

Consolidated results for 2019

- **Merger CIR-COFIDE: received a positive reaction from the market**
- **Agreement reached on December 2 2019 for the sale to EXOR N.V. of the holding in GEDI (43.7%) for € 0.46 per share, which includes a premium of approximately 70%**
- **Revenues at € 2,114.4 million, in line with 2018 (€ 2,115.6 million)**
- **Revenues of the subsidiary KOS continue to grow (€ 595.2 million, +9.2%). Start of development of core activities abroad with the acquisition of Charleston**
- **EBITDA: € 290.3 million**
- **EBIT: € 85.5 million**
- **Net result excluding GEDI positive for € 14.3 million**
- **Loss reported on the interest in GEDI of € 136.7 million, of which € 58.6 million as the share pro rata of the losses of the subsidiary and € 78.1 million as the adjustment of the carrying value to the sale price agreed on**
- **Net financial position of the parent company solid at € 295.7 million (€ 299.6 million in 2018)**
- **Proposed dividend of € 0.02 per share, in line with 2018, considering the share exchange rate**

Milan, March 9 2020 – On February 19 2020 the merger by incorporation of CIR S.p.A. - Compagnie Industriali Riunite into COFIDE - Gruppo De Benedetti S.p.A. became effective; the name of the Company post-merger is CIR.

The Board of Directors, which met today under the chairmanship of Rodolfo De Benedetti, approved the statutory and consolidated Financial Statements for the year ended December 31 2019 of CIR and COFIDE, as the merger took place in 2020, and examined the pro-forma results of the group – as if the merger had taken place last year – as presented by Chief

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Executive Officer Monica Mondardini. The information below refers to the pro-forma results, but also gives the results of CIR and COFIDE pre-merger in a concise form.

The Board voted to propose that the Annual General Meeting of the Shareholders approve the distribution of a dividend of € 0.02 per share.

During 2019 important deals were concluded, deals that redesigned the structure and perimeter of the group.

The merger was initiated between CIR and its parent company COFIDE, after being approved by their respective Boards of Directors on March 11 2019. The merger took effect on February 19 2020. It has shortened the control chain and reduced unproductive costs, making the shares more liquid thanks to the greater float. The market reacted positively.

An agreement was reached with EXOR N.V. for the sale of CIR's holding in GEDI Gruppo Editoriale. The sale of GEDI, the group that CIR had controlled for over thirty years, was part of CIR's strategy of focusing its managerial commitment and its resources on sectors in which it is present where there is greater potential for the creation of value. The transfer of control to the EXOR holding guarantees that GEDI, which operates in a highly challenging market, will be able to count on a strong shareholder with experience in the sector and a long-term plan. The agreement includes a price per share that incorporates a premium of approximately 70% of stock exchange prices prior to the announcement: the market reacted positively to the deal to the benefit of CIR. In spite of this, CIR reported a significant loss as the sale price was lower than the carrying value.

A first step was taken to expand abroad the core business of the subsidiary KOS through the acquisition of the German company Charleston, which operates in the nursing home sector with 47 facilities with a total of 4,050 beds, and is forecasting 2020 revenues of € 175 million. For KOS Charleston represents a 30% increase in size and the start of a path of international growth in addition to its intense consolidation activity in Italy.

The Financial Statements for 2019, as was already commented on in detail in the interim financial reports, were formulated with the application of the new accounting standard IFRS 16 which produced changes in all the main financial indicators, EBITDA in particular, and involved the recognition as debt of the present value of future lease payments.

Moreover, following the deal announced on December 2 2019, the interest in GEDI was classified as an "asset held for disposal" in accordance with IFRS 5.



The consolidated results for 2019 were affected by the loss resulting from the pro-forma net result for the year 2019 of GEDI, burdened by the write-down of goodwill and the value of its newspaper titles (*la Repubblica* and *La Stampa*), and by the adjustment of the carrying value of the asset to the price agreed upon for the sale.

The financial figures presented below, relating to the consolidated Financial Statements for 2019, in application of IFRS 5, do not include GEDI, except for in the net result and shareholders' equity numbers.

Consolidated results

The group reported consolidated revenues of € 2,114.4 million, substantially unchanged from 2018, with KOS posting growth of 9.2% and Sogefi declining by 3.3%.

The consolidated gross operating margin (EBITDA) came in at € 290.3 million (13.7% of revenues); before the application of IFRS 16, EBITDA was € 238.6 million, down by 7.4% compared to the figure for 2018 (€ 257.7 million), because of the unfavourable performance of the automotive market in which Sogefi operates and the significant non-recurring charges incurred for the completion of extraordinary transactions, particularly the acquisition of Charleston by KOS and the CIR-COFIDE merger.

The consolidated operating result (EBIT) came to € 85.5 million (4% of revenues) versus € 109.6 million in 2018 and the decline was due to the factors mentioned above.

The net result before the effects relating to GEDI was a positive € 14.3 million (€ 22.6 million excluding non-recurring elements and the change in accounting standards, in line with € 21.8 million, the comparable figure for the year 2018); including GEDI, the group reported a loss of € 122.4 million.

The portfolio of financial investments of the parent company and the non-industrial subsidiaries recorded a return of 4.5% (excluding private equity and other equity investments), which was slightly higher than the market benchmark in all asset classes.

The consolidated net debt before IFRS 16 amounted to € 327.6 million at December 31 2019, up by € 107.8 million from December 31 2018 (€ 219.8 million). With consolidated free cash flow of around € 66 million, KOS invested in acquisitions and greenfield projects for € 117.7 million, Sogefi invested in new plants for an amount of € 10.5 million, dividends were distributed for a total of € 40.9 million and own shares were bought back for € 4.7 million.

