



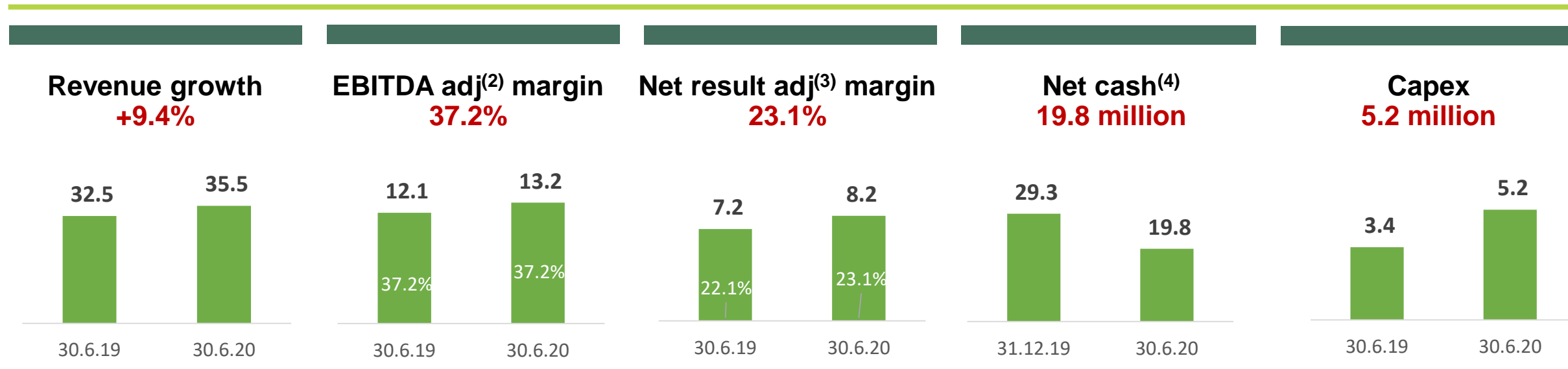
A TRUSTWORTHY PARTNER WITH AN OUTSTANDING ITALIAN ENVIRONMENT
FRIENDLY HISTORY APPRECIATED THROUGHOUT THE WORLD



1H 2020 Financial results

14 September 2020

KEY FINANCIAL HIGHLIGHTS ⁽¹⁾



- **Strong financial results** in the first half 2020 notwithstanding the difficult environment
- Organization responsiveness to deal with COVID-19 effects, **safeguarding workers** and **assuring supply to customers**
- **Revenue growth** reflecting underlying contribution **mainly from biostimulants** while other business are almost stable vs 1H19.
- Portion of incremental revenue in 1Q20 reasonably driven by customers' stockpiling at start of COVID-19 lockdowns partially reversed in 2Q20 due to temporary shut-down of industrial customers
- **Robust capex** at **€5.2m** to support future **expansion** and **operation flexibility**
- **Net cash** at **€19.8m** at 30 June 2020 after payment of €8.8m of dividends

(1) Euro million

(2) EBIT before amortisation/depreciation and impairment losses, non-recurring costs and revenue, including Sicit Chemitech S.p.A.'s EBITDA for the period January-April (consolidated as of 2 May 2019)

(3) Before non-recurring costs and revenue, costs and revenue from warrant measurement, the related tax

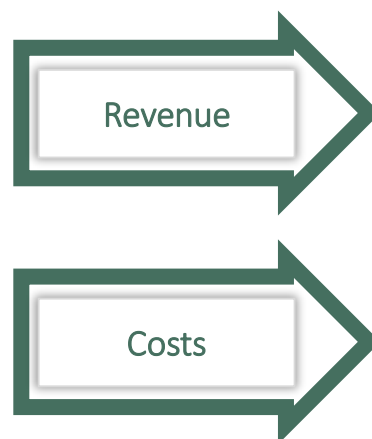
effect and the financial performance of Sicit Chemitech for the period January-April 2019 (consolidated as of 2 May 2019).

