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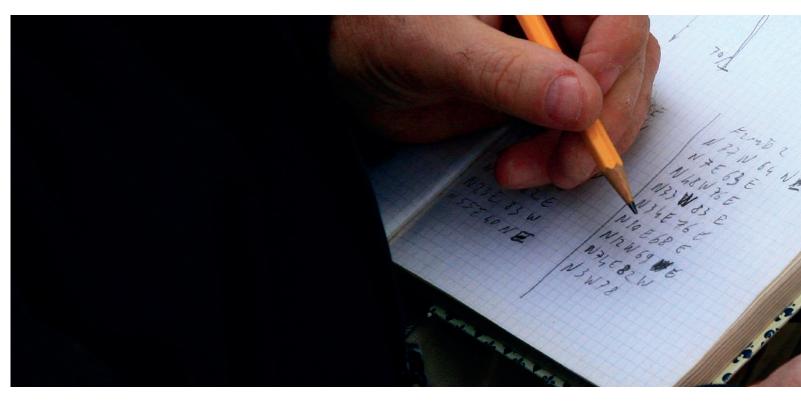
LAVIOSAMINERALS

"Well, if I may say so, the term utopia is often the most convenient way to excuse what you do not have the urge, the ability, or the courage to do.

A dream seems like a dream until you start working on it" Adriano Olivetti



LAVIOSA MINERALS



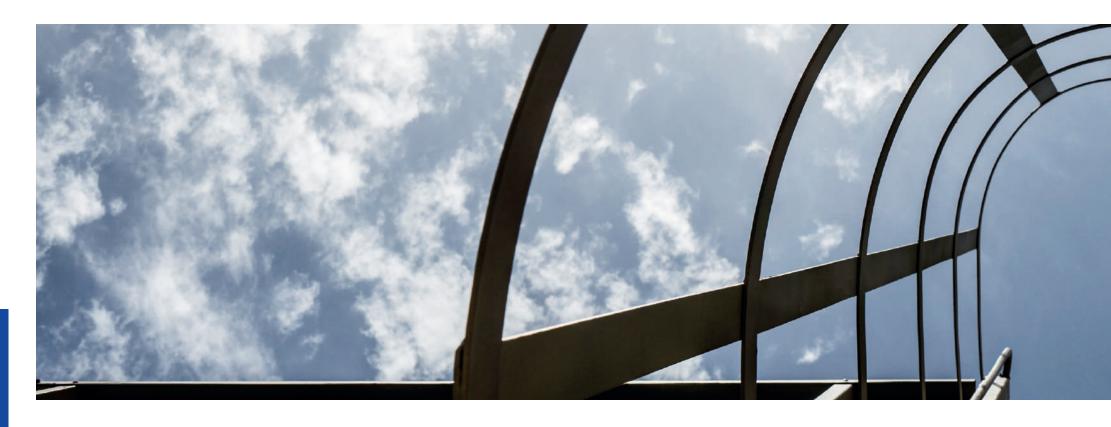
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OUR PHILOSOPHY

We are a family company that performs through honesty, transparency and commitment.

We are driven by passion, braveness and imagination.

We believe in people with different ideas, strengths, cultural backgrounds, working together in a mutual trusting and respectful environment.



VISION, MISSION & VALUES

Integrity

We strongly believe that real prospects for shared growth can only exist in a context where relations with our stakeholders are based on respect, trust and transparency.

Innovation

We continuously carry out research and development into innovative solutions that can improve our customers' product performance in terms of quality and efficiency. That is why a large part of our annual profits are reinvested in the ongoing innovation of processes, products and services.

Sustainability

Everything we do, from the mining, transport and processing of the minerals to the environmental rehabilitation phase, is carried out in a way that is mindful to the environment and that protects the health and safety of our collaborators and of the communities living close to our mining and production sites.

Sharing

We are fully committed to the sharing of our ethical values with a spirit of participation, involving all those who work with and for our company.













Interview with our CEO

Listen to the comment of our CEO, Giovanni Laviosa, on the results of 2019 and the developments of the first months of 2020





















Social responsibility as creation of shared value

The concept of social responsibility is an integral part of our corporate strategy aimed at fostering the social conditions best suited to creating a shared value in the social context in which we operate.

We at Laviosa are constantly pursuing this goal by applying the basic principles of Corporate Governance to each and every one of our actions as a leitmotiv that ensures a constant dialogue between social and economic progress, where economic progress means social progress and vice versa.

Social Sustainability

Corporate Responsibility: Key element to pave the future

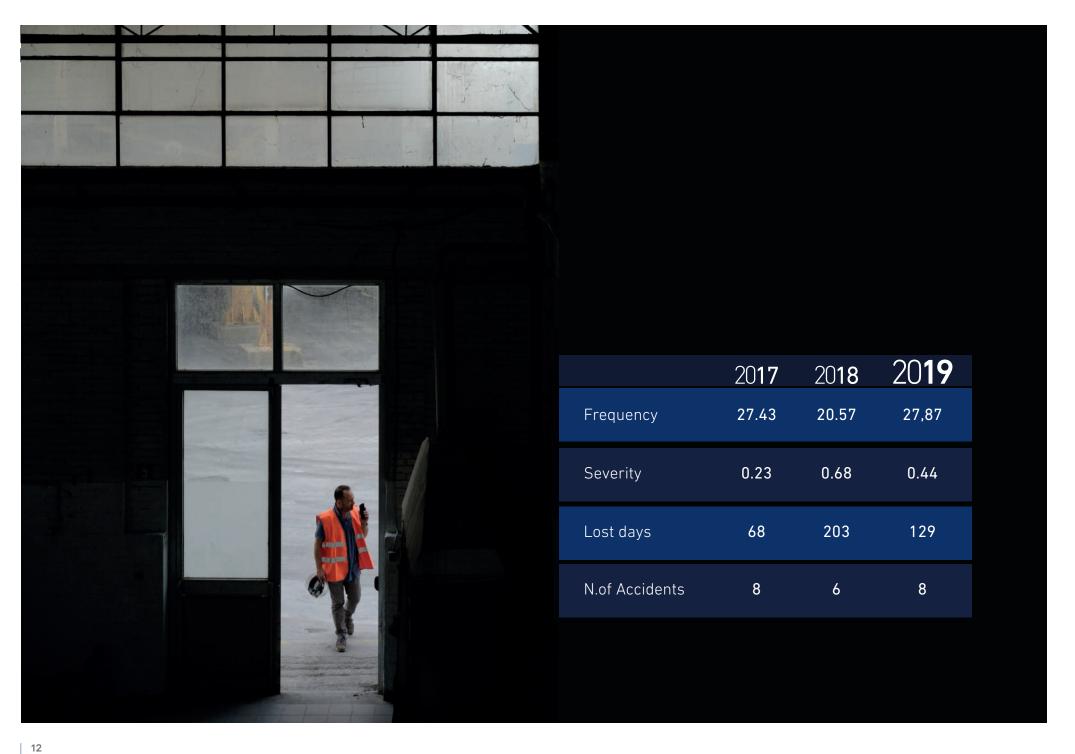
Corporate responsibility as a natural attitude and voluntary ethical choice: In this mind set, Laviosa Group is committed to compliance with standards and regulations, voluntary regulations signed and adopted, which regulate the protection of the environment, the prevention of pollution, health and safety in the workplace, the well-being of its employees. The Group has implemented socially responsible behaviour in several areas. Among these, personnel management plays a primary role because of its nature as an essential component in value creation: the long industrial tradition that distinguishes the Group, make it particularly sensitive to occupational problems and the well-being of its employees.

Laviosa banned any form of discrimination on the grounds of gender, race, religion, or political and cultural values.

The Company shows also a very strong youth employment rate, where internship is used as a proper channel versus direct employment, far from any possible attitude of flexibility used in terms of curbing costs.

According to this spirit, the Group invests whole-heartedly in young people and their in-house training as to pave the future





Social Sustainability

Health and safety

2019 saw the unification at company level of the Prevention and Protection Service.