Financial payables for rights of use as per IFRS 16 came to a total of € 800.1 million at December 31 2019 leading to overall consolidated net financial debt of € 1,127.7 million. The payables as per IFRS16 mainly refer to the subsidiary KOS (€ 737.3 million), which operates



principally in leased facilities (it should be noted that Charleston operates only in leased properties).

The equity of the group stood at € 770.7 million at December 31 2019 versus € 923.3 million at December 31 2018 and the reduction was due mainly to the loss reported on GEDI, the distribution of dividends and the buyback of own shares.

At December 31 2019 the group had 18,648 employees, up from 14,006 at December 31 2018. The increase was due to the acquisition of Charleston, which employs 3,981 people.

Healthcare

KOS, which is controlled by CIR (59.5%) and in which F2i Healthcare has an interest, is the principle operator in Italy in the long-term care sector. The group manages 135 facilities, mainly in the north of Italy and in Germany, with a total of 12,464 beds, and is active not only in Italy but also in India and the United Kingdom in the sector of diagnostics and oncology treatments.

In 2019 the consolidated revenues of KOS were up by 9.2% at € 595.2 million. The Long-Term Care sector reported growth in revenues of 9.5%, thanks to organic growth and to the contribution of the acquisitions made in 2018 and 2019; the Diagnostics and Oncology Treatment area also grew significantly (+11.7%), thanks to the evolution of its contract portfolio.

Consolidated EBITDA came in at € 141.3 million (€ 102.0 million excluding the effect of IFRS16, in line with the amount reported in the previous year). The benefits deriving from the new acquisitions, especially Charleston, will already be seen in 2020 and will reach full potential over the next three years.

Consolidated EBIT came to € 67.7 million and was slightly higher than the figure reported in 2018 (€ 66.3 million).

Consolidated net income was € 30.3 million, down from € 35.2 million reported in 2018, due to higher financial charges (€ 1.9 million), the negative impact of IFRS16 (€ 2.5 million) and the extraordinary charges incurred for the acquisitions.

At December 31 2019 the KOS group had net debt before IFRS16 of € 368.0 million versus € 259.4 million at December 31 2018; cash flow was a positive € 44 million, acquisitions were made for € 99 million and greenfield developments for € 18.7 million; lastly, dividends of € 35.9 million were distributed.

At December 31 2019 consolidated equity stood at € 292.2 million, compared to € 297.7 million at December 31 2018.



During 2019 KOS's growth trajectory in long-term care continued with the acquisition of Charleston Holding GmbH, a German company active in the supply of residential services for the non self-sufficient elderly and ancillary services for elderly people with a high level of disability, Villa Pineta S.r.l., a private hospital in Modena, and Casa Serena S.r.l., a care home situated in Carasco (GE). KOS also acquired SELEMAR S.r.l., which manages a pathology laboratory in Urbino, and Laboratorio Gamma S.r.l. based in Grosseto.

Automotive components

Sogefi is one of the main producers worldwide in the sectors of suspension, filtration, and air and cooling systems for motor vehicles, with 41 production plants in four continents. The company is controlled by CIR (56.7%) and is listed on the Stock Exchange.

In 2019 Sogefi reported revenues of € 1,519.2 million, down by 3.3% compared to 2018. The decline was overall more limited than that reported by the market (-5.8%) thanks to the better performance of revenues in Italy. By business sector, compared to the performance of the market, Filtration bucked the trend with growth of 1.7%, Air and Cooling showed a more limited decline (-1.7%), while Suspensions reported a decline of 5.6%, in line with the market.

EBITDA came in at € 174.3 million (of which € 12.4 million from the application of IFRS 16), and profitability (EBITDA / Revenues %), despite the fall in volumes, came to 11.5%, a figure in line with that of the previous year with the same accounting standards and excluding in 2018 the non-recurring income of € 6.6 million resulting from the close of the quality claims of Systèmes Moteurs S.A.S..

EBIT came to € 39.6 million (€ 43 million excluding the write-off of certain projects) versus € 60.1 million in 2018 (€ 53.5 million without considering the above-mentioned non-recurring gain of € 6.6 million). The operating result showed good growth in Europe thanks to the actions taken in the period while a negative impact was caused by critical factors which affected the North American businesses of the group, the unfavourable performance of the Chinese and South American markets and the start-up costs of the new plants in Morocco (Filtration) and Romania (Suspensions).

Net income came to € 3.2 million compared to € 14.0 million in 2018.

The net financial debt before IFRS stood at € 256.2 million at December 31 2019 and was down slightly from € 260.5 million at the end of 2018. Including the amount of € 62.7 million from the application of IFRS 16, the net debt at December 31 2019 totalled € 318.9 million.

At December 31 2019 consolidated Shareholders' equity amounted to € 207.8 million (€ 213.8 million at December 31 2018).



Operations held for disposal

In 2019 GEDI obtained consolidated revenues of € 603.5 million, with a decline of 7% compared to 2018, because of the contraction of the advertising market and the continuing decline in copies of newspapers and magazines sold.

The adjusted operating result, before non-recurring charges and IFRS16, was € 26.9 million, down from € 33.1 million in 2018.

In 2019 the newspaper and magazine titles were written down significantly from their carrying values against the backdrop of a market scenario that has worsened beyond expectations. More specifically, GEDI wrote down the value of the titles *la Repubblica* and *La Stampa* by an amount of € 105.6 million net of the deferred taxes recognized in the balance sheet for these assets. Moreover, the interest in Persidera was sold, giving a capital loss of € 16.5 million. Lastly, a provision of € 25.1 million was set up for corporate restructuring. GEDI therefore reported a net loss of € 129.0 million.

Non-core investments

The non-core investments of the group totalled € 74.5 million at December 31 2019 (€ 86.0 million at December 31 2018).

They consisted of a diversified portfolio of funds in the private equity sector, the fair value of which was € 56.6 million at December 31 2019, and a diversified portfolio of direct minority shareholdings worth € 17.9 million at December 31 2019.

