

PRESS RELEASE

In accordance with Consob Resolution 11971/99 and subsequent amendments and supplements

ZIGNAGO VETRO S.P.A.

Board of Directors of Zignago Vetro S.p.A. approves 2021 First Quarter Report

Revenues up and earnings accelerate, despite the impacts of the ongoing COVID-19 pandemic.

Decrease in net financial debt compared to 31.12.2020 (-Euro 7.7 million).

- **Zignago Vetro Group revenues of Euro 110.2 million (+1.1% on 2020); export revenues of Euro 32.2 million (-10.6%), 29.2% of total revenues.**
- **EBITDA of Euro 28.4 million (25.8% margin, +6.9%).**
- **EBIT of Euro 14.7 million (13.4% margin, + 17.7%).**
- **Profit of Euro 11.5 million (10.4% margin, +53.2%).**

Cash generation, before investments, of Euro 16.6 million (Euro 24.5 million in Q1 2020).

Net debt of Euro 249.4 million (Euro 257.2 million at 31 December 2020, -3,0%).

Zignago Vetro Group Key Financial Highlights (*)

	First Quarter 2021 <i>(in Euro millions)</i>	First Quarter 2020 <i>(in Euro millions)</i>	Cge.%
Revenues	110.2	109.0	+ 1.1%
EBITDA	28.4	26.5	+ 6.9%
EBIT	14.7	12.5	+ 17.7%
Operating Profit	15.0	12.5	+ 19.3%
Profit before taxes	14.5	9.5	+ 52.7%
Group Profit	11.5	7.5	+ 53.2%

	31.03.2021 <i>(in Euro millions)</i>	31.03.2020 <i>(in Euro millions)</i>	31.12.2020 <i>(in Euro millions)</i>
Net capital expenditure	7.0	4.7	42.7
Free cash flow			
• after investments	8.0	15.0	49.8
• before investments	16.6	24.5	93.2
(further details on page 3)			
Financial debt	(304.6)	(287.9)	(308.7)
Liquidity	55.2	50.0	51.5
Net financial debt	(249.4)	(237.9)	(257.2)

(*) The figures (and the subsequent comments concerning the consolidated figures) were based on the management view of the Group business, which provides for the proportional consolidation of the joint venture, in continuity with the accounting policies adopted until 31 December 2013, exclusively to fulfil additional disclosure requirements. Following the entry into force of the new “IFRS 11 – Joint Arrangements” and “IAS 28 – Interests in associates and joint ventures” the accounting policies changed for the consolidation of the joint ventures of the Zignago Vetro Group. In particular, from 1 January 2014 the joint ventures in Vetri Speciali SpA, held 50%, and Vetreco Srl, held 50%, may not be consolidated under the proportional method and should be recognised in the consolidated financial statements at equity.

The income statement, the statement of comprehensive income, the statement of financial position and the statement of cash flows of the Zignago Vetro Group at 31 March 2021 and 2020 and at 31 December 2020, prepared according to international accounting standards in force from 1 January 2014, are reported respectively at attachments 3, 4, 5, 6 and 7 of this press release.

Fossalta di Portogruaro, 27 April 2021 – The Board of Directors of **Zignago Vetro S.p.A** – a company listed on the STAR segment of the Italian Stock Exchange - in a meeting held today chaired by Paolo Giacobbo approved the 2021 First Quarter Report.

Company profile

The **Zignago Vetro Group** companies produce high quality glass containers for the Food and Beverage, Cosmetics and Perfumery industries and Speciality Glass bottles for wines and spirits, for the domestic and international markets.

Zignago Vetro Group operating performance

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.

In this environment, thanks above all to its tenacity and flexibility, the Group posted a strong increase in business volumes in the first quarter compared to the last quarter of 2020.

Glass continues to prove to be an ever-more appreciated material among the customers 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 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.

Consolidated **revenues** in the first quarter of 2021 amounted to Euro 110.2 million, compared to Euro 109.0 million in the same period of the previous year (+1.1%). Export revenue totalled Euro 32.2 million (Euro 36.0 million in Q1 2020; -10.6%), comprising 29.2% of revenues (33.1% in Q1 2020).