Throughout the year, the Safety Team focused on the preparing the Operating procedures relating to the management of Safety and environmental activities.

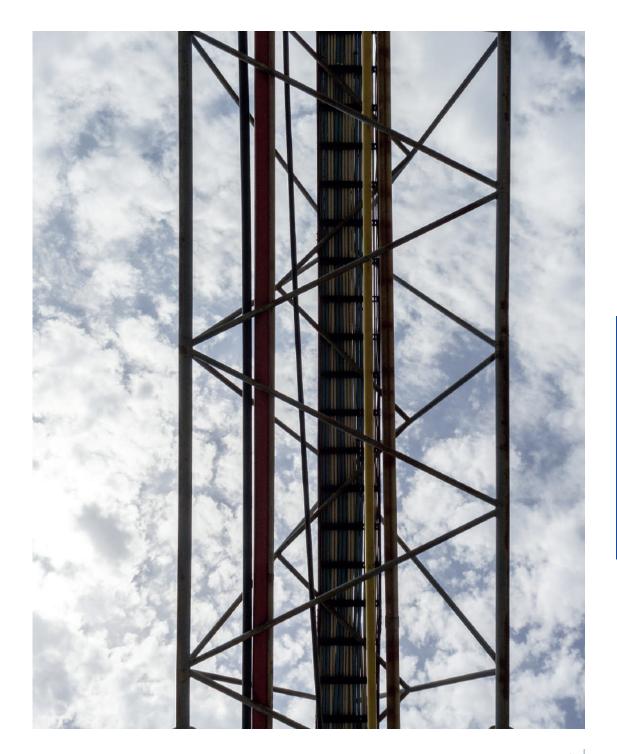
The new procedures and operating instructions will lead to the better management and compliance with all the current regulations and further awareness on part of our partners.

As in previous years, in 2019 the Laviosa Group allocated 5.4% of its total investments to implementing projects related to improving safety and environmental protection.

In 2019 we had a reduction in the severity of accidents and working days lost, with a slight increase in the number of accidents. As in previous years, most of the accidents concern slips and falls, due to the particularity of the products we treat. Analysis of individual accidents has highlighted specific structural work which can reduce risk.

The safety training plan has been completed and a new course program for 2020/2021 has been developed.

Last year we achieved our goal which was to obtain the ISO 14001 environmental certification and the ISO 45001 safety certification. These two new certifications have become part of our integrated management system, coordinated by a new HSE manager.



Carlo Laviosa Foundation

After the exhibition dedicated to Letizia Battaglia in January-March 2019, the Carlo Laviosa Foundation had the pleasure of hosting the very same famous photographer for a workshop on "Landscapes, passions and contaminations". Twenty participants followed Letizia Battaglia during three days of intense work. However, this was not the only workshop held this year, Marco Barsanti's talks on the study of photo editing programs "Lightroom" and "Photoshop", must also be mentioned.

September and October 2019 also showcased the second edition of the "Photography and world of work" competition; participants were invited to reflect on "how industry interacts with the landscape and social life", a topic dear to the heart of the Carlo Laviosa Foundation, always thinking of the relationship between the world of work, productivity and social life. Chosen photographs were exhibited at the Granai in Villa Mimbelli in Livorno and in the gallery-library of the Tour di Babel, in the heart of the Marais district of Paris.

Special mention must be made to the theoretical and practical laboratory that has now finished, which had one of the most valued Italian photojournalists, Ivo Saglietti, three-time award winner of the World Press Photo Award, as its tutor. The program, as previously announced in the last year's Annual Report, ended with the exhibition "Volunteering" held in the Granai in Villa Mimbelli. It is incredible that these prestigious municipal premises have been made available three times this year for the Foundation's initiatives and is an irrefutable demonstration of how much the Municipality of Livorno believes in our work and the quality of our work.

2020 should have opened with the prestigious exhibition "Life's a beach" by Martin Parr and the inauguration of the Foundation's new site in Via della Posta 44, in the heart of Livorno, unfortunately however the events related to Covid 19 have prevented this program from happening.

The exhibition dedicated to Parr is the fruit of working with the famous Magnum agency in Paris. This appointment has now been postponed until the Covid emergency passes. The Municipality of Livorno has proposed an exhibition space in the City Museum for the event, or the one that housed the Modigliani exhibition, yet another demonstration of the partnership and shared objectives that the Foundation has with the local institutions.

The inauguration of the Foundation's new site had foreseen an exhibition dedicated to a Livornese photographer, Eda Urbani. The discovery of this artist, made by a vigilant art collector, is a scoop no less comparable to that of Vivian Maier. The Urbani case is just as interesting, both for its photographic quality and biographical significance, as the Maier case which has been universally diffused and greatly appreciated. Moreover, Eda Urbani coming from Livorno gives us the opportunity to develop the city's heritage by increasing the cultural identity of a city that has always been rich in artistic commotion.

Despite the Covid 19 emergency, summer 2020 will still host the third edition of the "Photography and world of work" competition. The event will be held in the recently restored Piazza del Luogo Pio. Chosen photographs will be exhibited in large formats in the square

and also placed along a route in the heart of the La Venezia district leading to the gallery in Via della Posta, where fine-art prints of the same images will be available to enjoy in the detail which the large format cannot grant us. The theme looks at the topic "Despite Covid" and participants have been invited to explore the territory of Livorno and its province. It seemed important to us to welcome a request from the Municipality which, by limiting the "photographable" area, would help reinforce an idea of the city's archive, which over the years has expanded with many images from previous competitions. The Foundation's work is clearly visible on the website www.fondazionelaviosa.com and the Culture Section of Laviosa Informa testical descriptions.

zionelaviosa.com and the Culture Section of Laviosa Informa testifies our attention to work-related dynamics, particularly on social issues. The first 5 issues of Laviosa Informa - Culture Section will be brought together in a publication that is already being finalized.









Livorno Facility

The environmental authorizations of our production sites are present, managed and updated. The environmental monitoring and control plans have been carried out, according to the authorizations.

In September 2019, Laviosa Chimica Mineraria have started photovoltaic studies, to reduce energy consumption and optimize resources. The photovoltaic project will be extend to 2020.

In December 2019, Laviosa Chimica Mineraria Spa completed the process to certify the Italian plants, according to UNI EN ISO 14001 (environmental management system) and UNI EN ISO 45001 (health and safety management system). These certifications were issued by the DNV certifying agency.

In order to obtain these certifications, we drawn up new environmental management procedures, revised and updated the existing ones. The management system was created to monitor and continuously improve the environmental impacts of our activities.

Villaspeciosa Facility

Beginning with the need to apply a continuous cycle to meet market demands, we also found the need to look to future with a project that revises the layout of the plant, taking into account both internal logistics and upgrading some equipment. With the support of our partners who have been assisting us, we have drawn up a multi-year action and investment plan aimed at obtaining significant results as early as summer 2020 by rethinking some parts of the production, process and movement phases.

While not neglecting an important point in our corporate mission linked to respecting safety and the environment which is to allocate all the necessary resources and skills to begin and obtain ISO 45001 and 14001 certifications.







Mining Reclamation

For decades the environmental sustainability of industrial activities has been a focus of policies and public debate, but now finally it has become a key factor.

It is from this that interest has grown, and correctly so, in the environmental impact of mining activities; unfortunately, this interest, often on a prejudicial, unfounded or misinformed basis, has given the average citizen a generally negative perception of the mining industry. In particular, in regards to the exploitation of mineral resources, public opposition has recently been growing due to a single evaluation of the negative externalities associated with the extraction process, while not taking into account either the efforts made by mining companies to mitigate the effects nor the fact that our society could hardly function without industrial minerals as well as the mining activity that allows us to access them.

In recent years, our company has increased its effort and investments destined for the study of potential bentonite deposits; similar efforts and investments were made for planning and implementing mining reclamation projects, in order to limit their environmental impact in line with current legislation as well as the commitment that we set out in our Code of Ethics.