Outlook for the year

The evolution of the group's results will depend on that of the sectors in which its strategic equity investments operate, as well as on the performance of the financial markets to which the return on financial assets managed by the non-industrial companies of the group are linked.

For 2020, KOS expects to see a rise in revenues of some 30%, thanks to the growth in its Italian businesses (around 5%) and to the consolidation of Charleston over the whole year. The profitability of the more recent investments will be fully evident in the next 3-5 years.

In the automotive sector, the uncertainty as to the market prospects has been accentuated by the unpredictable evolution of the Covid-19 virus and its effects on the world economy and on international trade. The group has limited direct exposure to the Chinese market (China accounts for just 5% of revenues), but there is undoubtedly a risk of the Coronavirus having a global impact on a market that is already in a weak situation. Before factoring in the Coronavirus phenomenon, the effects of which are for the moment unpredictable, based on its



portfolio of contracts and the forecast evolution of the market, Sogefi would expect revenues to be in line with those of 2019, which was in fact confirmed for the first two months of 2020, profitability in Europe to hold up and an improvement of profitability in North America, thanks to the new contracts acquired by the Air and Cooling business unit.

Results of the CIR group

In 2019 the CIR group reported consolidated revenues of € 2,114.4 million, substantially in line with 2018, with KOS showing growth of 9.2% and Sogefi reporting a decline of 3.3%.

The consolidated gross operating margin (EBITDA) came in at € 292.6 million (13.8% of revenues); before the application of IFRS 16, EBITDA for 2019 would be € 240.9 million, down by 7% compared to the figure for 2018 (€ 259.0 million) because of the unfavourable performance of the automotive market, in which Sogefi operates, and the significant non-recurring charges incurred for the extraordinary transactions, particularly the acquisition of Charleston by KOS and the CIR-COFIDE merger.

The consolidated operating result (EBIT) was € 87.8 million (4.1% of revenues), versus € 111.0 million in 2018 with the decline due to the factors described above.

The net result before the effects relating to GEDI was a positive € 15.0 million; including GEDI, the group reported a loss of € 121.7 million.

Results of the COFIDE group

The group reported consolidated revenues of € 2,114.4 million, substantially unchanged from 2018, with KOS showing growth of 9.2% and Sogefi reporting a decline of 3.3%.

The consolidated gross operating margin (EBITDA) came in at € 290.3 million (13.7% of revenues); before the application of IFRS 16, EBITDA for 2019 would be € 238.6 million, down by 7.4% compared to the figure for 2018 (€ 257.7 million) because of the unfavourable performance of the automotive market in which Sogefi operates, and the significant non-recurring charges incurred for the extraordinary transactions, particularly the acquisition of Charleston by KOS and the CIR-COFIDE merger.

The consolidated operating result (EBIT) was € 85.5 million (4% of revenues), versus € 109.6 million in 2018 with the decline due to the factors described above.

The net result before the effects relating to GEDI was a positive € 7.8 million; including GEDI, the group reported a loss of € 69.8 million.



The parent company COFIDE S.p.A. closed 2019 with net income of € 13.4 million versus net earnings of € 11.1 million in 2018.

Proposed dividend

The Board of Directors has decided to propose that the Annual General Meeting of the Shareholders approve the distribution of a dividend of € 0.02 per share. The value per share is in line with level of remuneration given in 2018 to the Shareholders of the former CIR. The dividend will be paid on May 20 2020 with the detachment of coupon no. 35 on May 18 and record date May 19.

Annual General Meeting of the Shareholders

The Annual General Meeting has been convened at a single calling for April 24 2020. At today's meeting, the Board of Directors resolved:

- To put before the Shareholders' Meeting a motion to cancel and renew the authorization of the same Board of Directors for a period of 18 months to buy back a maximum of 200,000,000 of its own shares and in any case up to 20% of the share capital at a unit price that cannot be more than 10% higher or lower than the benchmark price recorded by the shares on regulated markets on the trading day preceding each single buyback transaction or the date on which the price is fixed. In any case, when the shares are bought back in the regulated market, the price must not be higher than the higher of the price of the last independent transaction and the highest current independent bid price on the same market, in compliance with what is set out in EU Delegated Regulation no. 2016/1052. The main reasons why this authorization is being renewed are: to fulfil the obligations resulting from possible stock option plans or other awards of shares of the Company to employees or members of the Board of Directors of CIR, its subsidiaries or its parent company; to fulfil any obligations resulting from debt instruments that are convertible into or exchangeable with equity instruments; to have a portfolio of own shares to use as consideration for any possible extraordinary transactions, even those involving an exchange of equity holdings with other entities within the scope of transactions of interest to the Company (a so-called "stock of securities"); to support market liquidity of the shares; to take advantage of opportunities for creating value, as well as investing liquidity efficiently in relation to the market trend; for any other purpose qualified by the competent Authorities as admitted market practice in accordance with applicable European or domestic rules, and with the procedures established therein;
- To put before the Shareholders' Meeting for approval a stock grant plan for 2020 aimed at directors and/or executives of the company and its subsidiaries for a maximum of 4,500,000 conditional rights, each of which will give the beneficiaries the



right to be assigned free of charge 1 CIR share. The shares thus assigned will be made available from the own shares that the company is holding as treasury stock;

- To propose the renewal of the Board of Directors, as stipulated in the merger agreement;
- To propose the renewal of the Board of Statutory Auditors the mandate of which comes to an end with the approval of the Financial Statements for the year ended December 31 2019;
- To propose, in an extraordinary session, that the authorization of the Board of Directors be renewed to effect capital increases up to a maximum of € 500 million, capital increases in favour of directors and employees of the company and its subsidiaries for a maximum amount of € 11 million, and to issue convertible bonds and bonds with warrants attached, even without the option right and in this case in favour of institutional investors.

