same period of 2020. This is a 25.8% revenue margin, compared to 24.4% in the same period of 2020.

Consolidated EBIT amounts to Euro 14.7 million, up 17.7% on Euro 12.5 million for Q1 2020, with a 13.4% revenue margin (compared to 11.5%).

The **consolidated operating profit** in the first quarter of 2021 increased 19.3% on the same period of the previous year (Euro 15 million compared to Euro 12.5 million) - 13.6% margin compared to 11.5%.

Unrealised exchange rate differences concern the adjustment to the period-end exchange rate of the loan in Euro granted by Zignago Vetro to the subsidiary Zignago Vetro Polska SA.

The **consolidated net profit** was Euro 11.5 million, compared to Euro 7.5 million in the same period of 2020 (+53.2%). The margin was 10.4%. The tax-rate decreased from 21.9% in the first quarter of 2020 to 21.1% in the first quarter of 2021.

The **cash flow** generated from the net profit in the period and amortisation/depreciation amounted to Euro 24.8 million compared to Euro 21.1 million in the same period of the previous year (+17.8%).

The key data of the reclassified consolidated income statement of the Zignago Vetro Group in Q1 2021 and the previous year, prepared based on management's view as described previously, are reported below.

	Q1 2021		Q1 2020		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	110,193	100.0%	108,965	100.0%	1.1%
Changes in finished and semi-finished products and work in progress	601	0.5%	(2,167)	(2.0%)	n.a.
Internal production of fixed assets	181	0.2%	194	0.2%	(6.7%)
Value of production	110,975	100.7%	106,992	98.2%	3.7%
Cost of goods and services	(59,470)	(54.0%)	(56,862)	(52.2%)	4.6%
Value added	51,505	46.7%	50,130	46.0%	2.7%
Personnel expense	(23,130)	(20.9%)	(23,588)	(21.6%)	(1.9%)
EBITDA	28,375	25.8%	26,542	24.4%	6.9%
Amortisation & depreciation	(13,393)	(12.2%)	(13,606)	(12.5%)	(1.6%)
Accruals to provisions	(240)	(0.2%)	(407)	(0.4%)	(41.0%)
EBIT	14,742	13.4%	12,529	11.5%	17.7%
Net recurring non-operating income	219	0.2%	12	---	n.a.
Operating Profit	14,961	13.6%	12,541	11.5%	19.3%
Net financial expense	(259)	(0.3%)	(606)	(0.6%)	(57.3%)
Net exchange rate gains/(losses)	(216)	(0.2%)	(2,447)	(2.2%)	n.a.
Profit before taxes	14,486	13.1%	9,488	8.7%	52.7%
Income taxes *(Tax-rate Q1 2021: 21.1%)* *(Tax-rate Q1 2020: 21.9%)*	(3,057)	(2.8%)	(2,076)	(1.9%)	47.3%
(Profit) loss non-con. int.	23	---	65	0.1%	(64.6%)
Profit for the period	11,452	10.4%	7,477	6.9%	53.2%

The breakdown of **consolidated revenues** for Q1 2021 and 2020 are shown below:

(Euro thousands)	Q1 2021	Q1 2020	Change %
Zignago Vetro SpA	62,273	63,917	(2.6%)
Zignago Vetro Brosse SAS	10,581	11,989	(11.7%)
Zignago Polska SA	12,386	11,655	6.3%
Zignago Glass USA Inc.	212	154	37.7%
Vetri Speciali SpA	27,588	22,651	21.8%
Vetreco Srl	1,546	1,586	(2.5%)
Vetro Revet Srl	1,906	1,671	14.1%
Total aggregate	116,492	113,623	2.5%
Elimination inter-company revenues	(6,299)	(4,658)	35.2%
Total Consolidated	110,193	108,965	1.1%

Revenues breakdown by **geographic area**:

(Euro thousands)	Q1 2021	Q1 2020	Change %
Italy	77,984	72,949	6.9%
European Union (Italy excluded)	25,617	30,863	(17.0%)
Other segments	6,592	5,153	27.9%
Total	110,193	108,965	1.1%

Group revenues outside Italy amounted to Euro 32.2 million, compared to Euro 36.0 million in the first quarter of the previous year (-10.6%) and account for 29.2% of revenues (first quarter of 2019: 33.0%).

In detail:

(Euro thousands)	Q1 2021	Q1 2020	Change %
Zignago Vetro SpA	10,913	12,563	(13.1%)
Zignago Vetro Brosse SAS and its subsidiary	8,965	10,373	(13.6%)
Zignago Polska SA	7,076	8,700	(18.7%)
Vetri Speciali SpA	5,255	4,380	20.0%
Total Consolidated	32,209	36,016	(10.6%)

The **profit** in the first quarter of 2021 and 2020 was as follows:

(Euro thousands)	Q1 2021	Q1 2020	Change %
Zignago Vetro SpA	6,429	6,144	4.6%
Zignago Vetro Brosse SAS	(308)	(1,501)	(79.5%)
Zignago Polska SA	873	(952)	n.a.
Zignago Glass USA Inc.	(34)	(58)	(41.4%)
Vetri Speciali SpA	4,222	3,614	16.8%
Vetreco S.r.l.	224	257	(12.8%)
Vetro Revet S.r.l.	(46)	(133)	(65.4%)
Total aggregate	11,360	7,371	54.1%
Consolidation adjustments	69	41	
(Profit) loss non-con. int.	23	65	(64.6%)
Group Profit	11,452	7,477	53.2%

The key data of the **reclassified consolidated income statement** of the Zignago Vetro Group in Q1 2021, in application of IFRS 11 and compared with the same quarter of the previous year is illustrated below.

	Q1 2021		Q1 2020		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	81,411	100.0%	85,017	100.0%	(4.2%)
Changes in finished and semi-finished products and work in progress	1,069	1.3%	(2,127)	(2.5%)	n.a.
Internal production of fixed assets	173	0.2%	194	0.2%	(10.8%)
Value of production	82,653	101.5%	83,084	97.7%	(0.5%)
Cost of goods and services	(45,173)	(55.5%)	(45,795)	(53.8%)	(1.4%)
Value added	37,480	46.0%	37,289	43.9%	0.5%
Personnel expense	(17,429)	(21.4%)	(18,431)	(21.7%)	(5.4%)
Equity-accounted Joint Ventures	4,437	5.5%	3,864	4.5%	14.8%
EBITDA	24,488	30.1%	22,722	26.7%	7.8%
Amortisation & depreciation	(10,916)	(13.4%)	(11,154)	(13.1%)	(2.1%)
Accruals to provisions	(128)	(0.2%)	(222)	(0.2%)	(42.3%)
EBIT	13,444	16.5%	11,346	13.4%	18.5%
Net recurring non-operating income	70	0.1%	(61)	(0.1%)	n.a.
Operating Profit	13,514	16.6%	11,285	13.3%	19.8%
Net financial expense	(153)	(0.2%)	(509)	(0.6%)	(69.9%)
Net exchange rate gains/(losses)	(235)	(0.3%)	(2,448)	(2.9%)	n.a.
Profit before taxes	13,126	16.1%	8,328	9.8%	57.6%
Income taxes *(Tax-rate Q1 2021: 12.9%)* *(Tax-rate Q1 2020: 11.0%)*	(1,697)	(2.0%)	(916)	(1.1%)	85.3%
Profit (loss) non-con. int.	23	---	65	0.1%	(64.6%)
Profit for the period	11,452	14.1%	7,477	8.8%	53.2%

For a better understanding of the results for Q1 2021, stated in accordance with management's view, a reconciliation is provided below of the reclassified statement of profit and loss between the version which values the investments in joint ventures at equity and the version utilising the proportional consolidation method, as adopted by the Group until 31 December 2013.

		Proportional consolidation					
	Q1 2021 IAS/ IFRS	Vetri Speciali SpA	Vetreco Srl	Julia Vitrum Spa	Adjustment to Parent principles	Neutralisation JV using the equity criteria	Q1 2021 pre-IFRS 11 (management view)
	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.
Revenues	81,411	27,588	1,546	8	(360)	---	110,193
Changes in finished and semi-finished products and work in progress	1,069	(545)	77	---	---	---	601
Internal production of fixed assets	173	---	---	8	---	---	181
Value of production	82,653	27,043	1,623	16	(360)	---	110,975
Cost of goods and services	(45,173)	(13,602)	(1,046)	(9)	360	---	(59,470)
Value added	37,480	13,441	577	7	---	---	51,505
Personnel expense	(17,429)	(5,557)	(118)	(26)	---	---	(23,130)
Equity-accounted Joint ventures	4,437	---	---	---	---	(4,437)	---
EBITDA	24,488	7,884	459	(19)	---	(4,437)	28,375
Amortisation & Depreciation	(10,916)	(2,364)	(110)	(3)	---	---	(13,393)
Accruals to provisions	(128)	(112)	---	---	---	---	(240)
EBIT	13,444	5,408	349	(22)	---	(4,437)	14,742
Other income (charges)	70	149	---	---	---	---	219
Operating Profit	13,514	5,557	349	(22)	---	(4,437)	14,961
Net financial expense	(153)	(86)		10	---	---	(229)
Net exchange rate gains/(losses)	(235)	19	(30)	---	---	---	(246)
Profit before taxes	13,126	5,490	319	(12)	---	(4,437)	14,486
Income taxes IRAP	(1,697)	(1,268)	(95)	3	---	---	(3,057)
Group profit	11,429	4,222	224	(9)	---	(4,437)	11,429
(Profit) loss non-con. int.	23	---	---	---	---	---	23
Profit for the period	11,452	4,222	224	(9)	---	(4,437)	11,452

The **reclassified statement of financial position** of the Zignago Vetro Group at 31 March 2021, prepared according to management's view as described previously, is presented below in condensed form and compared with 31 March 2020 and 31 December 2020:

	31.03.2021		31.03.2020		31.12.2020	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	104,291		102,831		97,966	
Other receivables	21,044		18,697		19,038	
Inventories	120,059		107,439		119,063	
Current non-financial payables	(98,040)		(98,849)		(97,911)	
Payables on fixed assets	(9,209)		(6,754)		(10,874)	
A) Working capital	138,145	28.2%	123,364	26.5%	127,282	26.1%
Net tangible and intangible assets	312,652		308,860		319,029	
Goodwill	52,296		43,182		52,280	
Other equity investments and non-current assets	7,472		5,772		9,014	
Non-current provisions and non-financial payables	(19,850)		(15,410)		(20,392)	
B) Net fixed capital	352,570	71.8%	342,404	73.5%	359,931	73.9%
A+B= Net capital employed	490,715	100.0%	465,768	100.0%	487,213	100.0%
Financed by:						
Current loans and borrowings	123,916		145,747		129,738	
Cash and cash equivalents	(55,187)		(50,006)		(51,459)	
Current net debt	68,729	14.0%	95,741	20.6%	78,279	16.1%
Non-current loans and borrowings	180,720	36.8%	142,174	30.5%	178,914	36.7%
C) Net financial debt	249,449	50.8%	237,915	51.1%	257,193	52.8%
Opening equity	229,976		221,946		221,946	
Dividends	---		---		(37,005)	
Other equity changes	(183)		(1,441)		(592)	
Profit for the period	11,452		7,477		45,627	
D) Closing equity	241,245	49.2%	227,982	48.9%	229,976	47.2%
E) Non-controlling interest equity	21		(129)		44	
D+E Group Equity	241,266		227,853		230,020	
C+D +E= Total financial debt & equity	490,715	100.0%	465,768	100.0%	487,213	100.0%

Working capital increased at 31 March 2021 by Euro 14.8 million compared to 31 March 2020 and increased by Euro 10.9 million compared to 31 December 2020.
In comparison to 31 March 2020, trade receivables increased (Euro 1.5 million), as did other receivables (Euro 2.3 million) and inventories (Euro 12.6 million); current non-financial payables decreased (Euro 0.8 million) while payables on fixed assets increased (Euro 2.5 million).