Our reclamation projects are divided into two types: 1) Reclamation with immediate return to the territory;

2) Reclamation for further use in mining but not extraction, and then the subsequent return to the territory. In the first case, work consists of filling the mine with sterile material and subsequently restoring the original soil by planting native tree species and the gradual return of the morphology present prior to mining activities, or creating small water basins for agricultural use. Our reclamation process takes place in conjunction with the extraction activities in order to return the mine to its original green state in less time and spread the costs over a wider period of time. This activity is always carried out in Sardinia, where we extract and restore while mining. In the second case, reclamation work consists of the completely filling in the mine with sterile material to obtain a flat plain, which is then used as an area to activate and store of our bentonites, this happens at our mines in India, or as a driveway to make vehicle maneuvers easier, which happens at our mine in Turkey. When all mining work is over, the quarries are then restored to their prior state with native plants and given back to their original communities.

One of the Company's future mining objectives will be to change the negative perception of mining, where we work, by evaluating the possibility of opening our mines to citizens and authorities in order to show them that mining and environmental sustainability are two realities that can coexist.

MINFRAIS

LAVIOSA Financial Sustainability

Fiscal year 2019 shows a 6% increase in the Group's sales revenues, compared to the previous year. All Business units equally contributed to the increase in turnover: Pet Care, Construction Technology and Industrial Additives.

Subsequently, a greater NET Value Added is reported: 15,516 € compared to the 14,779 € of the year 2018, maintaining a steady profitability over the turnover.

Concerning the distribution of such added value, this was primarily absorbed by personnel costs. The incidence of labour costs increased from 83% to around 88%.

Financial charges toward credit institutions absorbed added value according to the past trend, with an incidence of 1.8% of added value.

A significant decrease in the governments' fiscal pressure is to be highlighted. The tax burden diminished from 7.5% to 4.3% of value added, net of the contributions received.

The percentage available for the Group to finance its operations decreased from 7.6% to 5.1%. The primary commitment of the company is now concentrated more than ever in the pursuit of greater sales profitability, focusing in particular on the optimization of industrial processes and improvement of their productivity.

For 2020, despite the global economic crisis due to COVID -19, we expect an increase in both net profit and profit margins

Value added chart

LAVIOSA MINERALS CONSOLIDATED

CURRENCY: EURO thousand

2019 2018 2019 2018

NET VALUE ADDED (= Production value net of consumptions a	15.516 nd producti	14.779 on costs)	18,1%	18,3%
Redistributed as follows to:				
EMPLOYEES				
Labour cost	13.709	12.311	88,4%	83,3%
CAPITAL PROVIDERS				
Interest to banks and bondholders	283	209	1,8%	1,4%
Dividend to shareholders	_	_	0,0%	0,0%

			0,070	0,070
STATE				
Taxes less grants	660	1.108	4,3%	7,5%
SOCIAL COMMUNITY				
Donations	65	30	0,4%	0,2%
ENTERPRISE SYSTEM				

ENTERPRISE SYSTEM				
Net balance kept by the company	799	1.121	5,1%	7,6%
TOTAL	15 51/	1 / 770	100.00/	100.00/

LAVIOSAMINERALS

Laviosa Minerals SpA is the holding company that controls the shareholdings of the Laviosa family.

These include the industrial activities of Laviosa Chimica Mineraria SpA, which consist in extracting, processing and distributing industrial mineral products, and the logistic activities of Carlo Laviosa Srl, a maritime services agency, freight forwarder and terminal operator.