The Executive responsible for the preparation of the Company's Financial Statements, Giuseppe Gianoglio, hereby declares, in compliance with the terms of paragraph 2 Article 154 bis of the Finance Consolidation Act (TUF), that the figures contained in this press release correspond to the results documented in the Company's accounts and general ledger.

Alternative performance indicators

Below the meaning and content are given of the "alternative performance indicators", not envisaged by IFRS accounting standards but used in this press release to provide a better evaluation of the economic and financial performance of the group:

- EBITDA (gross operating margin): an indicator of operating performance calculated by adding "amortization, depreciation and write-downs" to the "operating result";
- Consolidated net financial debt: an indicator of the financial structure of the group; it is the algebraic sum of financial receivables, securities, other financial assets and cash and cash equivalents in current assets, of bonds, other borrowings and financial payables for rights of use in non-current liabilities, of bank borrowings, bonds, other financial payables and financial payables for rights of use in current liabilities.

Attached are the consolidated statements of financial position and income statements of COFIDE and CIR.

COFIDE – Consolidated Statement of Financial Position

(in thousands of euro)

ASSETS	31.12.2019	31.12.2018
NON-CURRENT ASSETS	2,436,085	2,328,789
INTANGIBLE ASSETS	670,368	1,139,840
TANGIBLE ASSETS	701,188	822,444
INVESTMENT PROPERTY	16,481	18,677
RIGHTS OF USE	865,988	--
INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD	851	110,179
OTHER EQUITY INVESTMENTS	1,863	12,525
OTHER RECEIVABLES	45,982	50,655
OTHER FINANCIAL ASSETS	67,866	75,469
DEFERRED TAX ASSETS	65,498	99,000
CURRENT ASSETS	1,055,007	1,218,476
INVENTORIES	119,985	134,218
TRADE RECEIVABLES	241,762	420,969
<i>of which with related parties</i>	611	690
OTHER RECEIVABLES	61,029	79,283
<i>of which with related parties</i>	105	105
FINANCIAL RECEIVABLES	23,135	25,773
SECURITIES	35,482	33,563
OTHER FINANCIAL ASSETS	264,278	276,880
CASH AND CASH EQUIVALENTS	309,336	247,790
ASSETS HELD FOR DISPOSAL	722,587	13,599
TOTAL ASSETS	4,213,679	3,560,864
LIABILITIES AND EQUITY	31.12.2019	31.12.2018
SHAREHOLDERS' EQUITY	1,116,971	1,436,037
SHARE CAPITAL	345,998	347,523
RESERVES	43,355	51,490
RETAINED EARNINGS (LOSSES)	112,885	112,263
NET INCOME (LOSS) FOR THE PERIOD	(69,807)	4,535
EQUITY OF THE GROUP	432,431	515,811
MINORITY SHAREHOLDERS' EQUITY	684,540	920,226
NON-CURRENT LIABILITIES	1,801,985	1,046,239
BONDS	310,671	270,254
OTHER BORROWINGS	472,677	365,004
FINANCIAL PAYABLES FOR RIGHTS OF USE	786,980	--
OTHER PAYABLES	60,112	63,003
DEFERRED TAX LIABILITIES	56,852	169,864
PERSONNEL PROVISIONS	85,906	135,091
PROVISIONS FOR RISKS AND LOSSES	28,787	43,023
CURRENT LIABILITIES	798,080	1,069,224
BANK BORROWINGS	8,455	13,046
BONDS	40,180	113,801
OTHER BORROWINGS	68,946	144,874
FINANCIAL PAYABLES FOR RIGHTS OF USE	72,065	--
TRADE PAYABLES	396,391	497,420
<i>of which with related parties</i>	--	2,238
OTHER PAYABLES	153,992	212,706
PROVISIONS FOR RISKS AND LOSSES	58,051	87,377
LIABILITIES HELD FOR DISPOSAL	496,643	9,364
TOTAL LIABILITIES AND EQUITY	4,213,679	3,560,864

COFIDE – Consolidated Income Statement

(in thousands of euro)

	2019	2018
REVENUES	2,114,431	2,115,636
CHANGE IN INVENTORIES	(274)	(1,680)
COSTS FOR THE PURCHASE OF GOODS	(890,171)	(916,021)
COSTS FOR SERVICES	(326,583)	(369,888)
<i>of which with related parties</i>	(228)	(298)
PERSONNEL COSTS	(556,592)	(529,516)
OTHER OPERATING INCOME	26,704	25,946
<i>of which with related parties</i>	688	1,003
OTHER OPERATING COSTS	(77,179)	(66,810)
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	(204,845)	(148,075)
OPERATING RESULT	85,491	109,592
FINANCIAL INCOME	7,117	8,680
<i>of which with related parties</i>	--	--
FINANCIAL EXPENSE	(52,411)	(42,209)
DIVIDENDS	42	2,783
GAINS FROM TRADING SECURITIES	6,382	14,553
LOSSES FROM TRADING SECURITIES	(2,949)	(986)
SHARE OF INCOME (LOSS) OF INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD	43	(48)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	7,404	(11,179)
RESULT BEFORE TAXES	51,119	81,186
INCOME TAXES	(23,151)	(32,731)
RESULT OF ONGOING OPERATIONS	27,968	48,455
INCOME/(LOSS) FROM OPERATIONS HELD FOR DISPOSAL	(294,716)	(30,938)
NET INCOME/(LOSS) FOR THE YEAR INCLUDING MINORITY INTERESTS	(266,748)	17,517
- (NET INCOME) LOSS OF MINORITY SHAREHOLDERS	196,941	(12,982)
- NET INCOME (LOSS) OF THE GROUP	(69,807)	4,535
BASIC EARNINGS (LOSS) PER SHARE (in euro)	(0.1008)	0.0065
DILUTED EARNINGS (LOSS) PER SHARE (in euro)	(0.1008)	0.0065