(4) Excluding financial liabilities for warrant

COVID-19 – OPERATIONS AND INITIATIVES



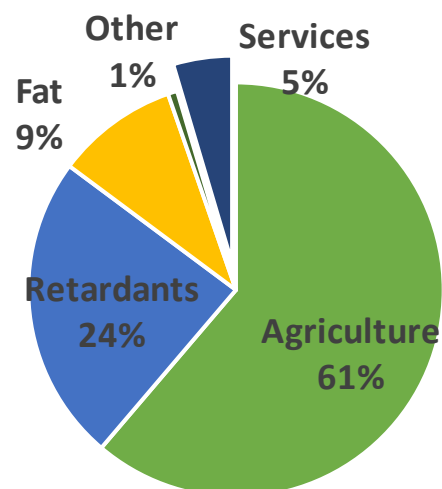
- SICIT production sites never shut down during the crisis due to our being considered a strategic chemical industry
- Vicenza's leather district was partially shut down from 22nd of March to the 4th of May. Tanneries subject to receiving raw hides directly from the slaughterhouses were permitted to work
- During such period, SICIT **reduced** the collection of ABP and tannery waste, **interrupted** the production of semi-finished products (hydrolyzed protein) and **continued** the production of finished products using the stock of semi-finished products available
- Both for raw materials collection and **production** of hydrolyzed protein restarting at the end of April



- Request for price increase to customers to mitigate the potential margin impact from COVID-19 and from the increasing costs of raw materials
- No use of Government redundancy funds (Italian CIGO) and implementation of smart working
- Strong focus on new laws related to COVID-19 prevention both at the production sites and at the headquarter to safeguard employees and operation continuity

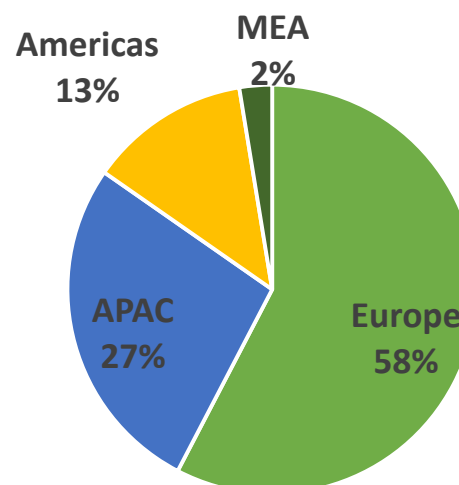
REVENUES BREAKDOWN

Breakdown by sector



(in Euro million)	30.6.19	30.6.20	Var.	Var. %
Products for agriculture	18,2	21,7	3,5	19,4%
Retardants	8,7	8,5	(0,2)	(2,1%)
Fat	3,4	3,4	(0,0)	(1,0%)
Other industrial products	0,4	0,3	(0,2)	(39,5%)
Total products	30,7	33,9	3,1	10,3%
Services	1,7	1,6	(0,1)	(5,8%)
Totale revenues	32,5	35,5	3,0	9,4%

Breakdown by region



(in Euro million)	30.6.19	30.6.20	Var.	Var. %
Italy	8.0	8.1	0.1	1.3%
Europe (w/o Italy)	10.9	11.4	0.5	4.6%
APAC	7.9	9.2	1.3	16.4%
Americas	3.0	4.3	1.3	42.3%
MEA	0.9	0.9	(0.0)	(2.9%)
Total products	30.7	33.9	3.2	10.3%

SECTOR

- **Agriculture products:** strong focus of key accounts to develop SICIT products in ASIA. Early seasonality in certain European countries in 1Q20
- **Retardants:** Growth in 1Q20 partially impacted by customers' stockpiling vs temporary shut-down of certain customers in 2Q20. North America outperforming (potential negative impact from Covid in 4Q20)
- **Fat:** negative impact of Covid on volumes produced in 2Q20 due to tanneries shut-down, partially off-set by the price increase over the 1H20
- **Services:** impacted in 2Q20 by temporary shut-down of tanneries in 2Q20

REGION

- Europe/APAC positively influenced by Agriculture products, confirming the positive trend of 4Q19 and 1Q20
- Americas growth driven by both Agriculture products (LATAM) and Retardants (North America)