The **net fixed capital** at 31 March 2021 decreased on 31 December 2020 (Euro 352.8 million compared to Euro 359.9 million: -2%), principally due to higher depreciation than investments in the period.

Zignago Vetro Group **capital expenditure** in the first quarter of 2021 totalled Euro 7 million (Euro 8.9 million in the first quarter of 2020). This related in particular to:

- for Euro 1.9 million (Euro 2.3 million in the same period of 2020), mainly for plant, machinery, and equipment and for the purchase of moulds;
- **Verreries Brosse SAS** for Euro 0.7 million for plant and industrial equipment, including moulds. In the first quarter of 2020, investments of Euro 1.2 million were made;
- **Zignago Polska S.A**. for Euro 1.3 million, gross of the exchange rate effect of approx. Euro 1 million, principally for the completion of plant interventions; in the first quarter of 2020, investments of Euro 1.4 million were made;
- **Vetri Speciali SpA** (for its share) for Euro 1.3 million for interventions on industrial plant and equipment, including moulds and pallets (Euro 3.7 million in Q1 2020);
- Vetro Revet Srl (for its share) of Euro 0.2 million (Euro 0.1 million in 2020), principally for production facility works;
- **Vetreco S.r.l.** (for its share) for Euro 0.1 million (Euro 0.1 million in 2020), for the extension and improvement of plant.
- **Julia Vitrum SpA** (for its share) for Euro 2.6 million (Euro 0.1 million in 2020) concerning the construction on the new production facility.

Consolidated equity, inclusive of the profit for the period, amounted to Euro 241.2 million (31 December 2020: Euro 230.0 million). The increase of Euro 11.3 million is mainly due to the consolidated profit for the period (Euro 11.5 million) and other changes (Euro -0.2 million).

The **net financial debt** at 31 March 2021 was Euro 249.4 million, decreasing Euro 7.7 million on 31 December 2020 and increasing Euro 11.5 million on 31 March 2020.

The **cash flow movements** affecting the consolidated net financial position in Q1 2021 and 2020 and in the previous full year, based on management's view, were as follows:

(Euro thousands)	31 March 2021	31 March 2020	31 December 2020
Net financial debt at end of preceding period	**(257,193)**	**(251,410)**	**(251,410)**
Self-financing:			
- profit for the period	11,452	7,477	45,627
- amortisation & depreciation	13,393	13,606	51,722
- net accruals to provisions (utilisations)	(542)	214	5,196
- net gain (loss) on sale of property, plant & equipment	(3)	54	64
	24,300	21,351	102,609
(Increase) decrease in working capital	(9,198)	3,455	(1,461)
Investments in property, plant and equipment	(8,681)	(10,246)	(44,274)
Investments in intangible assets	(16)	---	(52)
Net decrease (increase) of other medium/long term assets	1,542	(299)	(7,852)
Realisable value of property, plant and equipment sold	3	740	822
	(16,350)	(6,350)	(52,817)
Free cash flow	**7,950**	**15,001**	**49,792**
Distribution of dividends	---	---	(37,005)
Vetri Speciali: acquisition of investments	---	---	(12,351)
IFRS 16	---	---	(5,735)
Effect on equity of translation of foreign currency financial statements & other changes	(206)	(1,506)	(484)
	(206)	(1,506)	(55,575)
Decrease (increase) of net financial debt	**7,744**	**13,495**	**(5,783)**
Net financial debt at end of period	**(249,449)**	**(237,915)**	**(257,193)**

The table below shows the composition of the consolidated net financial position at 31 March 2021, compared to 31 March 2020 and 31 December 2020, calculated as per IFRS 11.

(Euro thousands)	31.03.2021	31.03.2020	31.12.2020
A. Cash on hand	5	14	7
B. Other cash equivalents	46,863	48,302	50,147
C. Securities held for trading			
D. Liquidity (A) + (B) + (C)	**46,868**	**48,316**	**50,154**
E. Current financial assets	---	---	---
F. Current bank loans & borrowings	54,899	81,258	64,161
G. Current portion of non-current debt	40,762	38,118	38,482
H. Other current financial payables (derivatives)	1,181	1,127	1,372
I. Current financial debt (F)+(G)+(H)	**96,842**	**120,503**	**104,015**
J. Net current financial debt (I)-(E)-(D)	**49,974**	**72,187**	**53,861**
K. Non-current loans and borrowings	143,892	120,177	146,049
L. Bonds issued	---	---	---
M Other non-current liabilities	---	---	---
N. Non-current financial debt (K)+(L)+(M)	**143,892**	**120,177**	**146,049**
O Net financial debt (J)+(N)	**193,866**	**192,364**	**199,910**

The **reclassified statement of financial position** of the Zignago Vetro Group at 31 March 2020 according to IFRS in force, including the effects of applying IFRS 11, compared to 31 March and 31 December 2020 is shown below:

	31.03.2021		31.03.2020		31.12.2020	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	82,131		81,206		75,695	
Other receivables	16,878		16,207		15,101	
Inventories	97,439		87,452		95,777	
Current non-financial payables	(74,454)		(77,545)		(72,722)	
Payables on fixed assets	(6,303)		(3,880)		(8,060)	
A) Working capital	115,691	26.6%	103,440	24.6%	105,791	24.6%
Net tangible and intangible assets	227,026		234,453		234,796	
Goodwill	2,678		2,692		2,691	
Equity investments measured using the equity method	94,231		86,899		89,763	
Other equity investments and non-current assets	6,815		5,157		8,169	
Non-current provisions and non-financial payables	(11,309)		(12,424)		(11,280)	
B) Net fixed capital	319,441	73.4%	316,777	75.4%	324,139	75.4%
A+B= Net capital employed	435,132	100.0%	420,217	100.0%	429,930	100.0%
Financed by:						
Current loans and borrowings	96,822		120,503		104,015	
Cash and cash equivalents	(46,848)		(48,316)		(50,154)	
Current net debt	49,974	11.5%	72,187	17.2%	53,861	12.5%
Non-current loans and borrowings	143,892	33.1%	120,177	28.6%	146,049	34.0%
C) Net financial debt	193,866	44.6%	192,364	45.8%	199,910	46.5%
Opening equity	229,976		221,946		221,946	
Dividends	---		---		(37,005)	
Other equity changes	(183)		(1,441)		(592)	
Profit for the period	11,452		7,477		45,627	
D) Closing equity	241,245	55.4%	227,982	54.3%	229,976	53.5%
E) Closing non-controlling interest equity	21	0.0%	(129)	n.a.	44	0.0%
D)+E) Consolidated Group equity	241,266	55.4%	227,853	54.2%	230,020	53.5%
C+D+E = Total financial debt & equity	435,132	100.0%	420,217	100.0%	429,930	100.0%

For a better understanding of the statement of financial position of the Zignago Vetro Group at 31 March, 2021, stated in accordance with management's view, a reconciliation is provided below of the version which values the investments in joint ventures at equity and the version utilising the proportional consolidation method, as adopted by the Group until 31 December 2013.

		Proportional consolidation					
	31.03.2021 IAS/IFRS	Vetri Speciali SpA	Vetreco Srl	Julia Vitrum Spa	Adjustment to Parent principles	Neutralisation JV using the equity criteria	31.03.2021 pre-IFRS 11 (management view)
	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.
Trade receivables	82,131	22,113	222	8	(183)	---	104,291
Other receivables	16,878	2,109	806	1,251	---	---	21,044
Inventories	97,439	22,204	416	---	---	---	120,059
Current non-financial payables	(74,454)	(22,838)	(658)	(273)	183	---	(98,040)
Payables on fixed assets	(6,303)	(554)	---	(2,352)	---	---	(9,209)
A) Working capital	115,691	23,034	786	(1,366)	---	---	138,145
Net tangible and intangible assets	227,026	72,364	5,692	7,570	---	---	312,652
Goodwill	2,678	49,618	---	---	---	---	52,296
Equity investments measured using the equity method	94,231	---	---	---	---	(94,231)	---
Other equity investments and non-current assets	6,815	650	7	---	---	---	7,472
Non-current provisions and non-financial payables	(11,309)	(8,515)	(26)	---	---	---	(19,850)
B) Net fixed capital	319,441	114,117	5,673	7,570	---	(94,231)	352,570
A+B= Net capital employed	435,132	137,151	6,459	6,204	---	(94,231)	490,715
Financed by:							
Current loans and borrowings	96,822	23,905	1,192	1,997	---	---	123,916
Cash and cash equivalents	(46,848)	(7,715)	(149)	(475)	---	---	(55,187)
Current net debt	49,974	16,190	1,043	1,522	---	---	68,729
Non-current loans and borrowings	143,892	29,134	3,676	4,018	---	---	180,720
C) Net financial debt	193,866	45,324	4,719	5,540	---	---	249,449
Opening equity	229,976	87,576	1,516	671	---	(89,763)	229,976
Dividends	---	---	---	---	---	---	---
Other equity changes	(183)	29	---	2	---	(31)	(183)
Profit for the period	11,452	4,222	224	(9)	---	(4,437)	11,452
D) Closing equity	241,245	91,827	1,740	664	---	(94,231)	241,245
E) Non-controlling interest equity	21	---	---	---	---	---	21
D)+E) Group Equity	241,266	91,827	1,740	664	---	(94,231)	241,266
C+D+E = Total financial debt and & equity	435,132	137,151	6,459	6,204	---	(94,231)	490,715

The Group **workforce** at 31 March 2021 numbered 2,573, compared to 2,602 at 31 March 2020 and 2,560 at 31 December 2020. The employees of Vetri Speciali SpA and Vetreco Srl have been included 100%.

Research, development and advertising costs

The companies of the Zignago Vetro Group undertook research and development focused on 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.
Zignago Vetro SpA 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, Zignago Vetro SpA avails 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 quarter of 2021, 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.