COFIDE – Consolidated Cash Flow Statement

(in thousands of euro)

	2019	2018
OPERATING ACTIVITY		
RESULT OF ONGOING OPERATIONS	27,968	48,455
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	204,845	148,075
INTEREST EXPENSE ON FINANCIAL PAYABLES FOR RIGHTS OF USE	13,871	--
ADJUSTMENT OF INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD	(43)	48
ACTUARIAL VALUATION OF STOCK OPTION/STOCK GRANT PLANS	2,358	2,953
CHANGE IN PERSONNEL PROVISIONS, PROVISIONS FOR RISKS AND LOSSES	10,113	(11,208)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(7,394)	11,179
LOSSES (GAINS) FROM THE SALE OF CAPITAL ASSETS	(2,839)	(11,328)
OTHER NON-MONETARY CHANGES	(2,938)	(3,559)
INCREASE (REDUCTION) IN NON-CURRENT RECEIVABLES/PAYABLES	(5,193)	(3,340)
(INCREASE) REDUCTION IN NET WORKING CAPITAL	(4,362)	23,948
CASH FLOW FROM OPERATING ACTIVITY	236,386	205,223
of which:		
- interest received (paid)	(27,783)	(29,627)
- income tax payments	(31,230)	(26,845)
INVESTMENT ACTIVITY		
AMOUNTS PAID FOR BUSINESS COMBINATIONS	(98,384)	(21,533)
NET FINANCIAL POSITION OF ACQUIRED COMPANIES	4,615	551
(PURCHASE) SALE OF SECURITIES	25,207	(20,700)
SALE OF CAPITAL ASSETS	6,668	10,196
PURCHASE OF CAPITAL ASSETS	(180,555)	(167,631)
CASH FLOW FROM INVESTMENT ACTIVITY	(242,449)	(199,117)
FINANCING ACTIVITY		
INFLOWS FROM CAPITAL INCREASES	79	928
OTHER CHANGES IN EQUITY	(163)	1,566
CHANGE IN OTHER FINANCIAL RECEIVABLES	1,824	(3,464)
DRAWDOWN/(EXTINGUISHMENT) OF OTHER FINANCIAL PAYABLES/RECEIVABLES	250,038	28,209
REPAYMENT OF LEASE LIABILITIES RELATED TO RIGHTS OF USE ASSETS	(63,118)	--
BUYBACK OF THE GROUP'S OWN SHARES	(4,686)	(15,043)
DIVIDENDS PAID OUT	(40,919)	(33,234)
CASH FLOW FROM FINANCING ACTIVITY	143,055	(21,038)
INCREASE (REDUCTION) IN CASH AND CASH EQUIVALENTS OF ONGOING OPERATIONS	136,992	(14,932)
CASH FLOW/NET CASH AND CASH EQUIVALENTS AT START OF YEAR FROM ASSETS HELD FOR DISPOSAL	6,334	(73,027)
NET CASH AND CASH EQUIVALENTS AT START OF YEAR	157,555	245,514
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	300,881	157,555

COFIDE – Statement of Changes in Consolidated Equity

<i>(in thousands of euro)</i>	<i>Attributable to the Shareholders of the Parent Company</i>												<i>Minority interests</i>	<i>Total</i>
	<i>Issued capital</i>	<i>less own shares</i>	<i>Share capital</i>	<i>Share premium reserve</i>	<i>Legal reserve</i>	<i>Fair value reserve</i>	<i>Translation reserve</i>	<i>Reserve for own shares</i>	<i>Other reserves</i>	<i>Retained earnings (losses)</i>	<i>Net income (loss) for the period</i>	<i>Issued capital</i>		
BALANCE AT DECEMBER 31 2017	359,605	(9,594)	350,011	5,044	23,585	22,854	(11,935)	9,594	30,719	97,758	(2,966)	524,664	956,109	1,480,773
Adjustments at the date of first application of IFRS 15 (net of tax)	--	--	--	--	--	--	116	--	(3,628)	--	(1)	(3,513)	(7,675)	(11,188)
BALANCE AT DECEMBER 31 2017 RESTATED	359,605	(9,594)	350,011	5,044	23,585	22,854	(11,819)	9,594	27,091	97,758	(2,967)	521,151	948,434	1,469,585
Adjustments at the date of first application of IFRS 9 (net of tax)	--	--	--	--	--	(24,302)	(3,677)	--	(770)	27,979	--	(770)	(1,771)	(2,541)
BALANCE AT JANUARY 1 2018 RESTATED	359,605	(9,594)	350,011	5,044	23,585	(1,448)	(15,496)	9,594	26,321	125,737	(2,967)	520,381	946,663	1,467,044
Capital increases	--	--	--	--	--	--	--	--	--	--	--	--	928	928
Dividends to Shareholders	--	--	--	--	--	--	--	--	--	(9,800)	--	(9,800)	(23,434)	(33,234)
Retained earnings	--	--	--	--	707	--	--	--	--	(3,674)	2,967	--	--	--
Adjustment for own share transactions	--	(2,488)	(2,488)	--	--	--	--	2,488	(2,477)	--	--	(2,477)	--	(2,477)
Effects of equity changes in subsidiaries	--	--	--	--	--	(30)	(320)	--	5,893	--	--	5,543	(11,970)	(6,427)
<i>Comprehensive result for the period</i>														
Fair value measurement of hedging instruments	--	--	--	--	--	490	--	--	--	--	--	490	1,033	1,523
Effects of equity changes in subsidiaries	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Currency translation differences	--	--	--	--	--	--	(3,411)	--	--	--	--	(3,411)	(7,276)	(10,687)
Actuarial gains (losses)	--	--	--	--	--	--	--	--	550	--	--	550	1,300	1,850
Result for the period	--	--	--	--	--	--	--	--	--	--	4,535	4,535	12,982	17,517
<i>Total comprehensive result for the period</i>	--	--	--	--	--	490	(3,411)	--	550	--	4,535	2,164	8,039	10,203
BALANCE AT DECEMBER 31 2018	359,605	(12,082)	347,523	5,044	24,292	(988)	(19,227)	12,082	30,287	112,263	4,535	515,811	920,226	1,436,037