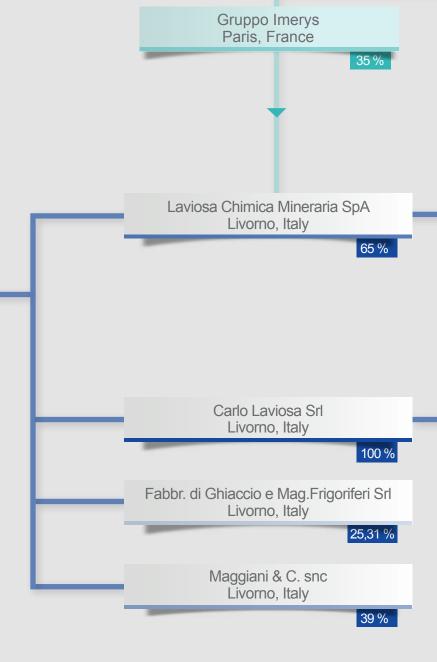
COMPANY STRUCTURE

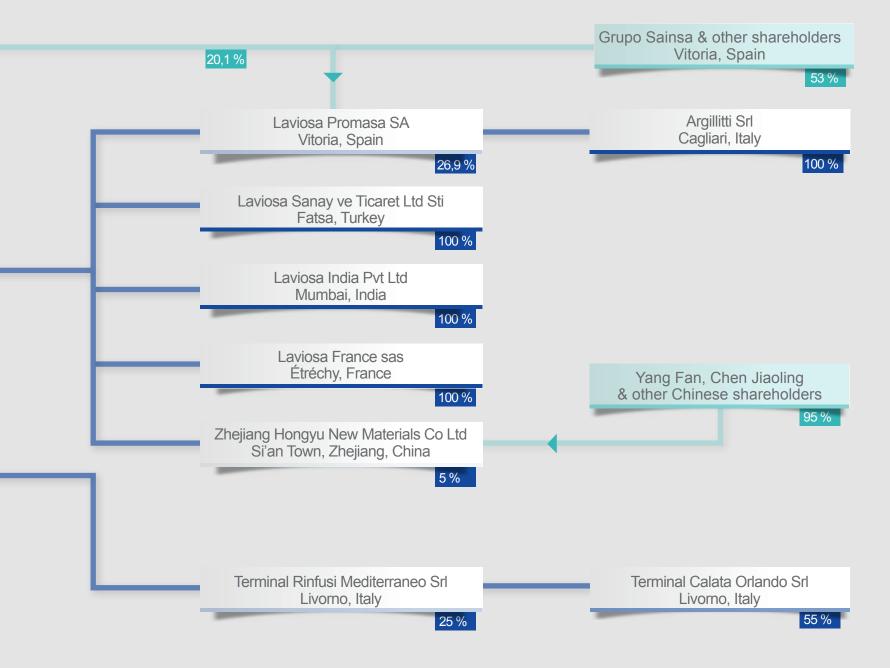
Laviosa Minerals SpA Livorno, Italy





Laviosa other companies









Laviosa Promasa SA Vitoria, Spain



LAVIOSA WORLDWIDE



Head quarter



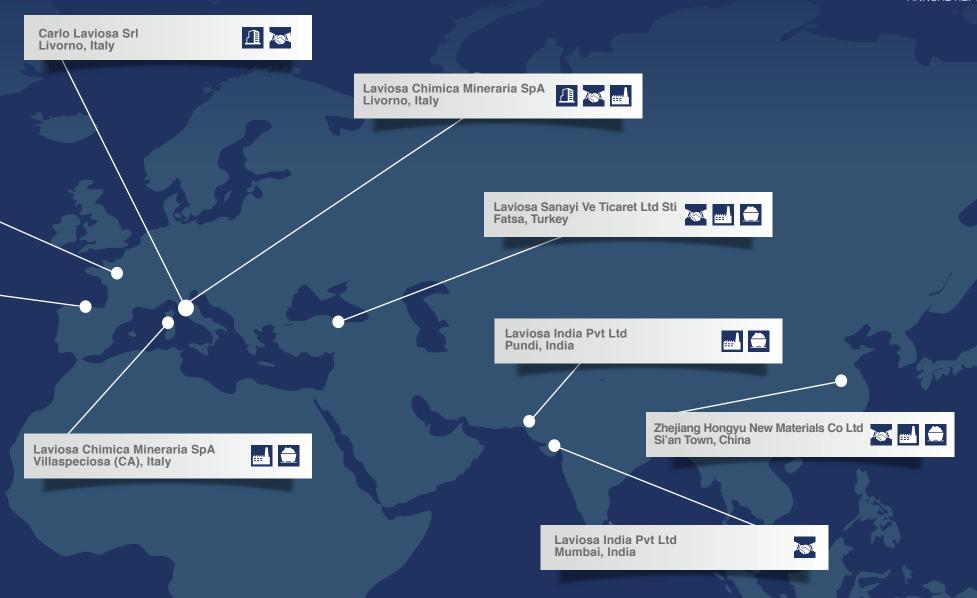
Sales offices



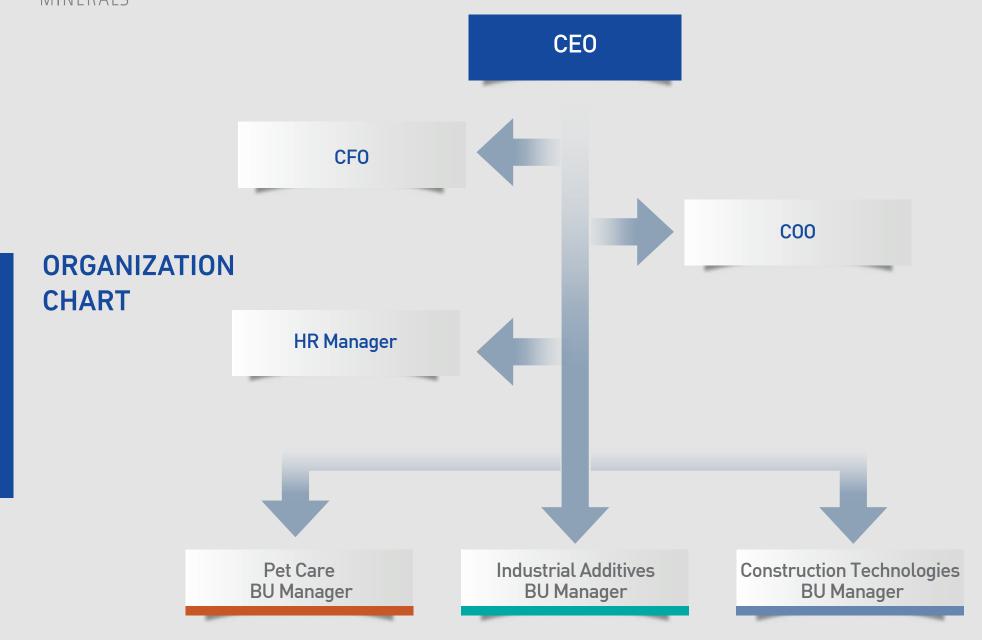
Plants

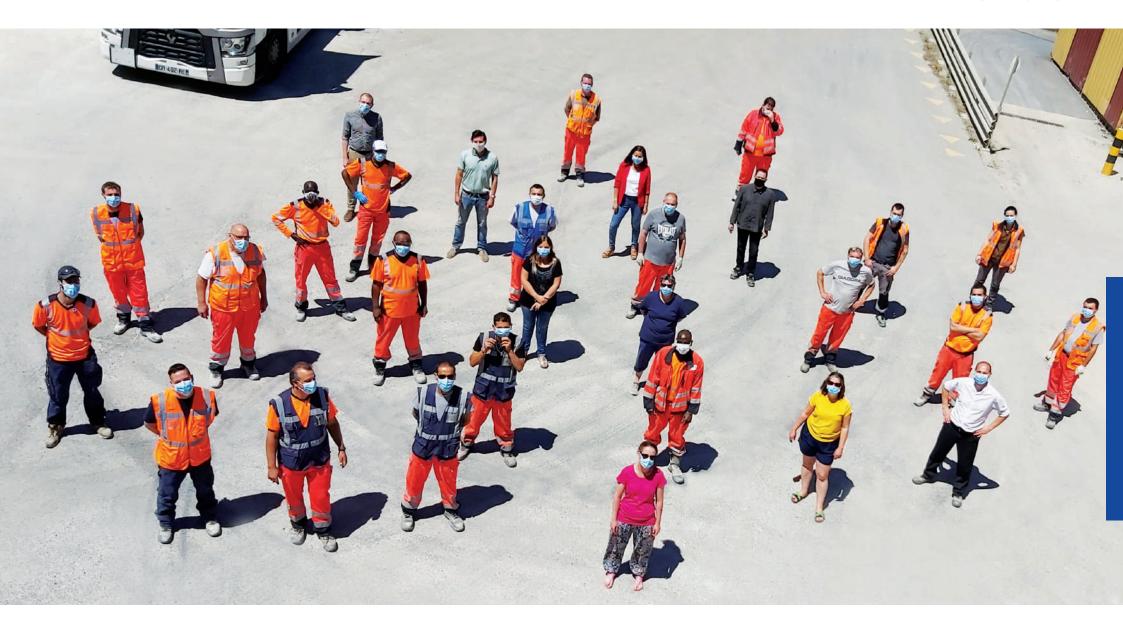


Mines



LAVIOSA Organization Chart MINERALS









Laviosa Chimica Mineraria is one of the world's leading companies for bentonite-based products. It extracts, processes and sells them in a broad range of applications, both for industrial (specific additives for paints, paper industry, detergents, enology, ceramics, plastics, civil engineering, binding and ancillary products for the foundry industry, and waterproofing in the environmental and construction sectors) and for the consumer market (cat litter), supplying over 1,500 customers in more than 80 countries worldwide.

Laviosa Chimica Mineraria S.P.A.

Laviosa processes over 250,000 tons of materials every year.

The company has three plants in Italy; two in Livorno (for industrial applications, the production of additives for the coating sector and the manufacturing of geosynthetic liners for landfills). The other plant is near Cagliari in Sardinia (for the production of cat litter).

The activities of foreign subsidiaries are, today, all 100% owned and they are in Turkey (Laviosa Sanayi ve Ticaret Ltd Sti), India (Laviosa India Pvt Ltd) and France (Laviosa France sas).

Other activities abroad are represented by associate Spanish Laviosa PROMASA SA (owned 26.9 %) present in the Spanish market for foundry products and by 5% stake in the Chinese company Zhejiang Hongyu New Materials Co. Ltd. producer of organoclays for the paint industry.





Company Performance in 2019

In 2019, Laviosa Group achieved and increase in gross turnover by \leqslant 5.4m, + 7% versus the prior year.

The BU **Pet Care** recorded an increase in sales of € 4m, equal to + 12%.

The Italian market positive performance was significant, recording an increase of \leqslant 3.4m, while the European market held stable with an increase of \leqslant 0.6m.

The company is undertaking remarkable investments in new plants in order to fulfil the increase in production demand.

During 2019, The Laviosa Group engaged in a major restructuring and reorganization of the French production plant, aimed to ensure efficiency gains.

Focus on marketing and distribution channels development was deemed essential to boost sales of the Laviosa brand products, in Italy as well as Turkey and France.

The **Performance Additives** sector also recorded a remarkable growth of + 5% in its turnover.

In the **Industrial Additives** market reported an increase of € 2.2m (equal to + 28%): the appreciation of sales in the wine sector, paper and industrial applications in ceramic, co-

smetics, animal feed and industrial absorption were notable. Mainly the Italian ($+ \in 1m$) and European ($+ \in 1.3m$) markets show an expansion, while the Asian markets slightly decreased.

The **Coating** market remained substantially stable: the \in 0.6m increase in Europe was offset by the drop in the Asian market.

Aligned to the global economy trend, the **foundry** market has instead experienced a substantial slowdown because of the contraction on all the main client sectors.

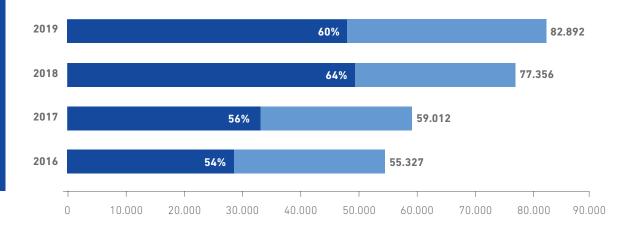
The **Construction Technologies** sector in 2019 was stable compared to the previous year, albeit with an opposing trend between the two main reference markets.