PROFIT AND LOSS

<i>Euro million</i>	30.6.20	%	30.6.19	%	Var.	%
Revenue	35.5	100.0%	32.5	100.0%	3.0	9.4%
Gross profit	15.6	43.8%	13.4	41.4%	2.2	16.7%
Selling	(1.9)	(5.4%)	(2.1)	(6.4%)	0.2	(7.5%)
R&D	(0.7)	(2.0%)	(0.7)	(2.3%)	0.0	(5.2%)
G&A	(2.2)	(6.2%)	(2.0)	(6.0%)	(0.2)	12.2%
Other income (net)	0.1	0.2%	0.3	0.9%	(0.2)	(74.1%)
Operating profit	10.8	30.5%	9.0	27.6%	2.0	22.2%
Non recurring	(1.8)	(5.0%)	(10.8)	(33.1%)	9.0	(83.6%)
EBIT	9.1	25.5%	(1.8)	(5.6%)	11.0	(608.6%)
Net financial	(4.2)	(11.7%)	3.6	11.1%	(7.8)	(524.3%)
EBT	4.9	13.8%	1.8	5.5%	3.2	178.0%
Taxes	(1.1)	(3.2%)	(3.1)	(9.4%)	1.9	(63.4%)
Net result	3.8	10.6%	(1.3)	(3.9%)	5.1	(406.2%)
Net result adjusted ⁽¹⁾	8.2	23.1%	7.2	22.1%	1.0	14.5%
EBITDA adjusted ⁽²⁾	13.2	37.2%	12.1	37.2%	1.1	9.5%

(1) Before non-recurring costs and revenue, costs and revenue from warrant measurement, the related tax effect and the financial performance of Sicit Chemitech for the period January-April 2019 (consolidated as of 2 May 2019)

(2) EBIT before amortisation/depreciation and impairment losses, non-recurring costs and revenue, including Sicit Chemitech S.p.A.'s EBITDA for the period January-April (consolidated as of 2 May 2019)

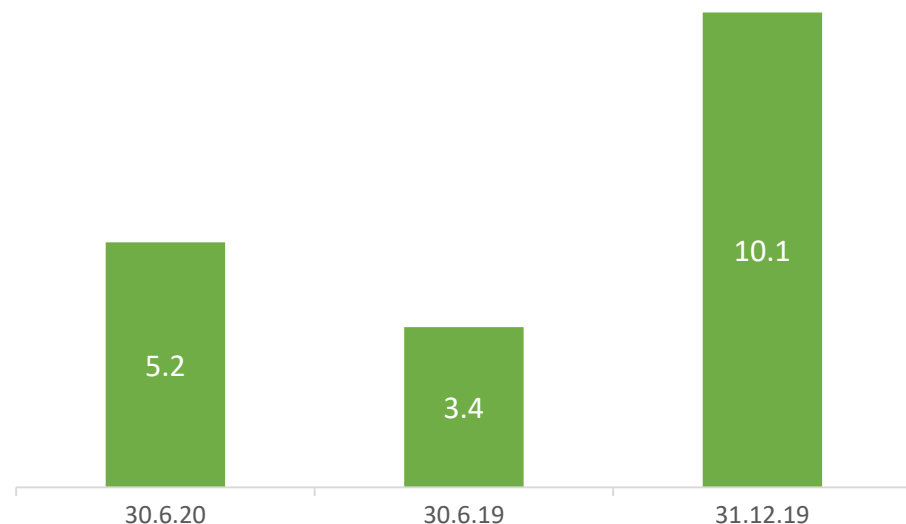
Reported data at 30.6.19 does not include Sicit Chemitech results for the period Jan-Apr (included in adjusted Net result and adjusted EBITDA for comparison purposes).