The Statement of Changes in Consolidated Equity of Cofide continues on the next page

<i>(in thousands of euro)</i>	Attributable to the Shareholders of the Parent Company												Minority interests	Total
	Issued capital	less own shares	Share capital	Share premium reserve	Legal reserve	Fair value reserve	Translation reserve	Reserve for own shares	Other reserves	Retained earnings (losses)	Net income (loss) for the period	Total		
BALANCE AT DECEMBER 31 2018	359,605	(12,082)	347,523	5,044	24,292	(988)	(19,227)	12,082	30,287	112,263	4,535	515,811	920,226	1,436,037
Adjustments at the date of first application of IFRS 16 (net of tax)	--	--	--	--	--	--	--	--	385	(2,472)	--	(2,087)	(4,392)	(6,479)
BALANCE AT JANUARY 1 2019 RESTATED	359,605	(12,082)	347,523	5,044	24,292	(988)	(19,227)	12,082	30,672	109,791	4,535	513,724	915,834	1,429,558
Capital increases	--	--	--	--	--	--	--	--	--	--	--	--	79	79
Dividends to Shareholders	--	--	--	--	--	--	--	--	(10,034)	--	--	(10,034)	(30,885)	(40,919)
Retained earnings	--	--	--	--	554	--	--	--	887	3,094	(4,535)	--	--	--
Adjustments for own share transactions	--	(1,525)	(1,525)	--	--	--	--	1,525	(1,505)	--	--	(1,505)	--	(1,505)
Effects of equity changes in subsidiaries	--	--	--	--	--	53	(50)	--	2,616	--	--	2,619	1,923	4,542
<i>Comprehensive result for the period</i>														
Fair value measurement of hedging instruments	--	--	--	--	--	235	--	--	--	--	--	235	492	727
Effects of equity changes in subsidiaries	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Currency translation differences	--	--	--	--	--	--	(1,086)	--	--	--	--	(1,086)	(2,388)	(3,474)
Actuarial gains (losses)	--	--	--	--	--	--	--	--	(1,715)	--	--	(1,715)	(3,574)	(5,289)
Result for the period	--	--	--	--	--	--	--	--	--	--	(69,807)	(69,807)	(196,941)	(266,748)
<i>Total comprehensive result for the period</i>	--	--	--	--	--	235	(1,086)	--	(1,715)	--	(69,807)	(72,373)	(202,411)	(274,784)
BALANCE AT DECEMBER 31 2019	359,605	(13,607)	345,998	5,044	24,846	(700)	(20,363)	13,607	20,921	112,885	(69,807)	432,431	684,540	1,116,971

Consolidated Statement of Financial Position

(in thousands of euro)

ASSETS	31.12.2019		31.12.2018
NON-CURRENT ASSETS	2,421,771		2,314,052
INTANGIBLE ASSETS	670,368		1,139,840
TANGIBLE ASSETS	700,968		822,169
INVESTMENT PROPERTY	15,629		17,825
RIGHTS OF USE	865,988		--
INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD	851		110,179
OTHER EQUITY INVESTMENTS	1,863		12,525
OTHER RECEIVABLES	45,860		50,534
OTHER FINANCIAL ASSETS	54,746		61,980
DEFERRED TAX ASSETS	65,498		99,000
CURRENT ASSETS	1,042,685		1,206,395
INVENTORIES	119,985		134,218
TRADE RECEIVABLES	241,762		420,969
<i>of which with related parties</i>	611	690	
OTHER RECEIVABLES	60,903		79,017
<i>of which with related parties</i>	105	105	
FINANCIAL RECEIVABLES	23,135		25,773
SECURITIES	24,522		25,069
OTHER FINANCIAL ASSETS	264,278		276,880
CASH AND CASH EQUIVALENTS	308,100		244,469
ASSETS HELD FOR DISPOSAL	722,587		13,599
TOTAL ASSETS	4,187,043		3,534,046
LIABILITIES AND EQUITY	31.12.2019		31.12.2018
SHAREHOLDERS' EQUITY	1,127,941		1,448,875
SHARE CAPITAL	320,637		322,089
RESERVES	211,434		236,862
RETAINED EARNINGS (LOSSES)	371,264		364,307
NET INCOME (LOSS) FOR THE PERIOD	(121,682)		12,890
EQUITY OF THE GROUP	781,653		936,148
MINORITY SHAREHOLDERS' EQUITY	346,288		512,727
NON-CURRENT LIABILITIES	1,766,075		1,008,337
BONDS	310,671		270,254
OTHER BORROWINGS	436,890		327,303
FINANCIAL PAYABLES FOR RIGHTS OF USE	786,980		--
OTHER PAYABLES	60,077		62,968
DEFERRED TAX LIABILITIES	56,764		169,698
PERSONNEL PROVISIONS	85,906		135,091
PROVISIONS FOR RISKS AND LOSSES	28,787		43,023
CURRENT LIABILITIES	796,384		1,067,470
BANK BORROWINGS	8,455		13,046
BONDS	40,180		113,801
OTHER FINANCIAL PAYABLES	68,946		144,874
FINANCIAL PAYABLES FOR RIGHTS OF USE	72,065		--
TRADE PAYABLES	396,297		497,264
<i>of which with related parties</i>	--	2,483	
OTHER PAYABLES	152,390		211,108
PROVISIONS FOR RISKS AND LOSSES	58,051		87,377
LIABILITIES HELD FOR DISPOSAL	496,643		9,364
TOTAL LIABILITIES AND EQUITY	4,187,043		3,534,046