The **Drilling and Civil Engineering** market recorded a drop in turnover of $- \in 0.7$ m mainly due to the completion of large projects in the European area ($- \in 1.3$ m), partially offset by the growth of the Asian market ($+ \in 0.6$ m) thanks to the development and marketing of innovative products with high margins.

The Lining and Waterproofing Technologies sector, on the other hand, was characterized by an increase in turnover by + € 0.6m (+ 12%) which took place primarily thanks to the strengthening of the customer portfolio in the Italian and European market.



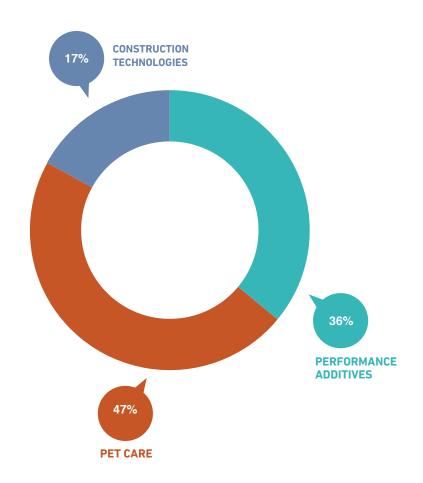
TOTAL CONSOLIDATED SALES



VALUES IN EURO THOUSAND



Sales by Business Unit



World Coverage

Country

ALBANIA ARGENTINA AUSTRALIA AUSTRIA BANGLADESH BELARUS BELGIUM **BOSNIA AND** HERZEGOVINA BRAZIL BULGARIA CANADA CHILE CHINA COLOMBIA CROATIA CYPRUS CZECHIA

DENMARK

DOMINICAN REPUBLIC LEBANON **EGYPT ESTONIA** FINLAND FRANCE GEORGIA **GERMANY** GREECE HONG KONG HUNGARY INDIA INDONESIA IRAQ ISRAEL ITALY JAPAN JORDAN KOREA (REPUBLIC OF) LATVIA

LIECHTENSTEIN LITHUANIA MALAYSIA **MEXICO** MOLDOVA (REPUBLIC OF) MONACO MONTENEGRO NETHERLANDS NEW ZEALAND NIGERIA PERU **PHILIPPINES** POLAND PORTUGAL QATAR ROMANIA RUSSIAN FEDERATION SAN MARINO

SAUDI ARABIA SERBIA SINGAPORE SLOVAKIA SLOVENIA SOUTH AFRICA SPAIN SRI LANKA SWEDEN SWITZERLAND REPUBLIC TAIWAN, PROVINCE OF CHINA THAILAND TUNISIA TURKEY UKRAINE

UNITED ARAB

EMIRATES





PET CARE

A comprehensive offer of products for the health and well-being of our pets

For more than thirty years, we have been using our experience to provide a variety of pet care products in a constantly growing market.

The guiding principles of our work are based on care and respect for the environment for all our products. For this reason, none of the processes used to achieve the finished products alter the natural characteristics of their ingredients. Our Quality Control guarantees compliance with these fundamental principles, offering products which meet market demand.

Total control of the production chain, and the location of mines and production plants in various part of the world, are all aspects which represent us and make us a benchmark for the Italian and French market, for both large retailers and the specialized channel.

The business choice has always been to ensure adequate differentiation between the channels, in line with distribution logic. For this reason, the two reference brands, Signor Gatto and Lindocat, with premium products, identify with the large retailer and specialized channel markets, respectively. Indeed, in recent years we have intensified our marketing and R&D investments to support the growth of our brands. This is particularly the case for the Lindocat brand, which in 2018 saw the creation of the Lindocat Advanced line, designed to offer super-premium products for an increasingly discerning consumer always on the lookout for innovation and functionality.

In 2019 we have expanded our product range by launching another brand: ARYA. The brand was created to give an extra service to our customers, offering them a set of products specially designed for the health and well-being of their dogs and cats. ARYA consists of 50 selected products divided into 7 categories: cleansing wipes, absorbent mats, shampoos, lotions, household products, poop bags and litter deodorizers.

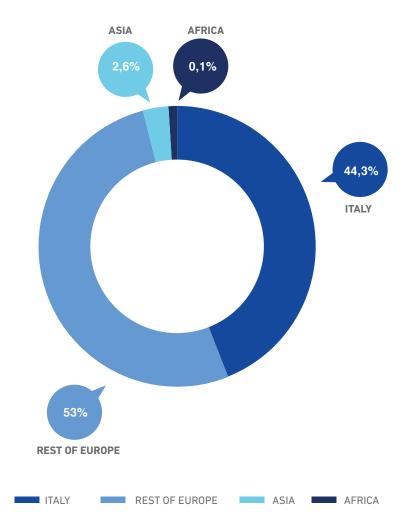
We will be working on continuing to improve the quality and image of our products, and above all consolidating our presence overseas, thanks to the steady growth of our facilities in Turkey and France, where in 2018 we finalized the acquisition of 100% of the company Damolin Etrechy, based in Etrechy, allowing us to consolidate our presence in the pet care market in Europe.

Given that this is a dynamic and constantly evolving market, our approach is guided by significant Research & Development, which crosses all areas of our activities, proposing innovative solutions in line with market trends.

Sustainability is a Key Trend, and we introduced a new vegetal cat litter made from 100% wood and plant-based clumping agents, completely biodegradable. No trees were cut down for its construction, as it is obtained exclusively from secondary raw materials from the woodworking industry. Its composition means that after use it complete its life cycle in an ecological way. It can in fact be disposed of as organic waste or, in small quantities, directly in the home toilet.

New and exciting challenges are waiting ahead of us in the coming months and we are fully committed and focused to achieve our goals to ensure a dynamic growth of our business activity.

Sales by Geographic Area



PET CARE

World Coverage

Country

AUSTRIA HONG KON
BELARUS ISRAEL
BELGIUM ITALY
BIELORUSSIA JAPAN
BOSNIA AND HERZEGOVINA JORDAN

ULGARIA KOREA (REPUBLIC OF)

CROATIA LATVIA
CYPRUS LEBANON
CZECHIA LIBIA

ENMARK MOLDOVA (REPUBLIC OF)
GYPT MONTENEGRO
STONIA MOROCCO
NLAND NETHERLANDS
RANCE PHILIPPINES
EORGIA PORTUGAL
ERMANY RUSSIA
REECE QATAR





INDUSTRIAL ADDITIVES

We create value-added solutions for today's and tomorrow's challenges

The BU Industrial Additives in 2019

achieved the budget objectives it had set itself, working in close synergy with all the other business areas and the various production sites. Let's see specifically what did the three divisions that are part of it.



Foundry division

INDUSTRIAL ADDITIVES

The Foundry division is committed to strengthening our presence in emerging markets.

India is certainly one of the countries with the greatest growth and development opportunities. For years, with foresight, we have invested in this direction. Our activity in India is now based on a consolidated and continuously developing production and sales reality. The direct control of the raw material also allows us to quarantee our customers long-term constancy and reliability.

2019 saw the strengthening of our sales and technical assistance structure for the foundry sector. The team has grown with the entry of qualified personnel able to guarantee a widespread and punctual assistance service, indispensable for the continuous process of improvement and optimization that the market requires.

India represents not only one of the countries with the greatest growth opportunities, it is also, logistically, an excellent production point to cover the Far East and Middle East markets.

The thirst for innovation in these countries represents an excellent opportunity

for experimentation and growth to improve the performance of our products. Our product range is made up of bentonites, coal dust, premixed bentonite / coal, refractory sands, slag and graphites. The products and formulations are adapted to individual customer needs to ensure the best performance in their use.

Our technical assistance service includes both periodic visits and monitoring analysis of the green molding sand. The frequency of analysis and visits is customized for each customer according to specific needs. Keeping the green molding sand constantly under control allows you to prevent and correct any variations that could lead to defects, it also allows us to more easily trace the causes, and therefore the solution, in the event that problems arise.

Our production and commercial structures in Italy (Livorno), Turkey (Fatsa, Unye), India (Pundi, Gujarat) and Spain (Vitoria, Bilbao) guarantee our customers a punctual assistance service and high-performance products, regardless of their geographical position.