Financial instruments: Group objectives & policies and description of risks

With regards to No. 6 *bis* of paragraph 3 of Article 2428 of the Civil Code, the main financial instruments used by the Zignago Vetro Group consist of trade receivables and payables, cash & cash equivalents, bank borrowings and interest rate swap contracts. The exchange risk is not currently considered significant.

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.

The Zignago Vetro SpA Group had undertaken at 31 March 2021 Interest Rate Swaps in order to hedge the interest rate risk on medium-long term loans undertaken by Zignago Vetro SpA.. The mark to market of these derivatives at 31 March 2021 were as follows (in Euro):

Company	Bank	Underlying	Date of Signing	Notional at reference date	Expiry	Market value at 31.03.2021
Zignago Vetro SpA	Unicredit	Loan	20/12/2019	54,000,000	20/12/2024	(395,429)
Zignago Vetro SpA	BPER	Loan	18/06/2020	9,014,204	18/06/2025	(44,132)
Zignago Vetro SpA	BNL	Loan	29/01/2018	20,000,000	29/07/2023	(203,733)
Zignago Vetro SpA	BNL	Loan	06/05/2020	8,571,429	07/05/2025	(59,726)
Zignago Vetro SpA	Intesa SanPaolo	Loan	13/12/2018	22,857,143	30/12/2022	(269,130)
Zignago Vetro SpA	Intesa SanPaolo	Loan	06/08/2020	22,500,000	05/08/2025	(72,863)
Zignago Vetro SpA	Credit Agricole Friuladria	Loan	27/12/2018	10,000,000	29/12/2023	(111,516)
Zignago Vetro SpA	Banco BPM	Loan	29/07/2019	6,253,333	30/06/2024	(24,678)
Total				153,196,110		(1,181,206)

The above-mentioned transactions were undertaken for hedging purposes and provide for the payment of a fixed interest rate against the receipt of a variable interest rate. However, these transactions do not comply with all the requirements of IFRS to qualify for hedge accounting. Therefore, the Zignago Vetro Group does not use the so-called hedge accounting method and records the economic effects of hedging directly to the income statement.

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 also that most are insured. Allowance for impairment debts has in any case been made to cover against any residual credit risks. We specify that such allowance was 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.
The currency risk is currently not considered significant, as transactions are almost exclusively carried out in Euro.

In relation to the currency risk, the Group did not subscribe to any currency hedging instruments and, in accordance with the Group policy to date, derivative financial instruments are not taken out for trading purposes. Therefore, the Zignago Vetro Group remains exposed to the currency risk on the assets and liabilities in foreign currencies at year-end, which is not considered significant. A number of subsidiaries of the Zignago Vetro Group are located in countries not within the Eurozone: the United States and Poland. As the Zignago Vetro 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. Where considered appropriate, in order to neutralise the price effect, the Company undertook hedging transactions through the use of derivative financial instruments.
At 31 March 2021, Zignago Vetro SpA did not have any commodity swap contracts to hedge against fluctuations in energy factors.

The Zignago Vetro Group’s present reference market does not involve 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, it is considered, based on the strong profitability, on the Group’s solid balance sheet and in spite of the current economic environment, that there are no uncertainties or risks on the going concern of the business.

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.

Reconciliation between the Group and Zignago Vetro SpA result and equity

The reconciliation of the equity and profit of Zignago Vetro SpA and the consolidated accounts at 31 March 2021, are disclosed below as per Consob communication No. DEM/6064293 of 28 July 2006.

* * *

(Euro thousands)	2021	
	Net profit/(loss) Q1 2021	Equity 31.03.2021
Financial statements of the Parent	6,429	143,358
Consolidation adjustments:		
- interests in joint ventures measured using equity method	4,437	67,352
- reversal of inter-group dividends	---	
- reversal of inter-company Profit	74	(190)
- goodwill on acquisition of HSC SA and adjustment to year-end exchange rate	---	661
- consolidation effect of the investee Vetro Revet	---	1,254
- IFRS 16	(1)	(28)
- Loan HSC	5	(127)
	4,515	**68,922**
Carrying amount of equity investments:		
Zignago Vetro Brosse SAS	---	(4,000)
Zignago Glass USA Inc.	---	(189)
Zignago Vetro Polska Sa	---	(10,327)
Vetro Revet Srl	---	(3,030)
	---	**(17,546)**
Profit/(loss) and equity of the subsidiaries:		
Zignago Vetro Brosse SAS	(308)	19,983
Zignago Glass USA Inc.	(34)	(794)
Zignago Vetro Polska Sa	873	26,536
Vetro Revet Srl	(46)	786
	485	**46,511**
(Profit) loss non-con. int.	**23**	**21**
Consolidated Financial Statements	**11,452**	**241,266**

In the following pages we review and comment upon the results of the Parent and of individual subsidiaries.

For greater clarity the operating results and statement of financial position of Zignago Vetro SpA and its subsidiaries are presented according to the contribution of each of them to the Interim Financial Report at 31 March 2021. They are shown according to normal reporting practices.

THE COMPANY

In Q1 2021, the continued restrictions to contain the COVID-19 pandemic again shaped global Beverage and Food consumption, impacting in particular operators with a greater focus on Ho.Re.Ca channel products.. On the other hand, product ranges centring on large scale retail and online trade continue to perform well, particularly jars and bottles for foodstuffs. Although this environment continues to present difficulties, a recovery appeared to emerge and strengthen during the quarter, thanks also to the new found confidence of many operators, driven also by the initial benefits from vaccinations and the easing of restrictions in certain regions.

The global Cosmetic and Perfumery markets continued to be significantly impacted by the pandemic and continue to maintain prudency in their recovery. The continuous changes to mobility instructions in fact have not allowed for a solid and even recovery in demand, although clear signs have emerged that operators are preparing ahead of the reopening of retail. In this regard, in fact, new perfume launches resumed, particularly in the premium segment. For Cosmetics, the skincare segment saw strong demand levels, less impacted by the current social mixing restrictions.

The **reclassified income statement** of Zignago Vetro SpA for the first quarter of 2021 compared to the same period of the previous year is shown below:

	Q1 2021		Q1 2020		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	62,273	100.0%	63,917	100.0%	(2.6%)
Changes in finished and semi-finished products and work in progress	1,264	2.0%	(2,024)	(3.2%)	n.a.
Internal Works	108	0.2%	---	--	n.a.
Value of production	63,645	102.2%	61,893	96.8%	2.8%
Cost of goods and services	(37,628)	(60.4%)	(35,593)	(55.7%)	5.7%
Value added	26,017	41.8%	26,300	41.1%	(1.1%)
Personnel expense	(10,722)	(17.2%)	(10,726)	(16.7%)	---
EBITDA	15,295	24.6%	15,574	24.4%	(1.8%)
Amortisation & depreciation	(7,602)	(12.2%)	(7,772)	(12.2%)	(2.2%)
Accruals to provisions	(60)	(0.1%)	(60)	(0.1%)	---
EBIT	7,633	12.3%	7,742	12.1%	(1.4%)
Net recurring non-operating income	70	0.1%	41	0.1%	70.7%
EBIT	7,703	12.4%	7,783	12.2%	(1.0%)
Investment income	---	---	---	---	n.a.
Net financial expense	120	0.2%	(208)	(0.3%)	n.a.
Net exchange rate gains/(losses)	27	---	16	---	68.8%
Profit before taxes	7,850	12.6%	7,591	11.9%	3.4%
Income taxes *(Tax-rate Q1 2021: 18.1%)* *(Tax-rate Q1 2020: 19.1%)*	(1,421)	(2.3%)	(1,447)	(2.3%)	(1.8%)
Profit for the period	6,429	10.3%	6,144	9.6%	4.6%

Revenues in the first three months of 2021 amounted to Euro 62.3 million (-2.6% compared to the first quarter of the previous year: Euro 63.9 million). Sales of glass containers and accessories (the latter referring to Zignago Vetro SpA's services on the market) amounted to Euro 59.2 million (-3.2% on Euro 61.2 million in Q1 2020).

Exports in the quarter, as shown in the following table, decreased by 10.9% on Q1 2020, representing 19.0% of revenues from containers and accessories (20.6% in 2020).

Revenues by geographic area, excluding sundry materials and services:

(Euro thousands)	Q1 2021	Q1 2020	Change %
Italy	48,003	48,595	(1.2%)
European Union (Italy excluded)	7,829	8,759	(10.6%)
Other segments	3,403	3,851	(11.6%)
Total	59,235	61,205	(3.2%)
of which export	11,232	12,610	(10.9%)
%	19.0%	20.6%	

The percentage of raw material and service costs on revenues, including changes in inventories, decreased in the quarter from 58.9% to 58.2%.

Personnel expense remained unchanged in Q1 2021 compared to the same period of 2020, accounting for 17.2% of revenue (compared to 16.7%).

EBITDA was Euro 15.3 million, decreasing 1.8% on Euro 15.6 million for the same period of 2020, mainly due to the lower sales volumes. This was a 24.6% revenue margin (24.4% in the same period of 2020).

EBIT in Q1 2021 reduced 1.4% on Q1 2020 (Euro 7.6 million compared to Euro 7.7 million), with a revenue margin of 12.3% (12.1% in 2020).

The profit before taxes in Q1 2021 of Euro 7.9 million (Euro 7.6 million in the first quarter of 2020; +3.4%) constituted a 12.6% revenue margin.

The tax-rate was 18.1% for Q1 2021 (19% in Q1 2020) and benefitted from the tax incentives introduced on high technological content investment.

The Q1 2021 profit amounted to Euro 6.4 million, rising 4.6% on Euro 6.1 million in Q1 2020, with revenue margins respectively of 10.3% and 9.6%.

The cash flow generated from profit and depreciation/amortisation in Q1 2021 amounted to Euro 14 million, compared to Euro 13.9 million in Q1 2020 (+1%), 22.5% of revenues compared to 21.8%.