Consolidated **EBITDA** in the first quarter of 2021 amounted to Euro 28.4 million, up 6.9% on Q1 2020 (Euro 26.5 million), with a 25.7% revenue margin (24.4% in Q1 2020).

The consolidated **EBIT** was Euro 14.7 million (up 17.7% compared to Euro 12.5 million in Q1 2020), with a margin of 13.4% (11.5% in Q1 2020).

The consolidated **Operating profit** was Euro 15.0 million in Q1 2021, compared to Euro 12.5 million in Q1 2020 (+19.3%), with a 13.6% revenue margin (compared to 11.5%).

The consolidated **net profit** was Euro 14.5 million in Q1 2021 (Euro 9.5 million in Q1 2020), with a margin of 13.1% (compared to 8.7%).

Consolidated **Net Profit** in the first quarter of 2021 amounted to Euro 11.5 million, compared to Euro 7.5 million in Q1 2020 (+53.2%) – a margin of 10.4% (6.9% in Q1 2020).

Zignago Vetro Group statement of financial position

Capital expenditure in the first quarter of 2021 by Group companies totalled Euro 7.0 million (Euro 4.7 million in the same period of 2020). Payments on fixed assets amounted to Euro 8.7 million in Q1 2021, compared to Euro 9.5 million in Q1 2020.

The Group generated **Free cash flow** in Q1 2021, before payments on fixed assets, of Euro 16.6 million (Euro 24.5 million in the first quarter of 2020). After payments on fixed assets, cash of Euro 8.0 million was generated, compared to Euro 15.0 million in Q1 2020.

The Group **net financial debt** at 31 March 2021 was Euro 249.4 million, following payments on investments in the quarter of Euro 8.7 million, compared to Euro 257.2 million at 31 December 2020 and Euro 239.9 million at 31 March 2020.

Group **liquidity** totalled Euro 55.2 million at 31 March 2021, compared to Euro 51.5 million at the end of 2020 and Euro 50.0 million at 31 March 2020.

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 demand recovery is expected to gain pace across all the sectors in which the Group operates, with a reflection on results.

Subsequent events

There were no significant events after 31 March 2021.

Declaration

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 this press release corresponds to the underlying accounting documents, records and accounting entries.

2021 First Quarter Report

The 2021 First Quarter Report will be made available to the public as soon as available and in accordance with law at the registered office of the company and on the company website www.zignagovetro.com

This press release is available on the website: www.zignagovetro.com

For further information:
Roberto Celot
*Chief Financial Officer &
Investor Relations Manager*
Zignago Vetro S.p.A.
0421-246111
r.celot@zignagovetro.com

All the figures in the Consolidated Reclassified Income Statement and Statement of Financial Position (attachments 1 and 2) reported below were prepared on the basis of management's view which considers the proportional consolidation of joint ventures appropriate, in line with the approach taken until December 31, 2013. Following the entry into force of the new "IFRS 11 – Joint Arrangements" and "IAS 28 – Interests in associates and joint ventures" the accounting policies changed for the consolidation of the joint ventures of the Zignago Vetro Group. In particular, from 1 January 2014 the joint ventures in Vetri Speciali SpA and Vetreco Srl may not be consolidated under the proportional method and should be recognised in the consolidated financial statements at equity.

The statement of financial position, the income statement, the statement of comprehensive income and the statement of cash flows of the Zignago Vetro Group at 31 March 2021 and 31 December and 31 March 2020 and the statement of changes in Equity, prepared in accordance with the accounting standards in force from 1 January 2014, are reported respectively in the subsequent attachments 3, 4, 5, 6 and 7.