Rheological additives for coatings, plastics and building

We are a Global trusted leader in providing added value mineral solutions, serving customers for Coatings, Plastics and Building market worldwide. As one of the main player we manufacture Rheological Additives for Decorative and Industrial Coatings, Building and Plastic Industries delivering to our customers enhanced products performance trough people and innovation. As a variety of Rheology Modifiers and Specialties Additives LAVIOSA VISCOGELTM, LAVIOTHIX, LAVIOKOLL and DELLITE are the brand name belonging to the Coating and Plastics business.

With regard to the market, Coatings and Plastics sector is characterized by solutions for both solventborne and waterborne systems. The solvent borne systems are essentially stable with an increasing trend for waterborne systems as a result of a sustainability and environmental awareness. Sales coverage aimed at achieving the budget sales target and also maintaining market shares in terms of volumes have been managed trough a selective and strategic approach including a widespread distribution network consolidated over the years. We can offer a fine-tuning portfolio based on different range products from "commodities" to "specialties" and applications with tailor-made solutions from small-medium customers to MNCs.

In the global economic scenario, geo-politic crisis in Latin America (mainly in Brazil, Chile and Venzuela) and political problems in Middle East (mainly in Syria and Yemen) need to be taken into account during the year. A stability trend or slight growth is confirmed for Europe and Far East even if the competition from Chinese players is confirmed to be aggressive in terms of price and technical offer. In order maintain our position of main player in the worldwide market we focused our efforts on new markets: Canada, Israel, New Zealand, Australia, Argentina, Mexico and Uzbekistan. In addition we extended our raw

materials supply chain so to have available more competitive and performing products, including the cooperation with our Chinese partner, still active and strategic.

Beside Sales activity, our main goal is to meet customer's demand with a direct and tailored technical support. A fully-committed team from research to commercial resources with a technical background and a problem-solving approach was implemented and reinforced during the year.

From the Research & Development new products have been developed either for solventborne or waterborne systems and they have been worldwide promoted enabling us to gain the first sales and to receive market's feedback.

DELLITE is a range of nanoclays designed to provide specific properties to polymeric matrices i.e. increase of thermal stability, greater mechanical resistance and increase of the barrier effect to liquids and gases. The predominant application sector definitely concerns the production of HFFR cables and today, the main market is above all Italy, Belgium, Greece, Spain, Turkey, Germany and United Kingdom. Approval are pending also in other countries and a new distributor for Plastics has been set up in 2018 for European market.

Technical and Sales synergy has allowed us to reach budget objectives. Nevertheless the huge positive effect due to CPR was slowing down in the end of 2019 and other cheaper raw materials have been object of attention from cable and wires producers.

For this reason new markets and innovative technical solutions will be very much welcome in order to maintain the same growth tendency as in the last years.





Performance Additives division

The Performance Additives division is committed to rethinking technical and commercial strategies aimed at increasing our profitability and presence in new markets

The applications within the division are varied but have a common trait: they are bentonite-based products cleverly developed for use as additives in a wide variety of sectors. For this reason, the industrial processes that undergo the basic raw materials are among the most complex that our company performs, in order to meet the market demands in terms of variety, complexity and variability. The complexity of these products is not simply a function of the production process. Packaging has also become a fundamental (in some cases predominant) aspect. 2019 was a very complex year, characterized by sales in line with the Budget and

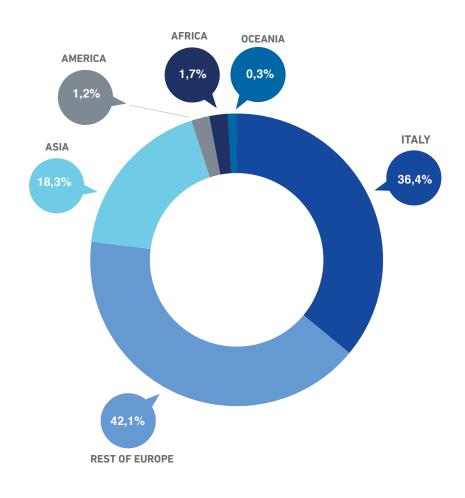
2019 was a very complex year, characterized by sales in line with the Budget and for some sectors even higher but characterized by a production complexity which then led to an economic result below Budget expectations. This result was obviously more evident in what are the mature and consolidated sectors of the world of additives and therefore already in the second half of the year 2019 productive and organizational solutions have been put in place to improve the situation.

It has been a year of "elaboration" of projects, the sectors have been analyzed both from a commercial point of view and from a technical development point of view and technical-commercial strategies have been developed that should bring results in the next few years.

They have been rethought, designed and then offered on the market for new products in the feed sector which should allow us to access a part of the market in which we were not present. This is the lowest market segment but characterized by significant volumes.

The Cosmetics sector has not taken off as we thought the previous year, the commercial and strategic choices have not proved successful, so there have also been second thoughts for this sector. We have created new products no longer based only on bentonite, products that are no longer counter-types already existing on the market. These new blends will be offered on the market as ingredients that must be an innovative solution to the new needs of the cosmetic industry.

Sales by Geographic Area



ITALY REST OF EUROPE ASIA MERICA AFRICA OCEANIA

World Coverage

Country

BANIA INDIA
LGERIA INDONESIA
RGENTINA IRAQ
JSTRALIA ISRAEL
JSTRIA ITALY
ANGLADESH JAPAN
ARHAIN JORDAN
ELARUS KENIA
ELGIUM KOREA (REPUBLIC OF)

NIA AND HERZEGOVINA KUWAIT
ZIL LATVIA
GARIA LEBANON
ADA LIECHTENSTEIN
E MALAYSIA
IA MEXICO
OMRIA MOL DOVA (REP

CHINA MEXICO
COLOMBIA MOLDOVA (REPUBLIC OF)
CROATIA NETHERLANDS
CYPRUS NEW ZEALAND
CZECHIA NIGERIA
DOMINICAN REPUBLIC OMAN
EGYPT PAKISTAN
DEBUL

FINLAND PERU
FRANCE PHILIPPIN
GEORGIA POLAND
GERMANY PORTUGA
GREECE QATAR

INGARY BUSSIAN FEDERATI

SAN MARINO SAUDI ARABIA SERBIA SIERRA LEONE SINGAPORE SLOVAKIA SLOVENIA SOUTH AFRICA SPAIN SRI LANKA SWEDEN SWITZERLAND

THAILAND
TUNISIA
TURKEY
UKRAINE
UNITED ARAB EMIRATES
UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN
IRELAND
UNITED STATES OF AMERICA
UGANDA
URUGUAY
VENEZUELA





CONSTRUCTION TECHNOLOGIES



Construction-technologies

CONSTRUCTION TECHNOLOGIES

Almost a century ago in 1937, a Hungarian biochemist was awarded a Nobel prize for isolating vitamin C. He defended himself from the press's relentless questioning with an aphorism that we could now raise as a flag: innovation consists in seeing what everyone has seen, and thinking what no one else has thought. Simple, sharp, visionary. A vision of the world that we fully embraced because, in the end, we realize that this perfectly matches the logic of shipbuilding, which always looks for simple solutions but with revolutionary results... Passion and curiosity: this is what is needed in a person to be a true engine of innovation. An impulse that the company should never run down but rather constantly encourage. This is therefore our secret, a virtuous triangle that binds the customer, the supplier and the company's dedicated staff. A relationship that must in fact become mutual trust for the common good. With this in mind, we have looked at the market, trying to understand first hand in the field how to "offer something new, by ceasing to do something old", perhaps anticipating the customer's requests in terms of services, products, and assistance... Therefore at the moment, our activity is balanced between putting new patented products on to the market and creating new ones (in our research center which we call "Innova"), whether they are products or services. Our portfolio, in constant review, basically wants to cover all construction site needs, both geotechnical and Lining & waterproofing. With a geographic profile that aims to cover a worldwide market. So here is our main challenge: to offer ourselves everywhere as a reliable partner capable of holding the customer by the hand and taking them where others still don't dare. To do this we therefore have to use both internal and external resources, reinforcing our partnerships with Public Bodies and Universities, with an irreproachable outcome - and validating our skills. But that's not all. Particular attention has therefore been given to logistics, in all its meanings (new logistics circuits, intermodal solutions, etc.), a dramatically essential element for valid worldwide distribution. Thus, an all-round commitment that sees all of us united for the final result.