The **reclassified statement of financial position** of Zignago Vetro SpA at 31 March 2021 and 2020 and 31 December 2020 was as follows:

	31.03.2021		31.03.2020		31.12.2020	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	68,063		65,531		62,939	
Other receivables	11,449		11,612		10,716	
Inventories	68,289		58,513		66,954	
Current non-financial payables	(63,172)		(61,710)		(60,963)	
Payables on fixed assets	(4,038)		(2,800)		(5,227)	
A) Working capital	80,591	29.6%	71,146	26.5%	74,419	27.4%
Net tangible and intangible assets	151,913		160,167		157,602	
Equity investments	44,425		44,425		44,425	
Other equity investments and non-current assets	3,930		2,812		3,999	
Non-current provisions and non-financial payables	(8,552)		(9,580)		(8,557)	
B) Net fixed capital	191,716	70.4%	197,824	73.5%	197,469	72.6%
A+B= Net capital employed	272,307	100.0%	268,970	100.0%	271,888	100.0%
Financed by:						
Current loans and borrowings	79,019		106,187		85,216	
Cash and cash equivalents	(84,896)		(86,573)		(88,868)	
Current net debt	(5,877)	(2.2%)	19,614	7.3%	(3,652)	(1.3%)
Non-current loans and borrowings	134,826	49.5%	111,519	41.5%	138,873	51.1%
C) Net financial debt	128,949	47.4%	131,133	48.8%	135,221	49.7%
Opening equity	136,667		131,431		131,431	
Dividends	---		---		(37,005)	
Profit for the period	6,429		6,144		41,177	
Other changes	262		262		1,064	
D) Closing equity	143,358	52.6%	137,837	51.2%	136,667	50.3%
C+D = Total financial debt and equity	272,307	100.0%	268,970	100.0%	271,888	100.0%

Compared to 31 December 2020, working capital at 31 March increased (Euro 6.2 million), on the basis of higher inventories (Euro 1.3 million), higher trade receivables (Euro 5.2 million), with payables on fixed assets decreasing (Euro 1.2 million) and current non-financial payables increasing (Euro 2.2 million).

Working capital at 31 March 2021 increased Euro 9.4 million on 31 March 2020 (+13.3%), principally due to higher trade receivables (Euro 2.5 million), higher inventories (Euro 9.8 million) and higher current non-financial payables (Euro 1.5 million) and payables on fixed assets (Euro 1.2 million).

Net fixed capital at 31 March 2021 decreased by Euro 6.1 million compared to 31 March 2020, while decreasing Euro 5.8 million compared to 31 December 2020.

Net capital employed at 31 March 2021 increased by Euro 3.3 million compared to 31 March 2020 and Euro 0.4 million compared to 31 December 2020.

Equity at 31 March 2021 increased Euro 6.7 million on 31 December 2020, mainly due to the profit for the first quarter (Euro 6.4 million).

The net financial debt, taking account of the above-stated movements, at 31 March 2021 amounted to Euro 128.9 million, a decrease of Euro 2.2 million compared to Euro 131.1 million at 31 March 2020 and of Euro 6.3 million compared to Euro 135.2 million at 31 December 2020.

The average number of employees of the Company at 31 March 2021 was 680. At 31 December 2020, they numbered 688 (at 31 March 2020, 684 personnel).

The generally encouraging signs emerging in the first quarter indicate the substantial strength of demand in the company's sectors and a confidence among operators in the recovery of consumption, as the difficulties linked to the pandemic gradually eased.

Consequently, it is expected that in the coming quarters the recovery of the company's markets shall accelerate, with consequent benefits on sales volumes and margins.

THE CONSOLIDATED SUBSIDIARIES

Zignago Vetro Brosse SAS

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

Chairman:	Maurizio Guseo
General Manager:	Celine Riviere
"Comité de Direction"	Roberto Cardini
	Roberto Celot
	Alberto Faggion
	Paolo Giacobbo
	Nicolò Marzotto
	Michele Pezza
	Sergio Pregliasco

In Q1 2021, global luxury cosmetic and perfumery container demand report signs of improvement, mainly due to restocking among the major players. Sales on the main distribution channels continue to be impacted by mobility restrictions. Despite this, it is considered that the initial signs of recovery in demand are emerging and is particularly evident in the resumption of new product launches by operators.

The Carafes market for luxury spirits remains subdued.

In this environment, Zignago Vetro Brosse revenues were up 17% on Q1 2020.

The **consolidated reclassified income statement of Zignago Vetro Brosse SAS** in the first quarter of 2021 compared to the same period in the previous year is shown below:

	Q1 2021		Q1 2020		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	10,581	100.0%	11,989	100.0%	(11.7%)
Change in finished and semi-finished products and work in progress	(1,200)	(11.4%)	(1,350)	(11.3%)	(11.1%)
Value of production	9,381	88.6%	10,639	88.7%	(11.8%)
Cost of goods and service	(5,101)	(48.2%)	(6,610)	(55.1%)	(22.8%)
Value added	4,280	40.4%	4,029	33.6%	6.2%
Personnel expense	(3,389)	(32.0%)	(4,431)	(37.0%)	(23.5%)
EBTIDA	891	8.4%	(402)	(3.4%)	n.a.
Amortisation & Depreciation	(1,050)	(9.9%)	(1,178)	(9.8%)	(10.9%)
Accruals to provisions	(65)	(0.6%)	(153)	(1.3%)	(57.5%)
EBIT	(224)	(2.1%)	(1,733)	(14.5%)	(87.1%)
Net recurring non-operating income	4	---	6	0.1%	(33.3%)
Operating Profit/(loss)	(220)	(2.1%)	(1,727)	(14.4%)	(87.3%)
Net financial expense	(73)	(0.7%)	(69)	(0.6%)	5.8%
Profit/(loss) before taxes	(293)	(2.8%)	(1,796)	(15.0%)	(83.7%)
Income taxes *(Tax-rate Q1 2021: n.a.%)* *(Tax-rate Q1 2020: n.a.%)*	(15)	(0.1%)	295	2.5%	n.a.
Profit/(loss) for the period	(308)	(2.9%)	(1,501)	(12.5%)	(79.5%)

Net consolidated revenues amounted to Euro 10.6 million, a decrease of 11.7% on Q1 2020 (Euro 12.0 million).

Revenue by region

(Euro thousands)	Q1 2021	Q1 2020	change %
Italy	1,616	1,616	0.0%
European Union	8,454	9,866	(14.3%)
Other areas	511	507	0.8%
Total	10,581	11,989	(11.7%)

The raw material and service costs, including inventory changes, in the first three months of the year amounted to 59.6% of revenues, compared to 66.4% in the same period of the previous year.

Personnel expense in Q1 2021 decreased 23.5% on Q1 2020. They accounted for 32% of revenues compared to 37% in Q1 2020.

EBITDA in the period of Euro 0.9 million compared to an EBITDA loss of Euro 0.4 million in the same period of 2020 (8.4% margin).

Q1 2021 reports an operating loss of Euro 0.2 million, compared to a loss of Euro 1.7 million in the first quarter of the previous year.

The net result in Q1 2021 was a loss of Euro 0.3 million (loss of Euro 1.5 million in Q1 2020).

The cash flow generated from the profit and amortisation/depreciation in the first three months of the year amounted to Euro 0.7 million compared to Euro -0.3 million in the same period of 2020.

The **consolidated statement of financial position** of Zignago Vetro Brosse SAS at 31 March 2021 and 2020 and 31 December 2020 are stated below:

	31.03.2021		31.03.2020		31.12.2020	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	8,671		10,069		6,835	
Other receivables	3,213		1,100		2,114	
Inventories	17,330		19,385		18,320	
Current non-financial payables	(6,703)		(9,576)		(5,944)	
Payables on fixed assets	(331)		(203)		(696)	
A) Working capital	22,180	55.0%	20,775	58.2%	20,629	51.1%
Net tangible and intangible assets	20,126		16,304		20,475	
Other non-current assets	57		631		1,311	
Non-current provisions and non-financial payables	(2,065)		(2,011)		(2,006)	
B) Net fixed capital	18,118	45.0%	14,924	41.8%	19,780	48.9%
A+B= Net capital employed	40,298	100.0%	35,699	100.0%	40,409	100.0%
Financed by:						
Current loans and borrowings	15,823		12,283		16,819	
Cash and cash equivalents	(8,561)		(13,533)		(9,202)	
Current net debt	7,262	18.0%	(1,250)	(3.5%)	7,617	18.8%
Non-current loans and borrowings	13,053	32.4%	14,331	40.1%	12,501	30.9%
C) Net financial debt	20,315	50.4%	13,081	36.6%	20,118	49.8%
Opening equity	20,291		24,119		24,119	
Profit/(loss) for the period	(308)		(1,501)		(3,828)	
D) Closing equity	19,983	49.6%	22,618	63.4%	20,291	50.2%
C+D = Total financial debt and Equity	40,298	100.0%	35,699	100.0%	40,409	100.0%

Trade receivables at 31 March 2021 decreased 13.9% compared to 31 March 2020 and increased 26.9% compared to 31 December 2020.

Inventories at 31 March 2021 reduced 10.6% compared to 31 March 2020 and 5.4% compared to 31 December 2020.

Net fixed capital increased at the end of first quarter of 2021 by Euro 3.2 million compared to 31 March 2020 and decreased by Euro 1.7 million compared to the end of 2020.

The net debt at 31 March 2021 was Euro 20.3 million, an increase of Euro 7.2 million on 31 March 2020 and substantially unchanged on 31 December 2020 (+Euro 0.2 million).

At 31 March 2021, the average headcount was 272 (252 at 31 December 2020 and 314 at 31 March 2020).

It is considered that the easing of the impacts from the pandemic will support demand on the company's markets and allow the recovery of sales volumes and the margin to gain pace.

In addition, although the actual timing of this recovery is unclear, it is however reasonable to expect that the acute uncertainties are behind us and that market fundamentals and the solidity of the main customers will allow the company begin to grow again over the coming quarters.

Zignago Vetro Polska S.A.

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

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

Market conditions in Q1 2021 appeared similar to those in the areas in which the other Group companies operate and were still substantially shaped by the initial signs of the overcoming of the COVID-19 crisis. In particular, global Perfumery markets have demonstrated some signs of recovery. The increasing demand for ambient perfumes is noted. In the Cosmetics market, nail varnish container demand dropped as a result of the general lockdown.

The European Beverage and Food market continues to perform well, except for the Horeca and Airline segments which continue to be those hardest hit by COVID-19.

The **reclassified income statement** of Zignago Vetro Polska SA for Q1 2021 and Q1 2020 is reported below. The comments below refer to thousands of Euro.

	Q1 2021		Q1 2020		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	12,386	100.0%	11,655	100.0%	6.3%
Changes in finished and semi-finished products and work in progress	967	7.8%	1,270	10.9%	(23.9%)
Internal production of fixed assets	65	0.5%	194	1.6%	(66.5%)
Value of production	13,418	108.3%	13,119	112.6%	2.3%
Cost of goods and services	(7,010)	(56.6%)	(6,854)	(58.8%)	2.3%
Value added	6,408	51.7%	6,265	53.8%	2.3%
Personnel expense	(2,841)	(22.9%)	(2,787)	(24.0%)	1.9%
EBITDA	3,567	28.8%	3,478	29.8%	2.6%
Amortisation & depreciation	(2,031)	(16.4%)	(1,997)	(17.1%)	1.7%
Other accruals to provisions	---	---	(7)	(0.1%)	n.a.
EBIT	1,536	12.4%	1,474	12.6%	4.2%
Net recurring non-operating income	2	---	(23)	(0.2%)	n.a.
EBIT	1,538	12.4%	1,451	12.4%	6.0%
Net financial expense	(171)	(1.4%)	(194)	(1.7%)	(11.9%)
Net exchange rate gains/(losses)	(262)	(2.1%)	(2,463)	(21.1%)	(89.4%)
Profit/(loss) before taxes	1,105	8.9%	(1,206)	(10.4%)	n.a.
Income taxes *(Tax-rate Q1 2021: 21%)* *(Tax-rate Q1 2020: n.a.%)*	(232)	(1.9%)	254	2.2%	n.a.
Profit/(loss) for the period	873	7.0%	(952)	(8.2%)	n.a.