- **Gross profit:** strong margin as % of sales despite an unfavorable mix of sales (lower sales of fat and revenues for by-products collection).
- **Opex:** overall stable with slight cost increase in G&A, off-set by savings in selling expenses
- **G&A:** cost increase mainly driven by strengthening of governance and recurring consultancies post listing process
- **Non recurring:** in 1H20 include advisory costs for translisting to MTA (€0.9m), bonuses to management team related to the translisting process (€0.2m), donations to Vicenza and Milan hospitals related to Covid emergency (€0.6m) and other Covid-related costs (€0.1m). In 1H19, non recurring refer to listing costs accounted for, according to IFRS2 (€10.2m, non monetary and non relevant for tax purposes) and consultancies for SICIT 2000-SprintItaly merger and AIM listing (€0.6m).
- **Net financial:** include the change in fair value of the SICIT warrant (-€4.2m in 1H20, +€3.6m in 1H19). These income/costs are just figurative and have not cash out-flow and tax effects.

NET CAPEX

Capex

(Euro million)



- Approximately €5.2m in 1H20 vs €3.4m in 1H19
- Capex increase substantially as in line with expectation notwithstanding some slowing in the 2Q as a Covid effect
- Capex mainly aims to:
 - support **future growth** in terms of **production capacity** (**animal hair plant**) and **flexibility** to meet customers' demand (**storage capacity** with new **warehouse** and **production building**, and new **tank park** for finished and semi finished products)
 - Improve **sourcing flexibility** in terms of residues treated (animal hair plant)
 - Improve the **quality of finished products** (new plant for animal fat re-esterification)
 - Improve Chemical and Process **research**, as well as for Agronomic research and Quality Control with **new laboratories** at the Arzignano site

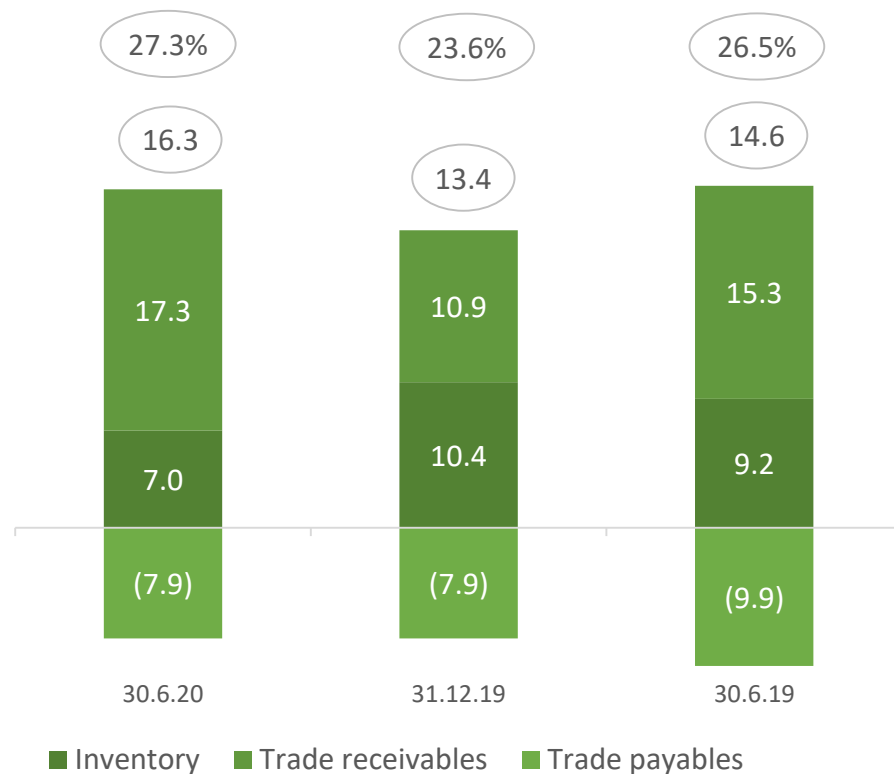
TAXATION OF GOODWILL AND TRADEMARK

- In June SICIT **taxed the excess cost** arising from the merger of SICIT 2000 into SprintItaly and allocated to **trademark and goodwill**
- The excess cost was recorded **according to Italian GAAP** in the separate and consolidated financial statements at 31 December 2019 and **before the transition to IFRS** when it was derecognized
- SICIT **paid** approximately **€3.7m** of substitute tax at the **favorable tax rate of 16%**
- As a result, starting from 2021, **SICIT will deduct the tax amortization** of the above assets in its tax return at the **rate of 27.9%**.
- The expected **gross tax benefit**, over the five-year amortization, is approximately **€6.5m**.
- The amount paid will be released to profit or loss proportionally to the tax deductions on amortization of the trademark and goodwill and has been recognized under Other non-current assets, due after one year; and under Other current assets, to the extent of the current portion (under tax assets).