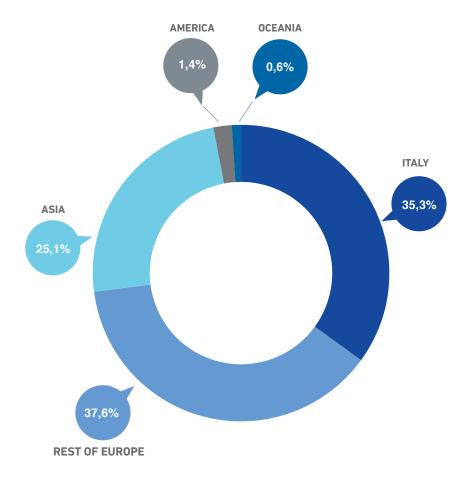
Coming to a brief analysis of the individual divisions. Firstly, the vertical Lining & Waterproofing Technologies division for bentonite geocomposite products known under the brand names Modulo Geobent® and Edilmodulo® and their related accessories - all successfully used by customers - applied both in the environmental sector, where they are used as a waterproofing element in the construction of a underlying barriers, capping landfill sites and in reclamation work, in order to protect the soil and water from any contaminating agents, as well as in the construction sector, where they are used as a barrier in the construction of underground structures, to avoid infiltration due to the possible reduction of functionality and deterioration over time. A commercial technical proposal which is then completed by a range of powdered bentonites made exclusively by us and intended to improve the permeability characteristics of the mineral barriers envisaged in the context of operations in the environmental sector. The two production plants (in fact our modern Indian plant has been added to our historic Italian plant) have allowed the division to provide prominent projects on a global scale, thus quaranteeing a highly visible brand, which as an intangible value is now more than ever an important factor in defining a brand's identity.. Therefore, rewinding the film of 2019, the year ended positively with a result higher than the target set in the division's budget, due to the positive pull exerted mainly by sales in the environmental division and in sealants. The construction division, on the other hand, broadly confirmed the 2018 values despite the rapid emergence of alternative solutions on the market. Unlike last year the reason for the increase in turnover in the environmental sector is not to be found in large scale sales mainly through big projects, but instead from the development of our distribution network which has consolidated and strengthened existing partnerships as well as developed new ones which, in addition to causing an immediate effect over the past year, this will also extend beyond the next few years. The sealants division, on the other hand, benefited from a greater number of projects within Italy compared to previous

years which included the use of on-site soil treatment with bentonite in order to improve its permeability characteristics. The high incidence that the cost of transport has on the final price creates a great limit to developing beyond the country's borders and strongly binds the sales result to the performance of the Italian market.

Moving on to geotechnics, in all its meanings (vertical and horizontal boring as well as special foundations) we have tried to maintain the bow of the ship directed straight towards the "Market" with all the support of our company, with its individual divisions. Something which has certainly been hard work but that has rewarded us with projects that we are proud to supply. In old Europe (reliable players within the Grand Paris, the historical reinterpretation of the urban mobility of the metropolitan basin in the French capital), at "home" (suppliers to the most important tunnel works), in the Far East (constant consultants for all the major construction corporations). A year of targets brilliantly achieved, a year heralding positive energy, a year of proactive team work, we ourselves being the creator of the change we imagined. But we didn't stop there; we have polished another jewel in our crown: our sales network in northern Europe, especially in terms of geothermal products. An opportunity that not all European states have been able to grasp so far. An opportunity which we went to take up where the governors of public affairs are more forward-thinking.

Again, this year we have tried to provide broad strokes of color, trying to consolidate in just a few lines a very special year, full of growth opportunities, which we have harvested and sown for the years to come.

Sales by Geographic Area







World Coverage

Country

AUSTRALIA BANGLADESH NETHERLANDS PERU PHILIPPINES QATAR ROMANIA RUSSIAN FEDERATION BULGARIA CANADA

SERBIA SINGAPORE SWITZERLAND DENMARK DOMINICAN REPUBLIC

THAILAND TUNISIA HONG KONG INDIA

UKRAINE UNITED ARAB EMIRATES UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN

ITALY JAPAN IRELAND VENEZUELA (BOLIVARIAN









The Carlo Laviosa srl shipping and freight-forwarding agency has a long tradition, which began in 1922 when this activity was added to the already established business of importing coal at the port of Livorno and sales of coal throughout Italy.

Since then, we have reached a very high level of specialisation in assisting ships of all types, dedicating ourselves to the complete optimisation of services in port.

Over the years, we have developed and consolidated specific know-how in various activities: from loading and unloading industrial minerals (Bulk Logistics Division), to storing chemicals (Coastal Chemical Depot Division) and commercial and operational assistance to ro-ro ships (Ferry Division).

In 2019 we provided agency services to a total of 823 ships, most of which were at the Livorno seaport.

Carlo Laviosa SRL

Carlo Laviosa is certified by the RINA in compliance with the ISO 9001:2015 Quality Management System implemented since 1998.

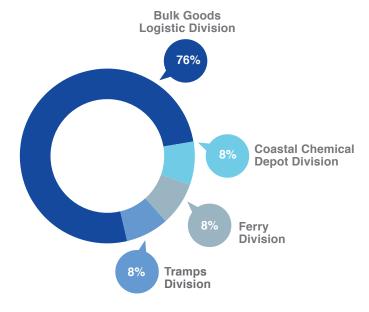
The company's long tradition of striving for quality has led over the years to an increasing focus on improving the services offered to maritime transport, essentially based on two key elements:

- listening carefully to users' needs;
- making best use of the company's internal resources to satisfy such needs.

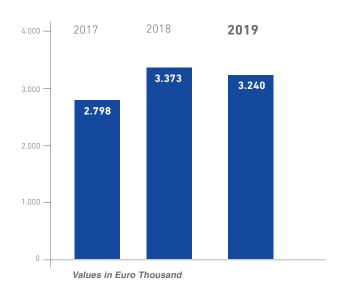
Our goals continue to focus on creating and maintaining long-lasting, solid and profitable relationships with our customers and suppliers, based on transparent collaboration and constantly fine-tuning the quality of our services - the quality perceived by our customers must exceed their expectations. We aim to grow and consolidate our role as specialist operators in the business sectors in which we have gained our success over the years, to expand our market geographically and to expand our vision of logistics, providing our customers with additional service solutions including through the opportunities afforded by the IT and technological evolution of systems.



Sales per Market Sector



Total sales



Subsidiaries and Affiliated Companies

Terminal Rinfusi Mediterraneo Srl Livorno, Italy

2019 was a positive year for Terminal Calata Orlando srl (TCO), the 55% subsidiary of Terminal Rinfusi del Mediterraneo srl (TRM), which in turn is a subsidiary of Carlo Laviosa. During 2019 TCO, the terminal in the port of Livorno specialized in the loading, unloading and the storage of bulk products and also guaranteed these services for Laviosa Chimica Mineraria, producing a net profit of 201.509 euros, up 9% from the previous year. The Terminal achieved this result thanks to a 3.2% growth in the volume of goods handled, amounting to 656,156 tons, for a turnover of 3,705,703 Euros, a 4% increase compared to 2018, all without changing the tariffs of the services rendered therefore confirming the company's re-acquired organizational efficiency.

During the year, a significant investment program aimed at renewing the terminal's fleet of vehicles and increasing efficiency and productivity was finalized and launched.

Still currently blocked by the complexity of the procedures and bureaucratic red tape, the TCO transfer program to the east bank of the Tuscan dock in the port of Livorno, is being implemented with the port of Livorno's planning scheme. The new location, gives TCO a quay with a deeper draft and will be on a road junction that is directly connected to the Livorno-Pisa-Florence highway and therefore connected to the national motorway network. As for environmental impact, the transfer of the Terminal would eliminate the transit of about 26,000 trucks/year which currently pass through the northern part of the city, so as to reach the current terminal on Calata Orlando.