Revenues include, in addition to glass containers, also the contribution charged to clients for the creation of moulds for specific products and other services, particularly transport costs.

Revenue by geographic area

(Euro thousands)	Q1 2021	Q1 2020	change %
Italy	5,310	2,954	79.7%
Europe	6,378	7,482	(14.8%)
Other countries	698	1,218	(42.7%)
Total	12,386	11,655	6.3%

Raw materials and service costs, including changes in inventories and internal production of fixed assets, amounted in Q1 2021 to Euro 6 million, compared to Euro 5.4 million in Q1 2020 (+10.9%). The revenue margin was 48.3% compared to 46.2%.

Personnel expense of Euro 2.8 million in the first quarter of the year (+1.9% on Q1 2020) reflects general labour cost movements.

EBITDA in Q1 2021 was Euro 3.6 million, a revenue margin of 28.8% (Euro 3.5 million in Q1 2020, revenue margin of 29.8%).

The first quarter of 2021 reports a net profit of Euro 0.9 million (7% revenue margin), after taxes of Euro 0.2 million (loss of Euro 1.0 million, -8.2% revenue margin in the same period of 2020, after taxes of Euro 0.3 million).

The cash flow generated from net profit and amortisation/depreciation amounted to Euro 2.9 million, 23.4% of revenues (Euro 1.0 million in Q1 2020, 9% of revenues).

The **reclassified statement of financial position** of Zignago Vetro Polska SA at 31 March 2021 and 2020 and 31 December 2020 was as follows (comments follow with figures in thousands of Euro):

	31.03.2021		31.03.2020		31.12.2020	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	8,481		6,481		7,834	
Other receivables	682		2,081		835	
Inventories	11,977		9,704		10,943	
Current non-financial payables	(7,003)		(6,436)		(7,186)	
Payables on fixed assets	(1,934)		(877)		(2,137)	
A) Working capital	12,203	20.1%	10,953	18.0%	10,289	17.0%
Net tangible and intangible assets	46,239		48,891		47,876	
Other equity investments and non-current assets	2,732		1,641		2,692	
Non-current provisions and non-financial payables	(479)		(612)		(500)	
B) Net fixed capital	48,492	79.9%	49,920	82.0%	50,068	83.0%
A+B= Net capital employed	60,695	100.0%	60,873	100.0%	60,357	100.0%
Financed by:						
Current loans and borrowings	5,253		5,491		5,161	
Cash and cash equivalents	(4,957)		(5,251)		(4,459)	
Current net debt	296	0.5%	240	0.4%	702	1.2%
Non-current loans and borrowings	33,863	55.8%	37,082	60.9%	33,462	55.4%
C) Net financial debt (cash)	34,159	56.3%	37,322	61.3%	34,164	56.6%
Opening equity	26,193		26,145		26,145	
Other equity changes	873		(1,642)		(1,785)	
Profit/(loss) for the period	(530)		(952)		1,833	
D) Closing equity	26,536	43.7%	23,551	38.7%	26,193	43.4%
C+D= Total Financial Debt and Equity	60,695	100.0%	60,873	100.0%	60,357	100.0%

Working capital at 31 March 2021 was Euro 1.3 million higher than 31 March 2020 (+11.4%) due to the increase in trade receivables (Euro 2 million), decrease in other receivables (Euro 1.4 million), increase in inventories (Euro +2.3 million) and higher current non-financial payables and payables on fixed assets (Euro 1.6 million)

Working capital at 31 March 2021 increased Euro 1.9 million on 31 December 2020 (+18.6%).

The financial position reports a net debt of Euro 34.2 million, compared Euro 37.3 million and Euro 34.1 million respectively at 31 March and 31 December 2020.

At 31 March 2021, the average headcount was 702. At 31 December 2020, employees numbered 642, while totalling 691 at 31 March 2020.

It is expected that the signs of stabilisation and market recovery emerging in Q1 2021 shall continue over the coming quarters, allowing the company to resume revenue and earnings growth.

Vetri Speciali SpA

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

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

In Q1 2021 special container demand appeared to grow, driven by a recovery for sales on the higher end markets, particularly in terms of improving exports and the strong Wine and Sparkling wine sector.

The **reclassified income statement** of Vetri Speciali SpA for Q1 2021 compared to the same period of the previous year, for the share pertaining to Zignago Vetro SpA (50%), is summarised below:

	Q1 2021		Q1 2020		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	27,588	100.0%	22,651	100.0%	21.8%
Changes in finished and semi-finished products and work in progress	(545)	(2.0%)	(64)	(0.3%)	\
Value of production	27,043	98.0%	22,587	99.7%	19.7%
Cost of goods and services	(13,602)	(49.3%)	(10,352)	(45.7%)	31.4%
Value added	13,441	48.7%	12,235	54.0%	9.9%
Personnel expense	(5,557)	(20.1%)	(5,041)	(22.2%)	10.2%
EBITDA	7,884	28.6%	7,194	31.8%	9.6%
Amortisation & depreciation	(2,364)	(8.6%)	(2,357)	(10.4%)	0.3%
Accruals to provisions	(112)	(0.4%)	(185)	(0.8%)	(39.5%)
EBIT	5,408	19.6%	4,652	20.6%	16.3%
Net recurring non-operating income	149	0.5%	74	0.3%	n.a.
Operating Profit	5,557	20.1%	4,726	20.9%	17.6%
Net financial expense	(86)	(0.3%)	(60)	(0.3%)	43.3%
Net exchange rate gains/(losses)	19	0.1%	1	---	n.a.
Profit before taxes	5,490	19.9%	4,667	20.6%	17.6%
Income taxes	(1,268)	(4.6%)	(1,053)	(4.6%)	20.4%
(Tax-rate Q1 2021: 23.1%) *(Tax-rate Q1 2020: 22.6%)*					
Profit for the period	4,222	15.3%	3,614	16.0%	16.8%

The share of revenues in the first quarter of 2021 amounted to Euro 27.6 million, an increase of 21.8% compared to the first quarter of the previous year.

Exports in Q1 2021 of Euro 5.3 million were up 20% on Euro 4.4 million in Q1 2020 (19% compared to 19.3% of revenues).

Revenues by geographic area (relative share):

(Euro thousands)	Q1 2021	Q1 2020	change %
Italy	22,333	18,271	22.2%
European Union (Italy excluded)	3,466	3,013	15.0%
Other segments	1,789	1,367	30.9%
Total	27,588	22,651	21.8%
of which export	5,255	4,380	20.0%
%	19.0%	19.3%	

Raw materials and service costs, including the changes in inventories, represent 51.3% of revenues compared to 46.0% in Q1 2020.

Personnel expense in the period increased overall by 10.2% compared to the same period of 2020. They accounted for 20.1% of revenues (compared to 22.2%).

The EBITDA of Euro 7.9 million in Q1 2021 grew 9.6% on Q1 2020 (Euro 7.2 million) and the revenue margin decreased from 31.8% to 28.6%.

EBIT of Euro 5.4 million in the first three months of 2021 increased by Euro 0.8 million (+16.3%) on the same period of 2020, reporting a 19.6% revenue margin compared to 20.6%.

The profit in the quarter was Euro 4.2 million, compared to Euro 3.6 million in the first quarter of the previous year (+16.8%) - 15.3% and 16% of revenues respectively, net of the tax provision. The tax rate was 23.1% in the first quarter of 2021, compared to 22.6% in the first quarter of the previous year.

The cash flow generated from the net profit and amortisation/depreciation amounted to Euro 6.6 million, increasing 10.3% on the same period of 2020 (Euro 6.0 million), comprising 23.9% of revenues compared to 26.4%.

The **reclassified statement of financial position** of Vetri Speciali SpA at 31 March 2021 and 2020 and at 31 December 2020, for the share pertaining to Zignago Vetro SpA (50%), was as follows:

	31.03.2021		31.03.2020		31.12.2020	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	22,113		20,382		21,522	
Other receivables	2,109		1,466		2,222	
Inventories	22,204		19,729		22,928	
Current non-financial payables	(22,838)		(19,746)		(23,700)	
Payables on fixed assets	(554)		(2,099)		(748)	
A) Working capital	23,034	16.8%	19,732	15.6%	22,224	16.2%
Net tangible and intangible assets	72,364		68,337		73,411	
Goodwill	49,618		40,490		49,589	
Other equity investments and non-current asset	650		608		838	
Non-current provisions and non-financial payables	(8,515)		(2,958)		(9,051)	
B) Net fixed capital	114,117	83.2%	106,477	84.4%	114,787	83.8%
A+B= Net capital employed	137,151	100.0%	126,209	100.0%	137,011	100.0%
Financed by:						
Current loans and borrowings	23,905		24,454		22,718	
Cash and cash equivalents	(7,715)		(1,337)		(3,897)	
Current net debt	16,190	11.8%	23,117	18.3%	18,821	13.7%
Non-current loans and borrowings	29,134	21.2%	17,605	13.9%	30,614	22.3%
C) Net financial debt	45,324	33.0%	40,722	32.3%	49,435	36.1%
Opening equity	87,576		81,873		81,873	
Dividends	---		---		(12,377)	
Other equity changes	29		---		(134)	
Profit for the period	4,222		3,614		18,214	
D) Closing equity	91,827	67.0%	85,487	67.7%	87,576	63.9%
C+D= Total financial debt and Equity	137,151	100.0%	126,209	100.0%	137,011	100.0%

The working capital at 31 March 2021 increased on 31 March 2020 by Euro 3.3 million. The share of trade and other receivables increased by Euro 2.4 million. Inventories increased (Euro 2.5 million). Current non-financial payables rose Euro 1.5 million.

The share of net fixed capital at 31 March 2021 rose Euro 7.6 million compared to 31 March 2020.

The net capital employed at 31 March 2021 was Euro 137.2 million compared to Euro 126.2 million at 31 March 2020 and Euro 137 million at 31 December 2020.

Equity increased Euro 4.3 million on 31 December 2020.

The share of net debt at 31 March 2021 amounted to Euro 45.3 million, a decrease of Euro 4.1 million (-8.3%) compared to the end of 2020 and up Euro 4.6 million (+11.3%) on 31 March 2020.

The average workforce, including temporary staff, was 855 units (839 at 31 December 2020 and 847 at 31 March 2020).

On the basis of current trends and assuming the global COVID emergency does not deteriorate, the special containers market in the coming months is expected to continue to see the growth of recent years.