ATTACHMENT 1

Zignago Vetro Group

Reclassified Consolidated Income Statement (unaudited)

(management point of view, based on accounting standards in force at 31 December 2013)

	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.s.
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.s.
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.s.
Profit before taxes	14,486	13.1%	9,488	8.7%	52.7%
Income taxes	(3,057)	(2.8%)	(2,076)	(1.9%)	47.3%
<i>(Tax-rate Q1 2021: 21.1%)</i>					
<i>(Tax-rate Q1 2020: 21.9%)</i>					
(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%

Zignago Vetro Group**Reclassified Consolidated Statement of Financial Position (unaudited)***(management point of view, based on accounting standards in force at 31 December 2013)*

	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%
<i>Financed by:</i>						
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 debt & equity	490,715	100.0%	465,768	100.0%	487,213	100.0%

Zignago Vetro Group**Consolidated Statement of Financial Position (unaudited)****(IFRS 11)**

(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

Zignago Vetro Group**Consolidated Income Statement (unaudited)****(IFRS 11)**

(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)
Service costs	(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 expenses	(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

Zignago Vetro Group

Consolidated Statement of Comprehensive Income (unaudited)
(IFRS 11)

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

Zignago Vetro Group
Consolidated Statement of Cash Flows (unaudited)
(IFRS 11)

(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

Zignago Vetro Group

Statement of Changes in Equity (unaudited)

(IFRS 11)

(Euro thousands)	Share capital	Legal reserve	Revaluation reserve	Other reserves	Translation reserve	Capital paid-in	Treasury shares	Actuarial profit/(loss) on ind. defined benefit plans	Retained earnings	Net result	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
<i>Consolidated profit</i>	---	---	---	---	---	---	---	---	---	7,477	7,477	(65)	7,412
<i>Other profits/(losses), net of tax effect</i>	---	---	---	---	(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
<i>Consolidated profit</i>	---	---	---	---	---	---	---	---	---	38,150	38,150	173	38,323
<i>Other profits/(losses), net of tax effect</i>	---	---	---	---	(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
<i>Consolidated profit</i>	---	---	---	---	---	---	---	---	---	11,452	11,452	(23)	11,429
<i>Other profits/(losses), net of tax effect</i>	---	---	---	---	(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

ESG: main indicators and KPI's (*)

Topic	KPIs	2020 actual	2021 Objectives	31/03/2021 actual	2026 Strategic objectives
Raw materials management	% of recycled glass of external origin on total glass produced	48.0%	52.0%	48.0%	57.0%
Energy efficiency	Energy consumption per tonne of glass produced (kWh/ton)	2.355	2.340	2.378	2.130
	% of electricity from renewable sources	44.3%	46%	45.6%	81.0%
Water resource management	Specific water consumption per tonne of glass produced (m ³ /ton)	3.38	2.52	2.38	2.00
Emissions	Specific Scope 1 & 2 CO ₂ emissions (tonCO ₂ /ton)	0.607	0.600	0.626	0.450
	Sustainable logistics	Multi-modal transport system	In development phase	In development phase	In development phase
Waste management	Ordinary waste per tonne of glass produced (kg/ton)	12.12	n.a. (recorded annually)	n.a. (recorded annually)	n.a. (recorded annually)
Other	Group certifications	adoption ISO 14001 in Poland	FSSC 22000 underway in Empoli, expected by mid-2021	Adopted FSSC 22000 in Empoli in March 2021	Maintain current certifications
			ISO 9001 in France underway and expected by 2021	In progress	Adopt following new certifications: <ul style="list-style-type: none"> ● ISO 45001 in Empoli by 2023, in Fossalta by 2024, and in Poland by 2025 ● ISO 50001 in Poland by 2021, in Empoli and Fossalta by 2023 ● FSSC 22000 in Poland by 2023
		Ecovadis: Silver rating	Ecovadis: obtain Gold rating	Ecovadis: Silver rating	Improve Ecovadis and CDP scores
		CDP score B	CDP improvement score	CDP score B	
	Social / environmental initiatives	over euro 590,000 (includes COVID-19 emergency aid)	0.25% of annual consolidated result to social and environmental initiatives	in progress	0.25% of annual consolidated result to social and environmental initiatives

(*) 2021 data not audited