CIR – Consolidated Income Statement

(in thousands of euro)

	2019	2018
REVENUES	2,114,431	2,115,636
CHANGE IN INVENTORIES	(274)	(1,680)
COSTS FOR THE PURCHASE OF GOODS	(890,170)	(916,019)
COSTS FOR SERVICES	(324,662)	(369,068)
<i>of which with related parties</i>	(228)	(298)
PERSONNEL COSTS	(556,592)	(529,516)
OTHER OPERATING INCOME	26,410	25,917
<i>of which with related parties</i>	703	1,018
OTHER OPERATING COSTS	(76,550)	(66,248)
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	(204,790)	(148,021)
OPERATING RESULT	87,803	111,001
FINANCIAL INCOME	7,112	8,667
<i>of which with related parties</i>	--	--
FINANCIAL EXPENSE	(51,589)	(41,327)
DIVIDENDS	42	2,783
GAINS FROM TRADING SECURITIES	6,018	14,167
LOSSES FROM TRADING SECURITIES	(1,247)	(655)
SHARE OF EARNINGS (LOSS) OF INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD	43	(48)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	3,665	(10,310)
RESULT BEFORE TAXES	51,847	84,278
INCOME TAXES	(23,098)	(33,079)
RESULT OF ONGOING OPERATIONS	28,749	51,199
NET INCOME/(LOSS) FROM OPERATIONS HELD FOR DISPOSAL	(294,716)	(30,938)
NET INCOME/(LOSS) FOR THE YEAR INCLUDING MINORITY INTERESTS	(265,967)	20,261
- (NET INCOME) LOSS MINORITY SHAREHOLDERS	144,285	(7,371)
- NET INCOME (LOSS) OF THE GROUP	(121,682)	12,890
BASIC EARNINGS (LOSS) PER SHARE (in euro)	(0.1897)	0.0198
DILUTED EARNINGS (LOSS) PER SHARE (in euro)	(0.1891)	0.0198

CIR – Consolidated Cash Flow Statement

(in thousands of euro)

	2019	2018
OPERATING ACTIVITY		
RESULT OF ONGOING OPERATIONS	28,749	51,199
ADJUSTMENTS:		
AMORTIZATION, DEPRECIATION AND WRITEDOWNS	204,790	148,021
INTEREST EXPENSE ON FINANCIAL PAYABLES FOR RIGHTS OF USE	13,871	--
ADJUSTMENT FOR INVESTMENTS CONSOLIDATED USING THE EQUITY		
METHOD	(43)	48
ACTUARIAL VALUATION OF STOCK OPTION/STOCK GRANT PLANS	2,358	2,953
CHANGE IN PERSONNEL PROVISIONS, PROVISIONS FOR RISKS AND		
LOSSES	10,113	(11,208)
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(3,655)	10,310
LOSSES (GAINS) ON THE SALE OF CAPITAL ASSETS	(4,177)	(11,282)
OTHER NON-MONETARY CHANGES	(2,938)	(3,559)
INCREASE (REDUCTION) IN NON-CURRENT RECEIVABLES/PAYABLES	(5,114)	(2,991)
(INCREASE) REDUCTION IN NET WORKING CAPITAL	(4,301)	24,397
CASH FLOW FROM OPERATING ACTIVITY	239,653	207,888
of which:		
- interest received (paid)	(27,208)	(28,925)
- income tax payments	(31,230)	(26,845)
INVESTMENT ACTIVITY		
AMOUNT PAID FOR BUSINESS COMBINATIONS	(98,384)	(21,533)
NET FINANCIAL POSITION OF ACQUIRED COMPANIES	4,615	551
(PURCHASE) SALE OF SECURITIES	25,207	(20,751)
SALE OF CAPITAL ASSETS	6,364	2,063
PURCHASE OF CAPITAL ASSETS	(180,555)	(167,631)
CASH FLOW FROM INVESTMENT ACTIVITY	(242,753)	(207,301)
FINANCING ACTIVITY		
INFLOWS FROM CAPITAL INCREASES	79	928
OTHER CHANGES IN SHAREHOLDERS' EQUITY	(307)	1,566
CHANGE IN OTHER FINANCIAL RECEIVABLES	1,824	(3,464)
DRAWDOWN/(EXTINGUISHMENT) OF OTHER PAYABLES/RECEIVABLES	251,952	33,534
REPAYMENT OF LEASE LIABILITIES RELATED TO RIGHTS OF USE ASSETS	(63,118)	--
BUYBACK OF OWN SHARES OF THE GROUP	(3,181)	(12,566)
DIVIDENDS PAID	(45,072)	(37,257)
CASH FLOW FROM FINANCING ACTIVITY	142,177	(17,259)
INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS OF		
OPERATIONS DESTINED TO CONTINUE	139,077	(16,672)
CASH FLOW/NET CASH AND CASH EQUIVALENTS AT START OF YEAR		
FROM ASSETS HELD FOR DISPOSAL	6,334	(73,027)
NET CASH AND CASH EQUIVALENTS AT START OF YEAR	154,234	243,933
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	299,645	154,234

CIR – Statement of Changes in Consolidated Equity

(In thousands of euro)