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

The **reclassified income statement** for Q1 2021 of Vetri Speciali SpA (100% of the data), compared with the first quarter of the previous year, is shown below:

	Q1 2021		Q1 2020		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	55,176	100.0%	45,301	100.0%	21.8%
Changes in finished and semi-finished products and work in progress	(1,089)	(2.0%)	(127)	(0.3%)	n.a.
Value of production	54,087	98.0%	45,174	99.7%	19.7%
Cost of goods and services	(27,203)	(49.3%)	(20,704)	(45.7%)	31.4%
Value added	26,884	48.7%	24,470	54.0%	9.9%
Personnel expense	(11,114)	(20.1%)	(10,081)	(22.2%)	10.2%
EBITDA	15,770	28.6%	14,389	31.8%	9.6%
Amortisation & depreciation	(4,727)	(8.6%)	(4,713)	(10.4%)	0.3%
Accruals to provisions	(224)	(0.4%)	(369)	(0.8%)	(39.3%)
EBIT	10,819	19.6%	9,307	20.6%	16.2%
Recurring non-operating income	298	0.5%	148	0.3%	n.a.
Operating Profit	11,117	20.1%	9,455	20.9%	17.6%
Net financial expense	(171)	(0.3%)	(120)	(0.3%)	42.5%
Net exchange rate gains/(losses)	37	0.1%	2	---	n.a.
Profit before taxes	10,983	19.9%	9,337	20.6%	17.6%
Income taxes	(2,539)	(4.6%)	(2,105)	(4.6%)	20.6%
(Tax-rate Q1 2021: 23.1%)					
(Tax-rate Q1 2020: 22.6%)					
Profit for the period	8,444	15.3%	7,232	16.0%	16.8%

The **reclassified statement of financial position** of Vetri Speciali SpA (100% of the data) at 31 March 2021 and 2020 and 31 December 2020 is summarised below:

	31.03.2021		31.03.2020		31.12.2020	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	44,231		40,767		43,049	
Other receivables	4,217		2,931		4,443	
Inventories	44,408		39,458		45,855	
Current non-financial payables	(45,676)		(39,491)		(47,400)	
Payables on fixed assets	(1,108)		(4,198)		(1,495)	
A) Working capital	46,072	16.8%	39,467	15.6%	44,452	16.2%
Net tangible and intangible assets	144,727		136,673		146,822	
Goodwill	99,236		80,980		99,177	
Other non-current assets	1,299		1,216		1,675	
Non-current provisions and non-financial payables	(17,029)		(5,916)		(18,102)	
B) Net fixed capital	228,233	83.2%	212,953	84.4%	229,572	83.8%
A+B = Net capital employed	274,305	100.0%	252,420	100.0%	274,024	100.0%
Financed by:						
Current loans and borrowings	47,810		48,904		45,435	
Cash and cash equivalents	(15,429)		(2,673)		(7,793)	
Current net debt	32,381	11.8%	46,231	18.3%	37,642	13.7%
Non-current loans and borrowings	58,268	21.2%	35,210	13.9%	61,228	22.3%
C) Net financial debt	90,649	33.0%	81,441	32.3%	98,870	36.1%
Opening equity	175,154		163,747		163,747	
Dividends	---		---		(24,754)	
Other changes in equity	58		---		(267)	
Profit for the period	8,444		7,232		36,428	
D) Closing equity	183,656	67.0%	170,979	67.7%	175,154	63.9%
C+D= Total financial debt and Equity	274,305	100.0%	252,420	100.0%	274,024	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
Director:	Mauro Biason
	Roberto Celot
	John Gerard Sadlier
	Antonino Virgilito
Statutory Auditors:	Augusto Valchera - chairman
	Riccardo Bolla
	Alberto Faggion

(*) The figures reported in the tables and in the comments reflect, for greater clarity, 100% of company data.

In Q1 2021, the COVID-19 emergency had marginal impacts on normal company operations, which did not suffer substantial stoppages. Production volumes were in line with the same period of the previous year.

Operating performance

The **reclassified income statement** of Vetreco Srl, with 100% of data, for Q1 2021 and 2020 is reported below:

	Q1 2021		Q1 2020		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	5,154	100.0%	5,287	100.0%	(2.5%)
Changes in finished and semi-finished products and work in progress	256	5.0%	81	1.5%	n.a.
Value added	5,410	105.0%	5,368	101.5%	0.8%
Cost of goods and services	(3,488)	(67.7%)	(3,347)	(63.3%)	4.2%
Value added	1,922	37.3%	2,021	38.2%	(4.9%)
Personnel expense	(394)	(7.7%)	(375)	(7.1%)	5.1%
EBITDA	1,528	29.6%	1,646	31.1%	(7.2%)
Amortisation & Depreciation	(367)	(7.1%)	(318)	(6.0%)	15.4%
EBIT	1,161	22.5%	1,328	25.1%	(12.6%)
Net recurring non-operating income (expense)	---	---	(3)	(0.1%)	n.a.
EBIT	1,161	22.5%	1,325	25.0%	(12.4%)
Net financial expense	(99)	(1.9%)	(113)	(2.1%)	(12.4%)
Profit before taxes	1,062	20.6%	1,212	22.9%	(12.4%)
Income taxes, deferred taxes & IRAP	(315)	(6.1%)	(357)	(6.7%)	(11.8%)
Profit for the period	747	14.5%	855	16.2%	(12.6%)

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

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

Deferred tax assets were provisioned, in view of future expected assessable income.

The profit for the first quarter of 2021 was Euro 0.7 million (Euro 0.9 million in the first quarter of 2020).

The **reclassified statement of financial position** of Vetreco Srl (100% of the data) at 31 March 2021 and 2020 and 31 December 2020 is summarised below:

	31.03.2021		31.03.2020		31.12.2020	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	740		4,560		3,460	
Other receivables	2,687		2,551		2,269	
Inventories	1,385		861		1,193	
Current non-financial payables	(2,194)		(5,480)		(4,900)	
Payables on fixed assets	---		---		(994)	
A) Working capital	2,618	12.2%	2,492	13.2%	1,028	5.2%
Net tangible and intangible assets	18,972		16,469		19,019	
Other investments and non-current assets	22		22		22	
Non-current provisions & loans and borrowings	(87)		(90)		(204)	
B) Net fixed capital	18,907	87.8%	16,401	86.8%	18,837	94.8%
A+B= Net capital employed	21,525	100.0%	18,893	100.0%	19,865	100.0%
Financed by:						
Current loans and borrowings	3,974		2,632		2,564	
Cash and cash equivalents	(496)		(654)		1	
Current net debt	3,478		1,978		2,565	
Non-current loans and borrowings	12,253		13,808		12,253	
C) Net financial debt	15,731	73.1%	15,786	83.6%	14,818	74.6%
Opening equity	5,047		2,252		2,252	
Other equity changes	---		---		---	
Profit for the period	747		855		2,795	
D) Closing equity	5,794	26.9%	3,107	16.4%	5,047	25.4%
C+D = Total financial debt and equity	21,525	100.0%	18,893	100.0%	19,865	100.0%

The working capital at 31 March 2021 increased on 31 March 2020 by Euro 0.1 million.

The net fixed capital at 31 March 2021 of Euro 18.9 million was in line with Euro 18.8 million at 31 December 2020, principally due to the decrease in provisions and non-current loans and borrowings.

Equity amounted to Euro 5.8 million, increasing Euro 0.7 million on 31 December 2020 on the basis of the quarterly result.

At 31 March 2021, the average headcount of the company was 27; at 31 December 2020, 29 units and at 31 March 2020, 28 units.

The company expects to continue to operate strongly in the coming quarters. Procurement prices are clearly increasing, which may have certain impacts on the margin.

Vetro Revet Srl (*)

Registered office: Empoli (FR) – 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

In Q1 2021 the company increased production thanks to choosing appropriate technologies over the preceding years and the availability of material for processing. Company results and product quality also improved significantly thanks to the operating and technological improvements introduced over the preceding quarters.

The **reclassified income statement** of Vetro Revet Srl for Q1 2021 and 2020 is reported below:

	Q1 2021		Q1 2020		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	1,906	100.0%	1,671	100.0%	14.1%
Changes in finished and semi-finished products and work in progress	38	2.0%	(23)	(1.4%)	n.a.
Value added	1,944	102.0%	1,648	98.6%	18.0%
Cost of goods and services	(1,494)	(78.4%)	(1,195)	(71.5%)	25.0%
Value added	450	23.6%	453	27.1%	(0.7%)
Personnel expense	(353)	(18.5%)	(360)	(21.5%)	(1.9%)
EBITDA	97	5.1%	93	5.6%	4.3%
Amortisation & Depreciation	(119)	(6.3%)	(114)	(6.8%)	4.4%
EBIT	(22)	(1.2%)	(21)	(1.2%)	4.8%
Net recurring non-operating income (charges)	(6)	(0.3%)	(85)	(5.1%)	(92.9%)
EBIT	(28)	(1.5%)	(106)	(6.3%)	(73.6%)
Net financial expense	(18)	(0.9%)	(27)	(1.7%)	(33.3%)
Profit/(loss) before taxes	(46)	(2.4%)	(133)	(8.0%)	(65.4%)
Income taxes, deferred taxes & IRAP	---	---	---	---	---
Profit/(loss) for the period	(46)	(2.4%)	(133)	(8.0%)	(65.4%)

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

The principal cost items are material purchases and external services, labour costs and amortisation and depreciation.
Deferred tax assets were provisioned, in view of future expected assessable income.

The loss for the first quarter of 2021 was Euro 0.05 million (loss of Euro 0.1 million in the first quarter of 2020).

The **reclassified statement of financial position** of Vetro Revet Srl at 31 March 2021 and 2020 and 31 December 2020 was as follows:

	31.03.2021		31.03.2020		31.12.2020	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	2,396		2,311		2,480	
Other receivables	1,258		1,213		1,150	
Inventories	106		20		68	
Current non-financial payables	(2,885)		(2,915)		(2,846)	
A) Working capital	875	9.9%	629	7.2%	852	9.7%
Net tangible and intangible assets	8,191		8,309		8,142	
Other investments and non-current assets	23		26		23	
Non-current provisions & loans and borrowings	(213)		(221)		(217)	
B) Net fixed capital	8,001	90.1%	8,114	92.8%	7,948	90.3%
A+B= Net capital employed	8,876	100.0%	8,743	100.0%	8,800	100.0%
Financed by:						
Current loans and borrowings	4,294		4,011		4,386	
Cash and cash equivalents	(326)		(620)		(605)	
Current net debt	3,968		3,391		3,781	
Non-current loans and borrowings	4,122		4,873		4,187	
C) Net financial debt	8,090	91.1%	8,264	94.5%	7,968	90.5%
Opening equity	832		612		612	
Other equity changes	---		---		---	
Profit/(loss) for the period	(46)		(133)		220	
D) Closing equity	786	8.9%	479	5.5%	832	9.5%
C+D = Total financial debt and equity	8,876	100.0%	8,743	100.0%	8,800	100.0%

The working capital at 31 March 2021 increased on 31 March 2020 by Euro 0.2 million.

