

Consolidated Financial Statements and Sustainability Report submitted

The Fedrigoni Group ended 2020 with a turnover of €1,315 million (+€200 million), €197 million in Pro Forma Adjusted Ebitda confirming the 2021 first quarter growth trend

The next targets are the ESG 2030 goals: -30% CO2 emissions into the atmosphere, -67% injuries at work, zero industrial waste to landfill, and +50% women in managerial positions

The Group is now Europe's leading player in speciality papers and wine labels and the third global player in self-adhesive materials. Last year there were two major acquisitions in the Self-Adhesives segment (the Ritrama Group and the IP Venus Group) whose excellent results mitigated the drop in demand in the Paper industry. "We have fulfilled all our commitments," commented CEO Marco Nespolo, "and in such a complex year this has meant a significant increase in investments and an acceleration of the main strategic lines of our growth plan." Among them is the focus on sustainability, which will lead the Paper Division to replacing plastic wherever possible with equally high-performance papers and, in the self-adhesive sector, to producing solutions that are increasingly mindful of environmental impact and the circular economy. The Group's growth continued this year with an increase in Adjusted Ebitda in Q1 2021 of 11.3% (€48.3 million in Q1 2021 compared to €43.4 million in Q1 2020), a Pro Forma Adjusted Ebitda in the period March 2020-March 2021 of €205.8 million (+4.4% compared to 2020), and a reduction in net financial debt.

Milan, 28 June 2021 – Fedrigoni, one of the world's leading Italian groups in the production and sale of specialty papers for packaging, publishing and graphics and premium self-adhesive labelling materials, closed 2020 with a turnover of €1,315.2 million compared to €1,115 million in 2019 (+€200.2 million) and a Pro Forma Adjusted Ebitda of €197.2 million.

The growth trend continued this year. In fact, despite Covid-19's impact on Q1 2021 compared to the same period in 2020 (turnover of €360.4 million in Q1 2021 compared to €363.6 million in Q1 2020), the Group recorded an increase in Adjusted Ebitda in the period March 2020 to March 2021 of 11.3% (€48.3 million in 2021 compared to €43.4 million in 2020), a Pro Forma Adjusted Ebitda from March 2020 to March 2021 of €205.8 million (+4.4% compared to 2020) and a reduction in net financial debt, which further consolidated the company's soundness.

The company is now the third global player in self-adhesive materials and number one in Europe in wine labels and speciality papers, with 4,000 employees in 25 countries, 34 production plants and cutting centres and more than 25,000 products, as well as several thousand produced exclusively for major fashion and luxury brands. The growth in turnover in 2020, 75% of which was earned abroad, is linked to the successful acquisition of the Ritrama Group. In fact, last year Fedrigoni successfully completed two important acquisitions to grow its Self-Adhesives business unit: the Italian Ritrama Group, which doubled its presence in the self-adhesive materials market, and the Mexican IP Venus Group in December, whose profits were therefore only partially reflected in the financial statements.

"The drop in paper orders and the downturn in the banknote sector were offset by excellent results in the premium self-adhesive solutions sector," said **Fedrigoni CEO Marco Nespolo**, "whose margins grew by double digits, placing us in third place globally. 2020 was undoubtedly a year of great intensity, but all the necessary measures were immediately put in place to protect the health of our 4,000

employees around the world and to ensure business continuity: the pandemic did not cause us to deviate one step from the transformation path laid out in the 2020-2023 business plan."

"We wanted to honour all our commitments," added Nespolo, "and this meant increasing investments more than expected on all fronts, to make the most of our soundness and gain further market shares, accelerating the main strategic lines of our growth plan. We worked on attracting talent and strengthening management, launched a new global image, and invested in increasingly sustainable and circular product innovation. We invested in plant and technology, processes and organisational models, support systems and skills, and intensified our acquisition plan to strengthen our global positioning and expand our portfolio in attractive segments such as packaging for luxury brands and labels for the wine industry". In the last 2 and a half years Fedrigoni has completed five acquisitions, investing over 400 million euro (including the American Acucote and the Mexican Ri-Mark just completed), and is looking around for further opportunities.

Our next challenges: a sustainability strategy looking ahead to 2030

The Fedrigoni Group has never shied away from the challenges of sustainable development and innovation and is further stepping up its commitment to ESG (environment, social, governance) issues by presenting its new 2030 strategy and targets in the Sustainability Report to become a benchmark for the sector in terms of environmental policies and one of the best workplaces in terms of safety, inclusiveness, and opportunities for professional growth.

