PRESS RELEASE

GVS APPROVES THE CONSOLIDATED RESULTS AT 30 SEPTEMBER 2020

REVENUE UP 49.6% AND MARKED GROWTH OF THE GROUP'S PROFIT MARGIN

Main performance indicators of the GVS Group for the first nine months of 2020 compared to the same period in 2019:

- **Revenue of Euro 258.2 million, up 49.6% on Euro 172.5 million;**
- **Adjusted EBITDA[1] of Euro 104.1 million (+122%) compared to Euro 46.9 million, with a trading margin of 40.3%. EBITDA of Euro 98.4 million (+111%) compared to Euro 46.7 million, with a ratio to revenue of 38%;**
- **Adjusted EBIT[2] of Euro 92.8 million (+147%) compared to Euro 37.7 million. EBIT of Euro 84.3 million (+145%) compared to Euro 34.5 million, with a ratio to revenue of 33%;**
- **Adjusted Net Profit[3] of Euro 63.9 million (+117%) compared to Euro 29.4 million. Net profit of Euro 57.2 million, (+115%) compared to Euro 26.6 million;**
- **Net financial position of Euro 1.2 million compared to Euro 103.1 million at 31 December 2019.**

Zola Predosa (BO), 5 November 2020 – The Board of Directors of **GVS S.p.A.**, a leading player providing advanced filtration solutions for critical applications, meeting today at Zola Predosa (BO), approves the consolidated results at 30 September 2020 prepared in accordance with the IFRS international accounting standards.

"The results recorded in the first three quarters confirm the quality of our work during the year and the great team that managed it. I am proud to present the data that fully reflect who we are and what we can do, also in these turbulent times." - said **Massimo Scagliarini, CEO of GVS**. - "We are now working on projects with a three-year time-frame, with the aim of continuing the drive initiated in 2020 and continuing to grow the company as we have done over the last 20 years. *The launch of the new kit for the extraction of RNA, viral genetic material on which the diagnostic test for Covid-19 is based, is another example of our flexibility and adaptability to the everyday challenges we face on the market. We work constantly on expanding our Group, in terms of its international presence, product innovation and assessing possibilities for growth, also through external lines. The final months of 2020 will be challenging but full of opportunities and we will face them, as always, with due prudence, attention and serenity, so as to optimise the work performed so far."*

1 Indicate the adjusted operating income and costs which, due to their nature, are not reasonably expected to be repeated in the future, being mainly linked in the first nine months of 2020 to the costs of the IPO.
2 Indicate the adjusted operating income and costs which, due to their nature, are not reasonably expected to be repeated in the future, being mainly linked in first nine months of 2020 to the costs of the IPO, and to the amortisation of intangible assets entered at the time of the PPA.
3 Indicate the adjusted operating income and costs which, due to their nature, are not reasonably expected to be repeated in the future, being mainly linked in the first nine months of 2020 to the costs of the IPO, and to the amortisation of intangible assets entered at the time of the PPA, both net of the related taxes

ANALYSIS OF THE GROUP'S ECONOMIC PERFORMANCE

At 30 September 2020 GVS recorded **consolidated revenue of Euro 258.2 million**, up 49.6% compared to the Euro 172.5 million recorded in the same period in 2019. This result is mainly due to the growth of the Health & Safety and Healthcare & Life Sciences divisions, in both cases driven by the demands arising from the spread of Covid-19.

The trend and distribution of the revenue from contracts with clients at 30 September 2020 can be broken down as follows:

- the **Healthcare & Life Sciences** division, that represents 45% of the total, grew by approximately 33% compared to the same period in 2019;
- the **Energy & Mobility** division, that represents 18% of the total, recorded a reduction of 30% compared to the same period in 2019, due to the overall slow-down of the sector;
- the **Health & Safety** division represents 37% of the total, an increase from the 10% at 31 December 2019 due to a significant growth in the demand for personal protection equipment (FFP3) for the hospital sector.

The Adjusted EBITDA[1] stands at Euro 104.1 million, +122% compared to 30 September 2019, when it stood at Euro 46.9 million, recording a profit margin of 40.3% compared to 27.2% in the first nine months of 2019. This increase is attributable to the procurement strategies put in place in the last three years, which allow us to set the cost of relevant raw materials with an overview covering the entire year, along with the speed with which the 41 new production lines were installed at the Group's plants throughout the world, which increased the level of operating leverage and the efficiency of specific processes . The **EBITDA** stands at Euro 98.4 million (+111%) compared to Euro 46.7 million, with a ratio to revenue of 38%.

The Adjusted EBIT[2] stands at Euro 92.8 million, +147% compared to the same period last year when it stood at Euro 37.7 million. The **EBIT** stands at Euro 84.3 million (+145%) compared to Euro 34.5 million, with a ratio to revenue of 33%.