The net fixed capital at 31 March 2020 of Euro 8 million increased 0.1% on 31 December 2020, principally due to fixed asset investments exceeding depreciation.

Equity amounted to Euro 0.8 million, similar to 31 December 2020, reflecting only the small loss for the period.

At 31 March 2021, the average workforce was 33 units. At 31 December 2020, 31 units and at 31 March 2020, 34 units.

It is expected that over the coming months company operations shall remain strong in terms of production levels and results.

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:	Franco Biasutti Sergio Pregliasco Francesco Simone
Statutory Auditors:	Lorenzo Buraggi - chairman Andrea Manetti Marco Signori

The newly incorporated company, and still in the start-up phase, has the corporate object to manage all activities related to the processing and marketing of scrap glass.
Production work on the plant continued on schedule during the quarter; completion times are in line with that programmed.

The **reclassified income statement** of Julia Vitrum SpA , with 100% of data, for Q1 2021 and 2020 is reported below:

	Q1 2021		Q1 2020	
	Euro thou.	%	Euro thou.	%
Revenues	21	100.0%	---	n.a.
Changes in finished and semi-finished products and work in progress	20	95.2%	---	n.a.
Value added	41	195.2%	---	n.a.
Cost of goods and services	(22)	(104.8%)	(2)	n.a.
Value added	19	90.5%	(2)	n.a.
Personnel expense	(64)	(304.8%)	(5)	n.a.
EBITDA	(45)	(214.3%)	(7)	n.a.
Amortisation & depreciation	(8)	(38.1%)	---	n.a.
EBIT	(53)	(252.4%)	(7)	n.a.
Net recurring non-operating income (expense)	25	119.0%	---	n.a.
Operating profit/(loss)	(28)	(133.3%)	(7)	n.a.
Net financial expense	---	---	(5)	n.a.
Profit/(loss) before taxes	(28)	(133.3%)	(12)	n.a.
Income taxes, deferred taxes & IRAP	8	38.1%	---	n.a.
Profit/(loss) for the period	(20)	(95.2%)	(12)	n.a.

The **reclassified statement of financial position** of Julia Vitrum SpA (100% of the data) at 31 March 2021 and 2020 and 31 December 2020 is summarised below:

	31.03.2021		31.03.2020		31.12.2020	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	20		5		---	
Other receivables	3,128		514		2,585	
Inventories	---		---		---	
Current non-financial payables	(678)		(84)		(769)	
Payables on fixed assets	(5,880)		(1,549)		(4,421)	
A) Working capital	(3,410)	(22.0%)	(1,114)	(97.4%)	(2,605)	(25.6%)
Net tangible and intangible assets	18,925		2,258		12,791	
Goodwill	---		---		---	
Other equity investments and non-current assets	---		---		---	
Non-current provisions	---		---			
and non-financial payables	---		---		---	
B) Net fixed capital	18,925	122.0%	2,258	197.4%	12,791	125.6%
A+B= Net capital employed	15,515	100.0%	1,144	100.0%	10,186	100.0%
Financed by:						
Current loans and borrowings	4993		---		5,510	
Cash and cash equivalents	(1,188)		(314)		---	
Current net debt	3,805	24.5%	(314)	(27.4%)	5,510	54.1%
Non-current loans and borrowings	10,045	64.7%	500	43.7%	2,997	29.4%
C) Net financial debt	13,850	89.3%	186	16.3%	8,507	83.5%
Opening equity	1,679		970		970	
Dividends	---		---		---	
Other equity changes	6		---		800	
Profit/(loss) for the period	(20)		(12)		(91)	
D) Closing equity	1,665	10.7%	958	83.7%	1,679	16.5%
C+D = Total financial debt and equity	15,515	100.0%	1,144	100.0%	10,186	100.0%

At 31 March 2021, the headcount of the company was 2, similar to 31 December 2020 and 31 March 2020.

SUBSEQUENT EVENTS AFTER 31 MARCH 2021

There were no significant events after 31 March 2021.

OUTLOOK

Although the pandemic has not yet concluded and it continues to impact lifestyles, consumption and markets, it is expected that the situation is gradually easing and will continue to do so throughout the year. Consequently, the container demand recovery is expected to gain pace across all the sectors in which the Group operates, with positive effects on sales, margins and the financial position.

Fossalta di Portogruaro, 27 April 2021

For the BOARD OF DIRECTORS
The Chairman
Paolo Giacobbo

Consolidated Interim Financial Statements

Consolidated Statement of Financial Position

(Euro thousands)	31.03.2021	31.03.2020	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	224,697	232,207	232,262
Goodwill	2,678	2,692	2,691
Intangible assets	2,329	2,246	2,533
Equity-accounted Joint Ventures	94,231	86,899	89,763
Equity investments	389	389	389
Other non-current assets	1,945	384	1,951
Deferred tax assets	4,481	4,384	5,828
Total non-current assets	**330,750**	**329,201**	**335,417**
Current assets			
Inventories	97,439	87,452	95,777
Trade receivables	82,131	81,206	75,695
Other current assets	9,506	11,467	8,903
Tax Assets	7,372	4,740	6,199
Cash and cash equivalents	46,848	48,316	50,154
Total current assets	**243,296**	**233,181**	**236,728**
TOTAL ASSETS	**574,046**	**562,382**	**572,145**
EQUITY & LIABILITIES			
EQUITY			
Share capital	8,800	8,800	8,800
Reserves	41,004	40,715	40,742
Treasury share purchases	(1,093)	(1,093)	(1,093)
Retained earnings	181,082	172,083	135,900
Group profit	11,452	7,477	45,627
TOTAL EQUITY OWNERS OF THE PARENT	**241,245**	**227,982**	**229,976**
NON-CONTROLLING INT. EQUITY	**21**	**(129)**	**44**
TOTAL EQUITY	**241,266**	**227,853**	**230,020**
LIABILITIES			
Non-current liabilities			
Provisions for risks and charges	3,528	3,981	3,468
Post-employment benefit provision	4,099	4,353	4,127
Non-current loans and borrowings	143,892	120,177	146,049
Other non-current liabilities	1,624	1,876	1,624
Deferred tax liabilities	2,058	2,214	2,061
Total non-current liabilities	**155,201**	**132,601**	**157,329**
Current liabilities			
Bank loans and borrowings current portion	96,822	120,503	104,015
Trade and other payables	57,569	57,601	60,292
Other current liabilities	21,670	21,369	20,016
Current tax payables	1,518	2,455	473
Total current liabilities	**177,579**	**201,928**	**184,796**
TOTAL LIABILITIES	**332,780**	**334,529**	**342,125**
TOTAL EQUITY AND LIABILITIES	**574,046**	**562,382**	**572,145**

Income Statement

(Euro thousands)	Q1 2021	Q1 2020	2020
Revenues	**81,411**	**85,017**	**306,713**
Raw material, ancillary, consumables and goods	(15,405)	(17,809)	(58,073)
Services	(27,752)	(29,075)	(108,937)
Personnel expense	(17,429)	(18,431)	(67,096)
Amortisation & Depreciation	(10,916)	(11,154)	(41,971)
Other operating costs	(1,029)	(1,193)	(5,282)
Other operating income	197	65	3,327
Equity-accounted joint ventures	4,437	3,864	19,016
Operating profit	**13,514**	**11,285**	**47,697**
Financial income	199	124	341
Financial charges	(352)	(633)	(2,649)
Net exchange rate gains/(losses)	(235)	(2,448)	(3,044)
Profit before taxes	**13,126**	**8,328**	**42,345**
Income taxes	(1,697)	(916)	3,390
Profit for the period	**11,429**	**7,412**	**45,735**
Non-controlling interests profit (loss)	**23**	**65**	**(108)**
Group Profit	**11,452**	**7,477**	**45,627**
Earnings per share:			
Basic earnings (and diluted) per share	**0.130**	**0.085**	**0.520**

Consolidated Statement of Comprehensive Income

(Euro thousands)		Q1 2021	Q1 2020	2020
Profit for the period		**11,452**	**7,477**	**45,627**
Items that will subsequently be reclassified to profit or loss				
Translation difference for foreign operations		(595)	(1,703)	(1,746)
Tax effect		---	---	---
Total items that will be subsequently reclassified to profit or loss	A)	(595)	(1,703)	(1,746)
Items that will not subsequently be reclassified to profit or loss				
Actuarial gains/(losses) on defined benefit plans		---	---	138
Tax effect		---	---	(33)
Total items that will not subsequently be reclassified to profit or loss	B)	---	---	105
Total other comprehensive income statement items, net of taxes	A+B)	(595)	(1,703)	(1,641)
Total comprehensive income for the period		**10,857**	**5,774**	**43,986**

Consolidated Statement of Cash Flows

(Euro thousands)		Q1 2021	Q1 2020	2020
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before taxes		**13,126**	**8,328**	45,627
Adjustments to reconcile net profit with cash flow generated from operating activities:				
Amortisation & depreciation		11,251	11,444	41,971
Losses/(gains) on sale of property, plant & equipment		(3)	54	64
Provision adjustments		(93)	(148)	(1,137)
Net exchange rate gains/(losses)		235	2,448	3,044
Financial income		(199)	(124)	(341)
Financial expenses		352	633	2,649
Income taxes		(481)	401	(3,721)
Measurement of investments at Equity		(4,437)	(3,864)	(19,016)
Dividends distributed by equity-accounted joint ventures		-	-	12,377
Changes in operating assets and liabilities:				
Decrease/(increase) in trade receivables		(6,311)	(2,964)	2,797
Decrease/(increase) in other current assets		(603)	3,238	5,802
Decrease/(increase) in inventories		(1,662)	2,309	(6,016)
Increase/(decrease) in trade & other payables		(966)	657	(832)
Increase (decrease) in current liabilities		1,654	424	(929)
Change in other non-current assets and liabilities		(256)	103	(2,780)
Total adjustments and changes		**(1,519)**	**14,611**	**33,932**
Net Cash Flows from operating activities	**(A)**	**11,607**	**22,939**	**79,559**
CASH FLOW FROM INVESTING ACTIVITIES:				
Gross investments in intangible assets		13	46	(886)
Gross investments in property, plant and equipment		(4,112)	(5,032)	(35,197)
Increase/(decrease) in payables for purchases of non-current assets		(1,757)	(3,061)	1,119
Sales price of property, plant and equipment		3	740	822
Net cash flow used in investing activities	**(B)**	**(5,853)**	**(7,307)**	**(34,142)**
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interest paid in the period		(241)	385	(1,782)
Interest received in the period		389	136	92
Increase in bank payables		(7,193)	(10,214)	33,543
Decrease in bank payables		(2,157)	(731)	(33,650)
Distribution of dividends		---	---	(37,005)
Net cash flow used in financing activities	**(C)**	**(9,202)**	**(10,424)**	**(38,802)**
Change in assets and liabilities items due to translation effect	**(D)**	**142**	**(1,697)**	**(1,266)**
Net change in cash and cash equivalents	**(A+B+C+D)**	**(3,306)**	**3,511**	**5,349**
Cash & cash equivalents at beginning of the period		**50,154**	**44,805**	**44,805**
Cash & cash equivalents at end of the period		**46,848**	**48,316**	**50,154**