	Attributable to the Shareholders of the Parent Company													Minority interests	Total
	Issued capital	less own shares	Share capital	Share premium reserve	Legal reserve	Fair value reserve	Translation reserve	Reserve for own shares	Stock option & stock grant reserve	Other reserves	Retained earnings (losses)	Net income (loss) for the period	Total		
BALANCE AT DECEMBER 31 2017	397,146	(69,083)	328,063	40,506	115,969	22,836	(21,526)	69,083	15,468	30,209	372,659	(5,948)	967,319	525,094	1,492,413
Adjustments at date of first application of IFRS 15 (net of tax)	--	--	--	--	--	--	208	--	--	(6,543)	--	(2)	(6,337)	(4,851)	(11,188)
BALANCE AT DECEMBER 31 2017 RESTATED	397,146	(69,083)	328,063	40,506	115,969	22,836	(21,318)	69,083	15,468	23,666	372,659	(5,950)	960,982	520,243	1,481,225
Adjustments at date of first application of IFRS 9 (net of tax)	--	--	--	--	--	(25,448)	(6,632)	--	--	(1,389)	32,080	--	(1,389)	(1,152)	(2,541)
BALANCE AT JANUARY 1 2018 RESTATED	397,146	(69,083)	328,063	40,506	115,969	(2,612)	(27,950)	69,083	15,468	22,277	404,739	(5,950)	959,593	519,091	1,478,684
Capital increases	--	--	--	--	--	--	--	--	--	--	--	--	--	928	928
Dividends to Shareholders	--	--	--	--	--	--	--	--	--	--	(24,764)	--	(24,764)	(12,493)	(37,257)
Retained earnings	--	--	--	--	--	--	--	--	--	--	(5,950)	5,950	--	--	--
Unclaimed dividends as per Art. 23 of the Company Bylaws	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Adjustment for own share transactions	--	(5,974)	(5,974)	223	--	--	--	5,974	--	--	(12,899)	--	(12,676)	--	(12,676)
Movements between reserves	--	--	--	--	--	--	--	--	(3,181)	--	3,181	--	--	--	--
Notional recognition of stock options and stock grants	--	--	--	--	--	--	--	--	1,794	--	--	--	1,794	--	1,794
Effects of equity changes in subsidiaries	--	--	--	--	--	(5)	(57)	--	--	3,572	--	--	3,510	945	4,455
<i>Comprehensive result for the period</i>															
Fair value measurement of hedging instruments	--	--	--	--	--	868	--	--	--	--	--	--	868	655	1,523
Effects of equity changes in subsidiaries	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Currency translation differences	--	--	--	--	--	--	(6,041)	--	--	--	--	--	(6,041)	(4,646)	(10,687)
Actuarial gains (losses)	--	--	--	--	--	--	--	--	--	974	--	--	974	876	1,850
Result for the period	--	--	--	--	--	--	--	--	--	--	--	12,890	12,890	7,371	20,261
<i>Total comprehensive result for the period</i>	--	--	--	--	--	868	(6,041)	--	--	974	--	12,890	8,691	4,256	12,947
BALANCE AT DECEMBER 31 2018	397,146	(75,057)	322,089	40,729	115,969	(1,749)	(34,048)	75,057	14,081	26,823	364,307	12,890	936,148	512,727	1,448,875

The Statement of Changes in Consolidated Equity of CIR continues on the next page

(In thousands of euro)	Attributable to the Shareholders of the Parent Company													Minority interests	Total
	Issued capital	less own shares	Share capital	Share premium reserve	Legal reserve	Fair value reserve	Translation reserve	Reserve for own shares	Stock option /stock grant reserve	Other reserves	Retained earnings (losses)	Net income (loss) for the period	Total		
BALANCE AT DECEMBER 31 2018	397,146	(75,057)	322,089	40,729	115,969	(1,749)	(34,048)	75,057	14,081	26,823	364,307	12,890	936,148	512,727	1,448,875
Adjustments at the date of first application of IFRS 16 (net of tax)	--	--	--	--	--	--	--	--	--	678	(4,357)	--	(3,679)	(2,800)	(6,479)
BALANCE AT JANUARY 1 2019 RESTATED	397,146	(75,057)	322,089	40,729	115,969	(1,749)	(34,048)	75,057	14,081	27,501	359,950	12,890	932,469	509,927	1,442,396
Capital increases	--	--	--	--	--	--	--	--	--	--	--	--	--	79	79
Dividends to Shareholders	--	--	--	--	--	--	--	--	--	(25,007)	--	--	(25,007)	(20,065)	(45,072)
Retained earnings	--	--	--	--	--	--	--	--	--	907	11,983	(12,890)	--	--	--
Unclaimed dividends as per Art. 23 of the Company Bylaws	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Adjustment for own share transactions	--	(1,452)	(1,452)	347	--	--	--	1,452	--	--	(3,528)	--	(3,181)	--	(3,181)
Movements between reserves	--	--	--	--	--	--	--	--	(2,848)	(11)	2,859	--	--	--	--
Notional recognition of stocks options and stock grants	--	--	--	--	--	--	--	--	1,864	--	--	--	1,864	--	1,864
Effects of equity changes in subsidiaries	--	--	--	--	--	99	64	--	--	1,550	--	--	1,713	4,145	5,858
<i>Comprehensive result for the period</i>															
Fair value measurement of hedging instruments	--	--	--	--	--	415	--	--	--	--	--	--	415	312	727
Effects of equity changes in subsidiaries	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Currency translation differences	--	--	--	--	--	--	(1,914)	--	--	--	--	--	(1,914)	(1,560)	(3,474)
Actuarial gains (losses)	--	--	--	--	--	--	--	--	--	(3,024)	--	--	(3,024)	(2,265)	(5,289)
Result for the period	--	--	--	--	--	--	--	--	--	--	--	(121,801)	(121,682)	(144,285)	(265,967)
<i>Total comprehensive result for the period</i>	--	--	--	--	--	415	(1,914)	--	--	(3,024)	--	(121,801)	(126,205)	(147,798)	(274,003)
BALANCE AT DECEMBER 31 2019	397,146	(76,509)	320,637	41,076	115,969	(1,235)	(35,898)	76,509	13,097	1,916	371,264	(121,801)	781,653	346,288	1,127,941