The Adjusted Net Result[3] amounts to Euro 63.9 million, up compared to Euro 29.4 million in the first nine months of 2019 and is negatively affected by exchange rate differences of Euro 6.3 million. The Net Profit stands at Euro 57.2 million (+115%) compared to Euro 26.6 million in the same period in 2019.

The Net Financial Position at 30 September 2020 stands at Euro 1.2 million compared to Euro 103.1 million at 31 December 2019. This result, along with the current trend of operations and the acquisitions made, also reflects the income generated from the capital increase linked to the IPO of Euro 79.8 million.

BUSINESS OUTLOOK

In light of the increase in revenue from contracts with clients at 30 September 2020 and of the current orders portfolio, GVS expects to record a profit at the end of 2020 of approximately Euro 350 million, up 54% compared to 31 December 2019 and an Adjusted EBITDA Margin in line with the results recorded at 30 September 2020.

The growth for the current year is higher than the historical average of the GVS business trend due to a swift adjustment to the demand for filters for ventilators and personal protective equipment to respond to the emergency caused by COVID-19.

OTHER RESOLUTIONS

The Board of Directors has received and accepts the letter of resignation, signed by Matteo Menegatti, from the position of Internal Audit and, with the support Control and Risks Committee, it appoints Francesco Auterio new manager of the Department beginning on 30 November 2020. Matteo Menegatti, will continue to work for GVS with different functions in the finance area.

The Board of Directors also approves the internal audit plan for the remaining part of 2020 prepared by the Internal Audit department manager, having received the approval of the Board of Statutory Auditors and the Chief Financial Officer.

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STATEMENT AS OF ARTICLE 154-BIS, SUB-PARAGRAPH TWO OF THE T.U.F. (Consolidated Finance Act)

The Director tasked with keeping the company's accounting records, Mr. Emanuele Stanco, in accordance with article 154-is, sub-paragraph two, of Italian Legislative Decree no. 58/98, declares that the accounting data contained in this press release correspond to those in accounting books and records.

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CONFERENCE CALL

The results of the first nine months of 2020 will be presented by the Group's Top Management during a conference call at 16:30 CET on Wednesday 5 November.

The conference call can be followed via webcast by connecting to the url: https://87399.choruscall.eu/links/gvs201105.html.

As an alternative to the webcast, it will be possible to take part in the conference call via one of the following numbers:

ITALY: +39 02 805 88 11

UK: + 44 121 281 8003

USA: +1 718 7058794

The Top Management's presentation can be consulted before the start of the conference call on the authorised storage mechanism eMarket SDIR, managed by Spafid S.p.A., and on the company's website www.gvs.com (section Investor/Documenti Finanziari/Presentazioni).

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The Consolidated Interim Financial Statements at 30 September 2020 can be consulted by the public at the Company's offices, at the Borsa Italiana (Italian Stock Exchange) and on the website www.gvs.com "Investor/Documenti Finanziari/Bilanci e Relazioni" in accordance with the provisions of law.

This press release is available on the regulated information disclosure system eMarket SDIR, managed by Spafid S.p.A., and on the company's website www.gvs.com (section Investor/Comunicati Stampa).

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GVS GROUP:

The GVS Group is one of the world's leading suppliers of filter solutions for applications in the Healthcare & Life Sciences, Energy & Mobility and Health & Safety sectors. The Group's strong focus on internationalisation has led to the opening of 13 production plants located in Italy, UK, Brazil, USA, China, Mexico and Romania, as well as 6 sales offices in Russia, Turkey, Argentina, Japan, China and Korea. In the year ending on 31 December 2019, the GVS Group recorded revenue from contracts with clients of Euro 227 million and an Adjusted EBITDA of Euro 62 million.

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Consolidated income statement

(in thousands of Euro)	YTD at 30 september	
	2020	**2019**
Revenue from contracts with clients	258.170	172.625
Other income	1.150	2.058
Total revenue	**259.320**	**174.683**
Purchase and consumption of raw materials and finished goods and semi-finished goods	(61.433)	(52.013)
Personnel expenses	(71.489)	(55.792)
Cost of services	(25.807)	(17.417)
Other operating costs	(2.161)	(2.811)
EBITDA	**98.430**	**46.651**
Net impairment losses on financial assets	(181)	(207)
Depreciation and amortization	(13.958)	(11.985)
EBIT	**84.291**	**34.459**
Financial income	94	4.942
Financial costs	(9.289)	(3.704)
Earning before tax	**75.096**	**35.697**
Income taxes	(17.868)	(9.115)
Net result	**57.228**	**26.582**