OPERATING WORKING CAPITAL

Operating working capital

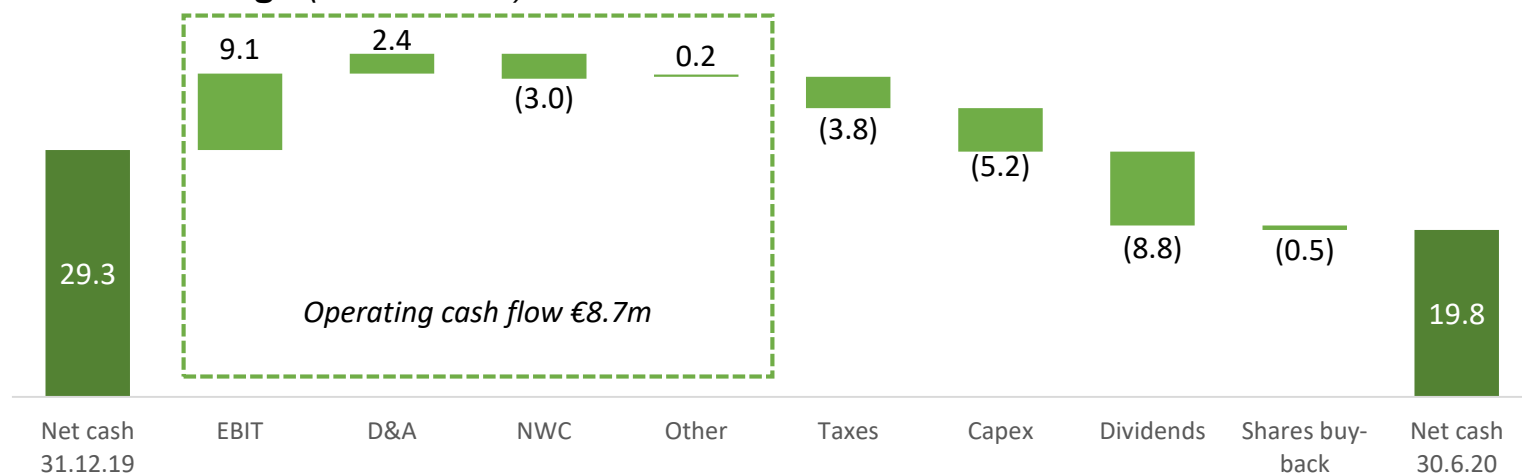
(Euro million / % of revenue)



- Consolidated OWC relatively small, at approximately 27% of revenue
- Increase of OWC is mainly due to sales seasonality (vs 31.12.19) and higher sales (vs 30.6.19)
- Inventory reduction partially influenced by the temporary shut-down of semi-finished products operations in 2Q200
- Trade receivables ageing without significant overdue and in line with historical data

NET CASH ⁽¹⁾

Net cash bridge (Euro million)



Net cash (Euro million)

Euro millions	30.6.20	31.12.19	30.6.19
Bank accounts	19,9	29,6	33,0
Bank loans	-	(0,2)	(0,9)
Leases liabilities	(0,1)	(0,1)	(0,1)
Net cash	19,8	29,3	32,0

- **Net cash** (excluding liabilities for warrant) was €19.8m at 30 June 2020
- In 1H20 SICIT generated €8.7m of operating cash flow vs €7.9m in 1H19
- Taxes paid in 1H20 mainly refer the taxation of the carrying amounts allocated to the Plastretard trademark and goodwill arising from the merger of Sicit 2000 S.p.A. into SprintItaly S.p.A. before the transition to IFRS.