Statement of changes in Equity

(Euro thousands)	Share capital	Legal reserve	Revaluation reserve	Other reserves	Translation reserve	Capital paid-ir	Treasury shares	Actuarial profit/(loss) on ind. defined benefit plans	Retained earnings	Net profit/(loss)	Total Owners of parent Equity	Total Non-controlling interest Equity	Total consolidated equity
31 December 2019	**8,800**	**1,760**	**27,334**	**11,838**	**(944)**	**157**	**(1,093)**	**(1,188)**	**135,476**	**53,053**	**221,946**	**(64)**	**221,882**
Consolidated profit	---	---	---	---	---	---	---	---	---	7,477	7,477	(65)	7,412
Other profits/(losses), net of tax effect	---	---	---	---	(1,703)	---	---	---	---	---	(1,703)	---	(1,703)
Total comprehensive income (expense)	---	---	---	---	(1,703)	---	---	---	---	7,477	5,774	(65)	5,709
Allocation of result	---	---	---	---	---	---	---	---	7,477	(7,477)	---	---	---
Other changes	---	---	---	262	---	---	---	---	---	---	262	---	262
Allocation of non-controlling interests eq.	---	---	---	---	---		---	---	---	---	---	---	---
31 March 2020	**8,800**	**1,760**	**27,334**	**12,100**	**(2,647)**	**157**	**(1,093)**	**(1,188)**	**142,953**	**53,053**	**227,982**	**(129)**	**227,853**
Consolidated profit	---	---	---	---	---	---	---	---	---	38,150	38,150	173	38,323
Other profits/(losses), net of tax effect	---	---	---	---	(43)	---	---	105	---	---	62	---	62
Total comprehensive income (expense)	---	---	---	---	(43)	---	---	105	---	38,150	38,212	173	38,385
Allocation of result	---	---	---	---	---	---	---	---	38,150	(38,150)	---	---	---
Sale of treasury shares	---	---	---	---	---	---	---	---	---	---	---	---	---
IFRS 2	---	---	---	---	---	---	---	---	---	---	---	---	---
Distribution dividends	---	---	---	---	---	---	---	---	(37,005)	---	(37,005)	---	(37,005)
Other changes	---	---	---	787	---	---	---	---	---	---	787	---	787
Allocation of non-controlling interests eq.	---	---	---	---	---		---	---		---	---	---	---
31 December 2020	**8,800**	**1,760**	**27,334**	**12,887**	**(2,690)**	**157**	**(1,093)**	**(1,083)**	**144,098**	**45,627**	**229,976**	**44**	**230,020**
Consolidated profit	---	---	---	---	---	---	---	---	---	11,452	11,452	(23)	11,429
Other profits/(losses), net of tax effect	---	---	---	---	(595)	---	---	---	---	---	(595)	---	(595)
Total comprehensive income (expense)	---	---	---	---	(595)	---	---	---	---	11,452	10,857	(23)	10,834
Allocation of result	---	---	---	---	---	---	---	---	---	---	---	---	---
Other changes	---	---	---	412	---	---	---	---	---	---	412	---	412
Allocation of non-controlling interests eq.	---	---	---	---	---	---	---	---	---	---	---	---	---
31 March 2021	**8,800**	**1,760**	**27,334**	**13,299**	**(3,285)**	**157**	**(1,093)**	**(1,083)**	**144,098**	**57,079**	**241,245**	**21**	**241,266**

Notes to the Consolidated Interim Financial Statements

SUMMARY OF IFRS INTERNATIONAL ACCOUNTING STANDARDS ADOPTED FOR THE PREPARATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2018

Zignago Vetro SpA is a limited liability company and is domiciled at Fossalta di Portogruaro via Ita Marzotto No. 8.

The publication of the Interim Report at 31 March 2021 of Zignago Vetro S.p.A. was approved by the Board of Directors on 27 April 2021.

General preparation criteria

The Interim Report as at 31 March 2021 and for the period ended at that date was presented in accordance with IAS 34 – *Interim financial reporting*, which relates to the reporting of interim financial information and data. 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 Interim Report, which was 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 2020, 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 Interim Report at 31 March 2021 consists 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.

As previously indicated, the accounting policies adopted for the preparation of the Interim Report are the same as those utilised for the consolidated financial statements of the Zignago Vetro Group for the year ended 31 December 2020, except for the adoption of new standards, amendments and interpretations approved by the IASB and approved for adoption in Europe and obligatory for accounting periods beginning 1 January 2021.

Reference should be made to that stated above for further details.

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 consolidation at equity;
- Group investments in associates are measured using the equity method. The investment is initially recognised at cost. The carrying amount is subsequently increased or decreased to recognise the group’s share of the profit or loss after the date of acquisition;
- the recognition of any non-controlling interests in equity;
- the elimination of all intragroup transactions, consisting of payables and receivables, sales and purchases, and unrealised profits and losses;
- the interim financial statements of the subsidiaries utilised for the preparation of the consolidated financial statements are those approved by the respective Board of Directors. The reporting date of the consolidated companies is the same as the parent. The interim financial statements of the investees are adjusted, where necessary, in line with the accounting principles utilised by the Parent, which are in accordance with the IFRS endorsed by the European Union.

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.

Business combinations are recognised using the acquisition method. 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.

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 assuming non-total control,
the entire amount of goodwill generated by the acquisition is recorded considering, therefore, also the shareholding of minority interests (full goodwill method); minority interests are recorded at their overall fair value including therefore the share of goodwill. The goodwill calculation method is chosen on a case by case basis for each business combination.

In the case of business combinations undertaken in a series of phases, the previous holding is remeasured at fair value at the acquisition date and any gain or loss is recorded to the income statement. It is therefore considered in the determination of goodwill.

Any potential payment to be recognised is recorded by the acquirer at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability, as a financial instrument which is subject to IAS 39 financial instruments: recognition and measurement, must be recognised in the income statement and in the other items of the statement of comprehensive income. Where the potential payment is not within the scope of IAS 39, the amount is measured in accordance with the appropriate IFRS. If the potential payment is classified in equity, the amount is not remeasured and its subsequent settlement is recorded in equity.

With regard to equity investments acquired subsequent to the acquisition of control (non-controlling interest acquisitions), any positive 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.

Goodwill deriving from the acquisition of investees is initially recorded at cost and represents the surplus of acquisition cost compared to the purchaser’s share of net fair value with respect to identifiable amounts of the assets and liabilities acquired, current and potential. After initial recognition, goodwill is not amortised and is reduced for impairment loss. This is determined following an impairment test, as described below.

If the goodwill is allocated to a cash-generating unit and the entity sells part of the activities of this unit, the goodwill associated with the activity sold is included in the book value of the activity when determining the gain or loss deriving from the sale. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

On the first-time adoption of IFRS, the Group has chosen not to apply IFRS 3 - Business Combinations in retrospective manner for the acquisition of companies prior to 1 January 2004 - consequently, the possible goodwill generated on the acquisitions prior to the transition date to IFRS was maintained at the previous value determined in accordance with Italian GAAP, with the prior impairment testing and recording of any impairment loss.

The Companies included in the Consolidated Interim Report at 31 March 2021 are shown in the following table:

Consolidated Companies (Euro)	Registered Office	Share capital (in 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 and subsidiaries	Trento (TN)	10,062,400	50%
Vetreco Srl	Supino (FR)	400,000	30%
Julia Vitrum SpA	San Vito al Tagliamento (PN)	625,000	40%

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 are translated using the exchange rate at the reporting date;
- the costs and revenues, and income and expenses, are 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, and also those generated from the translation of opening equity at an exchange rate which is 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.

The exchange rates applied are reported in the following table – those published by the Italian Exchange Office.

	2021 Exchange Rates		2020 Exchange Rates	
Currency	at 31 March	average	at 31 March	average
USD	1.1725	1.2051	1.0956	1.1027
PLN	4.6508	4.5445	4.5506	4.3241

Earnings per share

The basic earnings per share is calculated by dividing the consolidated net profit for the year attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the year, net of treasury shares.
In order to calculate the diluted earnings per share, the average weighted number of shares outstanding is adjusted assuming the conversion of all shares with potential dilution effect. The Group's net result is also adjusted to account for the effects of conversion, net of taxes.

Use of estimates

The preparation of the interim 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 financial statements and on the disclosures relating to the assets and contingent liabilities at the reporting 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, valuations of assets, employee benefits, income taxes and other provisions and funds. Estimates and assumptions are periodically reviewed and the effect of a change in an accounting estimate is immediately recognized through the income statement.

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 operations, as such transactions undertaken by the companies of the Group are not considered significant.

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 107 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 165 million.

The characteristics of the derivative contracts, their notional value and the market value at 31 March 2021, are as follows (in Euro):

Company	Bank	Underlying	Date of Signing	Notional reference date	Expiry	Market value at 31.03.2021
Zignago Vetro SpA	Unicredit	Loan	20/12/2019	54,000,000	20/12/2024	(395,429)
Zignago Vetro SpA	BPER	Loan	18/06/2020	9,014,204	18/06/2025	(44,132)
Zignago Vetro SpA	BNL	Loan	29/01/2018	20,000,000	29/07/2023	(203,733)
Zignago Vetro SpA	BNL	Loan	06/05/2020	10,000,000	07/05/2025	(59,726)
Zignago Vetro SpA	Intesa SanPaolo	Loan	13/12/2018	22,857,143	30/12/2022	(269,130)
Zignago Vetro SpA	Intesa SanPaolo	Loan	06/08/2020	22,500,000	05/08/2025	(72,863)
Zignago Vetro SpA	Credit Agricole Friuladria	Loan	27/12/2018	10,000,000	29/12/2023	(111,516)
Zignago Vetro SpA	Banco BPM	Loan	29/07/2019	6,253,333	30/06/2024	(24,678)
Total				154,624,680		(1,181,207)

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.

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.
From 2012 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.
The Parent also agreed supply contracts at fixed prices, in line with its production programmes, whose effects were reflected also on Q1 2021. The exposure of the Group to the risk of fluctuations in energy prices is therefore considered marginal.

Notes

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Declaration of the Executive Officer

The Executive Responsible for Financial Reporting, Mr. Roberto Celot, declares in accordance with Article 154-bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present Consolidated Interim Report at 31 March 2021 corresponds to the underlying accounting documents, records and entries.

ZIGNAGO VETRO S.p.A.

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