

Carraro International SE: Draft Financial Statements for 2019 Approved by the Board of Directors

Campodarsego (Padova), 9 March 2020 – The Board of Directors of Carraro International SE, met today under the chairmanship of Enrico Carraro to approve the draft Financial Statements for 2019.

Carraro International SE is a company of the Carraro Group that will approve its consolidated financial statements on March 17, 2020.

Following 2018, which saw Carraro International engaged in the complete reorganization of the debt structure, both in terms of amounts and duration, 2019 saw the Company engaged in financing activities for the Italian group companies, with a broadening of the range of stakeholders, and the revision of conditions, both in terms of maturity and amount, as well as the launch of a series of functional analyses to strengthen and improve the efficiency of treasury management and related services.

With regard to funding, the Company continued to seek alternative forms of financing for future years.

In particular Carraro International in 2019 was engaged in a series of negotiations with the European Investment Bank concretising in December the conclusion of a loan agreement, worth 50 million Euros, collected in January 2020, lasting 7 years, aimed at supporting the Group's Research and Development projects which will make it possible to give further impetus to innovation activities, with particular reference to the most strategic business areas.

2019 ended with a profit of 2.8 million euros, which was a decrease compared to the result of 9 million euros on 31 December 2018. The difference was affected by the lower distribution of dividends by subsidiaries, compared to the previous year and equity investment adjustment items.

Cash and cash equivalents on 31 December 2019 totalled 37.7 million euros compared to 13.2 million on 31 December 2018. The difference was due to the improved efficiency of centralised treasury management.

As at 31 December 2019, the net financial position from operations was a debit balance of 20.6 million euros, worse than as at 31 December 2018 (18.5 million euros). The change was negatively impacted by the different mix of loans granted according to the needs of the Group's European companies and the lower amount of dividends received.

Carraro International provides financial, treasury and consulting services to subsidiaries, affiliates and to the parent company, in accordance with the approved policies and the strategic needs of the Carraro Group. The Company in particular, via its permanent establishment in Luxembourg, works to provide financial resources to the Carraro Group's European companies, whereas the Asian and South American companies source their funds from the local markets, utilising the strategic consulting services provided by Carraro International. Moreover, Carraro International coordinates the factoring activities of the Italian operating companies.

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