(1) Excluding liabilities for warrant

APPENDIX

BALANCE SHEET

<i>Euro million</i>	30.6.20	%	31.12.19	%	30.6.19	%
Inventory	7.0	9.4%	10.4	15.9%	9.2	15.7%
Trade receivables	17.3	23.5%	10.9	16.6%	15.3	26.0%
Trade payables	(7.9)	(10.8%)	(7.9)	(12.1%)	(9.9)	(16.8%)
Operating working capital	16.3	22.1%	13.4	20.4%	14.6	24.8%
Other current assets/(liabilities)	1.8	2.5%	3.5	5.4%	(1.1)	(1.9%)
Net working capital	18.1	24.6%	16.9	25.8%	13.5	23.0%
Intangible fixed assets	0.4	0.6%	0.5	0.7%	0.3	0.5%
PP&E	51.5	69.9%	48.8	74.4%	44.5	75.7%
Other net fixed assets	6.5	8.8%	2.2	3.3%	3.3	5.7%
Pension and other provisions	(2.8)	(3.8%)	(2.8)	(4.3%)	(2.9)	(4.8%)
Non current assets (net)	55.6	75.4%	48.7	74.2%	45.3	77.0%
Net invested capital	73.8	100.0%	65.6	100.0%	58.8	100.0%
Net debt/(cash) ⁽¹⁾	(19.8)	(26.9%)	(29.3)	(44.7%)	(32.0)	(54.4%)
Liabilities for warrant	10.2	13.8%	6.1	9.2%	6.6	11.2%
Equity	83.4	113.0%	88.9	135.5%	84.2	143.2%
Total sources	73.8	100.0%	65.6	100.0%	58.8	100.0%

(1) Excluding liabilities for warrant

CASH FLOW

<i>Euro million</i>	30.6.20	30.6.19
EBIT	9.1	(1.8)
D&A	2.4	2.3
Other non-cash changes	0.1	10.2
Change in OWC	(3.0)	(3.1)
Change in other assets/liabilities	0.1	0.3
Operating cash flow	8.7	7.9
Capex	(5.2)	(3.4)
Taxes	(3.8)	(0.3)
Free cash flow	(0.2)	4.2
Acquisition of subsidiaries	-	0.6
Merger contribution	-	30.5
Dividends	(8.8)	(17.7)
Shares buy-back	(0.5)	-
Capital increase	-	0.8
Net cash flow	(9.5)	18.5
Net cash at beginning of the period ⁽¹⁾	29.3	13.5
Net cash at end of the period ⁽¹⁾	19.8	32.0
Change in net cash	(9.5)	18.5

(1) Excluding liabilities for warrant

ADJUSTED EBITDA AND ADJUSTED NET RESULT

<i>Euro million</i>	30.6.20	%	30.6.19	%	Var.	%
EBIT	9.1	25.5%	(1.8)	(5.6%)	10.9	(602.9%)
D&A	2.4	6.7%	2.3	7.1%	0.1	3.4%
EBITDA	11.5	32.2%	0.5	1.6%	10.9	2171.9%
Non recurring	1.8	5.0%	10.8	33.1%	(9.0)	(83.6%)
S. Chemitech's EBITDA Jan-Apr '19	-	0.0%	0.8	0.0%	(0.8)	(100.0%)
Adjusted EBITDA	13.2	37.2%	12.1	37.2%	1.1	9.5%

<i>Euro million</i>	30.6.20	%	30.6.19	%	Var.	%
Net result	3.8	10.6%	(1.3)	(3.9%)	5.0	(398.2%)
Non recurring	1.8	5.0%	10.8	33.1%	(9.0)	(83.6%)
Warrant measurement	4.1	11.7%	(3.6)	(11.1%)	7.7	(215.3%)
Tax effect	(1.5)	(4.2%)	0.7	2.2%	(2.2)	(309.9%)
S. Chemitech's profit Jan-Apr '19	-	0.0%	0.6	1.7%	(0.6)	(100.0%)
Adjusted Net result	8.2	23.1%	7.2	22.1%	1.0	14.5%

ADJUSTED EBITDA AND ADJUSTED NET RESULT

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