In fact, the Group is committed to reducing injuries at the workplace by 67% by 2030, having already reduced them by 40% in the last three years, thanks to a specific prevention policy that is also based on making each employee responsible (by inviting them to report potential risks and near accidents) to protect their own health and safety and that of their colleagues. In addition, women in managerial positions will increase from the current 20% to 30% (+50%), water used in manufacturing processes, which has already been halved in the last 16 years, will be 95% returned to the rivers (as always, purified and at the right temperature), industrial waste sent to landfills will gradually be eliminated as it will be totally recycled for other uses, CO2 emissions into the atmosphere will fall by 30%, and 95% of suppliers must also be qualified on ESG standards.

The range of products will also be increasingly eco-friendly and based on the circular economy: the number of solutions with advanced sustainability features will double from 20% to 40% in the Paper sector (where only cellulose from FSC-certified forests is used and all products are recyclable) and from 35% to 70% in the Self-Adhesives sector. Fedrigoni, one of the founders of CELAB, the international consortium set up to ensure the circularity of self-adhesive products, wants to achieve 75% recycling and reuse of liners (the removable backing) by 2025 and an increasing use of high-performance adhesives and glues that are easily soluble in water.

In the paper sector, on the other hand, the aim is to offer solutions that are genuine alternatives to plastic in terms of strength, water repellence and hygiene, but made from renewable, fully recyclable raw materials using alternative fibres to pulp or recycled fibres that are truly sustainable where possible. There are numerous applications, some of which have already become a reality: from make-up cases to loyalty cards, from book covers to packaging of all kinds, including luxury shopping bags, and even the food and beverage sector, which is subject to stringent regulations. Among the upcoming innovations is *Icelite CleanCut*, the innovative paper developed in collaboration with Easysnap® for the production of single-dose liquid packs - previously plastic and now paper-based - that can be opened with one hand, breaking the recyclable pack in half. There is also *Materia Viva*, a collection of papers with a recycled fibre content - some of which are new alongside the series existing since 1996 - with natural fibres as an alternative to pulp.



In order to achieve the 2030 targets, Fedrigoni has launched a number of specific projects: on the water cleaning front, in addition to strengthening the systems that already prevent the loss of fibres and additives during the manufacturing process, new biological purification systems will be installed in addition to the one installed in recent months at the Verona plant; on the waste front, innovative technologies will be introduced everywhere to dry sludge, the main process waste in papermaking in order to reduce its volume and make it available to be reused in other sectors such as bio-construction, while the modernisation of existing cogeneration plants and new high-efficiency plants will further reduce the release of CO2 and consume less methane and electricity. There are also many initiatives undertaken by the Group to give back to the local area: from the Fedrigoni Forests near the factories, the first one in Caponago (Northern Italy) and the upcoming one in Verona, to the commitment to promoting art and culture through the Fedrigoni Fabriano Foundation's activities and the Drawing Festival, starting in September, which offers 200 free guided activities dedicated to drawing throughout Italy for a month.

To ensure that ESG commitment is based on rigorous scientific foundations and international standards, Fedrigoni has joined Science Based Targets and the United Nations Global Compact with the intention of contributing specifically to 10 of the United Nations Sustainable Development Goals.

Fedrigoni's ESG plan will be illustrated through an integrated communications campaign focusing on the *Making Progress* concept, which highlights the company's intent to make a tangible commitment to making progress every day by working with the entire ecosystem such as brands, printers, converters, graphic designers, and suppliers.

Read more about the Fedrigoni Group's ESG strategy at <https://fedrigoni.com/en/sustainability/our-commitment/>

Fedrigoni

Since 1888 Fedrigoni has stood for excellence in the manufacture of specialty papers. It is one of Europe's largest players in the production and sale of various types of high value-added paper for packaging and graphics, premium labelling products, and other self-adhesive materials. With more than 4,000 employees in Italy and abroad and 25,000 products, the Group sells and distributes in more than 130 countries and has become the third global player in the self-adhesive materials sector also thanks to recent acquisitions. The Paper business unit includes the Cordenons Group and the historic Fabriano brand, and the Self-Adhesives business unit includes Arconvert, Manter, Ritrama (since February 2020), IP Venus (since December 2020), Acucote and Ri-Mark (since June 2021). The American distributor GPA is also part of the Group. For more information: www.fedrigoni.com

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