Consolidated Balance Sheet

(in thousands of Euro)	**At 30 September 2020**	**At 31 December 2019**
ASSETS		
Non-current assets		
Intangible assets	94.486	99.846
Right of use assets	8.757	10.320
Tangible assets	67.295	46.614
Deferred tax assets	2.840	1.451
Non-current financial assets	929	542
Total non-current assets	**174.307**	**158.773**
Current assets		
Inventories	46.017	31.491
Trade receivables	66.120	35.158
Contract assets	1.631	591
Income tax receivables	256	193
Other current assets and receivables	9.486	6.430
Current financial assets	4.182	3.576
Cash and cash equivalents	112.189	58.542
Total current assets	**239.881**	**135.981**
TOTAL ASSETS	**414.188**	**294.754**
EQUITY AND LIABILITIES		
Share Capital	1.750	1.650
Reserves	165.003	59.489
Net result	57.216	33.083
Group shareholders' equity	**223.970**	**94.222**
Non-controlling interests	22	18
Total equity	**223.992**	**94.240**
Non-current liabilities		
Non-current borrowings	81.373	117.638

Non-current lease liabilities	5.836	7.850
Deferred tax liabilities	2.194	819
Employee benefit obligations	4.271	4.193
Total non-current liabilities	**93.674**	**130.500**
Current liabilities		
Current borrowings	26.915	36.669
Current lease liabilities	3.444	3.094
Trade payables	31.940	13.188
Contract liabilities	4.673	1.702
Income tax payables	14.205	2.060
Other current liabilities	15.345	13.301
Total current liabilities	**96.522**	**70.014**
TOTAL EQUITY AND LIABILITIES	**414.188**	**294.754**

Consolidated Statement of Cash Flows

(in thousands of Euro)	YTD at 30 September	
	2020	**2019**
Pre-tax result	75.096	35.697
- Adjustments:		
Depreciation and amortization	13.958	11.985
Capital loss /(gain) from disposal of assets	(10)	(214)
Net financial expenses / (revenue)	9.195	(1.238)
Other non-monetary movements	1.148	908
Cash flow from operating activities before changes in net working capital	***99.387***	***47.138***
Changes in inventory	(16.590)	(1.597)
Changes in trade receivables	(27.352)	(1.084)
Changes in trade payables	25.963	(2.676)
Changes in other assets and liabilities	(2.770)	(2.063)
Use of employee benefit obligations and provisions for risks and charges	(644)	(635)
Income tax paid	(6.630)	(5.956)
Net cash flow provided by / (used in) operating activities	**71.364**	**33.128**
Investments in property, plant and equipment	(22.176)	(7.689)
Investments in intangible assets	(2.285)	(2.115)
Disposal of property, plant and equipment	196	2.847
Investments in financial assets	(3.061)	(1.965)
Disposal of financial assets	-	1.700
Acquisition of company branch net of liquid assets acquired	(10.532)	-
Net cash flow provided by / (used in) investing activities	**(37.858)**	**(7.222)**
Taking out of long-term borrowings	503	6.500
Repayment of long-term borrowings	(41.955)	(22.982)
Current financial debt variation	(3.000)	-
Repayment of lease liabilities	(2.165)	(1.671)
Finance costs paid	(4.018)	(4.184)
Finance income received	94	78
Net compensation for IPO	74.508	
Dividends paid	(1.681)	(7.814)
Net cash flow provided by / (used in) financing activities	**22.286**	**(30.073)**

Total cash flow provided / (used) in the period	**55.792**	**(4.168)**
-		
Cash and cash equivalents at the beginning of the period	**58.542**	**45.551**
Total cash flow provided / (used) in the period	55.792	(4.168)
Exchange differences from conversion of cash and cash equivalents	(2.145)	1.074
Cash and cash equivalents at the end of the period	**112.189**	**42.457**

Consolidated net financial position

	(in thousands of Euro)	**At 30 september 2020**	**At 31 december 2019**
	Treasury	32	32
	Cash and cash equivalents	112.157	58.510
	Restricted deposits	360	-
	Held-for-trading securities	3.650	3.399
(A)	**Liquidity**	**116.199**	**61.941**
	Lease receivables	172	177
(B)	**Current financial receivables**	**172**	**177**
(C)	Current bank liabilities		(3.000)
(D)	Current quota of non-current borrowing	(26.347)	(33.506)
	Financial liabilities to other GVS Group companies for leases	(965)	(585)
	Lease liabilities	(2.479)	(2.509)
	Other financial liabilities	(568)	(163)
(E)	Other current liabilities	(4.012)	(3.257)
(F)	**Current financial borrowing (C)+(D)+(E)**	**(30.359)**	**(39.763)**
(G)	**Net current financial borrowing (A)+(B)+(F)**	**86.013**	**22.355**
	Non-current bank liabilities	(44.496)	(67.999)
	Non-current debenture debts	(36.812)	(49.574)
	Financial liabilities to other GVS Group companies for leases	(2.240)	(1.886)
	Non-current lease liabilities	(3.596)	(5.965)
	Other financial liabilities	(65)	(65)
(H)	**Non-current borrowing**	**(87.209)**	**(125.488)**
(I)	**Net borrowing (G)+(H)**	**(1.196)**	**(103.134)**
	Derivative instruments		
	Lease liabilities (net)	9.107	10.767
(L)	**Total net financial position**	**7.911**	**(92.366)**