Shipping Agency

Ferry Division

The main business of the division is agency and representation services for the Italian shipping line Tirrenia - Compagnia Italiana di Navigazione, with regular routes from Livorno for the ports of Cagliari, Catania and Genova, La Valletta (Malta), Naples and vice versa. Ports of call in 2019 numbered 600.

Tramps Division

Another segment of the maritime agency's activities is acting as shipping agent for tramp ships usually designed to carry dry bulk, bulk liquids and general cargo.

Ports of call in 2019 numbered 223.

Bulk Goods Logistic Division

In over 40 years of business, the Carlo Laviosa Bulk Logistics Division has built up the specific expertise required in this field.

Unloading, storage and transportation are just some of stages in the process needed to bring bulk products from the source to the final user: systems integration, smoothness and efficiency in these stages are what we excel at. Our many years of close partnership with the Laviosa Chimica Mineraria company, and with all the other industrial companies that operate within the same group, have allowed the exchange of experience and expertise needed to acquire the business of some of the industry's world leaders that have place their trust in us for many years. Specific expertise in handling individual products (coal, clay, sand, feldspar, perlite, etc.) has become one of our distinguishing traits.

In 2019, we handled approx. 207,211 tons of industrial minerals.

Coastal Chemical Depot Division

The business of receipt, storage and dispatch of chemicals began in 1993 when tanks were built for storing sulphuric acid on the industrial canal of the port of Livorno. In 2010 new tanks were built and commissioned for other liquid industrial products (alkylates).

Today the coastal chemical depot has a total geometric capacity of 4,500 cubic metres, divided up between 5 tanks: Two 1,500 cubic metre tanks for sulphuric acid and three 500 cubic metre tanks for alkylates.

In 2019, 4 tankers berthed at the dedicated quay and unloaded a total of 6,030 tons of sulphuric acid.

As regards alkylates, 1,250 cubic metres were received and dispatched by road.

Strong attention to safety issues, the geographical location in central Italy and the fast links with the motorway are the division's main strengths.







LAVIOSA MINERALS SPA Consolidated financial statements

CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT DECEMBER 31, 2019

	2019	2018
Sales	84.890	79.992
Cost of Goods Sold	72.540	66.488
GROSS PROFIT	12.350	13.504
Other proceeds	458	307
G&A Expenses	7.598	7.598
R&D Expenses	33	85
Selling Expenses	3.368	3.447
OPERATING PROFIT (EBIT)	1.809	2.681
Financial Income/Expenses	(152)	151
Income/Expenses from Shareholdings	449	688
Extraordinary Income/Expenses	(1.194)	(138)
PROFIT BEFORE TAX	912	3.382
Income Tax	660	1.108
PROFIT AFTER TAX	252	2.274
Minority Rights	-191	746
NET PROFIT	443	1.528

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2019

	2019	2018
ASSETS		
Intangible assets	4.570	4.455
Tangible assets	24.901	24.767
Shareholdings and Financial Investments	3.941	3.924
A TOTAL FIXED ASSETS	33.412	33.146
Raw materials & works in progress	14.827	12.114
Finished products	3.522	4.484
Total Stocks	18.349	16.598
Trade Receivable	21.872	16.829
Other Receivable	4.675	5.093
B TOTAL CURRENT ASSETS	44.896	38.520
TOTAL ASSETS (A+B)	78.308	71.666
LIABILITIES		
Share Capital	3.640	3.640
Reserves	10.337	9.235
Profit of the Period	444	1.528
Minority Rights	7.831	8.066
A TOTAL EQUITY	22.252	22.469
Risk & Contingency Funds	727	751
Staff Severance Fund (TFR)	1.053	1.066
Long Term Loans	18.007	12.209
B TOTAL LONG TERM LIABILITIES	19.787	14.026
Net Short Term Bank Debt	17.841	13.034
Suppliers	14.492	16.665
Taxes, Social Securities and Other Liabilities	3.936	5.472
C TOTAL CURRENT LIABILITIES	36.269	35.171
TOTAL LIABILITIES (A+B+C)	78.308	71.666



LAVIOSA CHIMICA MINERARIA SPA

Consolidated financial statements

CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT DECEMBER 31, 2019

	Currency: Euro thousand	
	2019	2018
Sales	82.832	77.356
Cost of Goods Sold	71.435	64.755
GROSS PROFIT	11.397	12.601
Other proceeds	458	307
G&A Expenses	6.846	6.790
R&D Expenses	33	85
Selling Expenses	3.317	3.447
OPERATING PROFIT (EBIT)	1.659	2.586
Financial Income/Expenses	(144)	246
Income/Expenses from Shareholdings	490	473
Extraordinary Income/Expenses	(1.156)	(141)
PROFIT BEFORE TAX	849	3.164
Income Tax	605	1.063
PROFIT AFTER TAX	244	2.101
Minority Rights	0	0
NET PROFIT	244	2.101

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2019

	Currency. Euro mousand	
	2019	2018
ASSETS		
Intangible assets	4.575	4.453
Tangible assets	23.692	23.478
Shareholdings and Financial Investments	2.674	2.658
A TOTAL FIXED ASSETS	30.941	30.589
Raw materials & works in progress	14.827	12.114
Finished products	3.522	4.484
Total Stocks	18.349	16.598
Trade Receivable	21.343	16.126
Other Receivable	4.490	5.031
B TOTAL CURRENT ASSETS	44.182	37.755
TOTAL ASSETS (A+B)	75.123	68.344
LIABILITIES		
Share Capital	9.742	9.742
Reserves	12.139	10.938
Profit of the Period	244	2.101
Minority Rights		-
A TOTAL EQUITY	22.125	22.781
Risk & Contingency Funds	678	711
Staff Severance Fund (TFR)	974	976
Long Term Loans	15.772	9.567
B TOTAL LONG TERM LIABILITIES	17.423	11.254
Net Short Term Bank Debt	17.791	12.644
Suppliers	14.069	16.557
Taxes, Social Securities and Other Liabilities	3.715	5.108
C TOTAL CURRENT LIABILITIES	35.575	34.309
TOTAL LIABILITIES (A+B+C)	75.123	68.344



CARLO LAVIOSA SRL Financial statements

PROFIT & LOSS ACCOUNT AS AT DECEMBER 31, 2019

	2019	2018
Sales	3.240	3.373
Services	1.976	2.186
Personnel	369	354
GROSS PROFIT	895	833
Other Operating Costs	394	339
GROSS OPERATING PROFIT (EBITDA)	501	494
Depreciation	155	175
OPERATING PROFIT (EBIT)	346	319
Financial Income/Expenses	(24)	(28)
Income/Expenses from Shareholdings	0	207
Extraordinary Income/Expenses	(45)	(4)
PROFIT BEFORE TAX	277	494
Income tax	100	109
NET PROFIT	177	385

BALANCE SHEET AS AT DECEMBER 31, 2019

	•	
	2019	2018
FIXED ASSETS		
Intangible assets	4	2
Tangible assets	1.492	1.573
Shareholdings and Financial Investments	588	587
A TOTAL FIXED ASSETS	2.084	2.162
CURRENT ASSETS		
Trade Receivable	768	1.088
Other Receivable	231	466
B TOTAL CURRENT ASSETS	999	1.554
TOTAL ASSETS (A+B)	3.083	3.716
LIABILITIES		
Share Capital	115	115
Reserves	1.091	964
Profit of the Period	177	385
A TOTAL EQUITY LIABILITIES	1.383	1.464
Staff Severance Fund (TFR) & long term funds	128	130
Long Term Bank Loans	1.009	1.131
B TOTAL LONG TERM LIABILITIES	1.137	1.261
Net Short Term Bank Debt	-323	78
Suppliers	603	625
Taxes, Social Securities and Other Liabilities	283	288
C TOTAL CURRENT LIABILITIES	563	991
TOTAL LIABILITIES (A+B+C)	3.083	3.716



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