PRESS RELEASE

BOARD OF DIRECTORS OF PIRELLI & C SPA REVIEWED PRELIMINARY RESULTS FOR YEAR ENDED 31 DECEMBER 2020

PIRELLI: 2020 RESULTS IN LINE WITH TARGETS,
EFFICIENCY PLAN AND COSTS' REDUCTION ATTENUATE COVID IMPACT

PROFIT OF 42.7 MILLION EURO FOR YEAR, COVID EFFECT NOTWITHSTANDING

2020 NET CASH FLOW BEFORE DIVIDENDS 248.8 MILLION EURO (207.6 EXCLUDING EFFECT OF CONVERTIBLE BOND)

FOURTH QUARTER CAR ≥18" VOLUMES INCREASED 12.6%, MORE THAN DOUBLE MARKET RATE. ADJUSTED EBIT MARGIN GREW 18.3%

Fourth quarter 2020

- Revenues: 1,208.3 million euro, with an organic variation of +1.7% compared with 4Q 2019 (-6.1% including forex effect)
- Adjusted Ebit: 220.8 million euro (232.3 million in 4Q 2019), Adjusted Ebit margin at 18.3% an improvement from 18.1% in 4Q 2019
- Net result: +60.5 million euro (+72 million in 4Q 2019)
- Cash flow before dividends positive 994.1 million euro (+973 million in 4Q 2019)

Full year 2020

- Revenues: 4,302.1 million euro, with an organic variation of -14.1% (-19.2% including forex effect) because of the fall in demand, particularly in the first half
- Adjusted ebit: 501.2 million euro (917.3 million euro adjusted Ebit in 2019): efficiencies and cost containment actions limited the impact of the external context
- Net result: +42.7 million euro (+457.7 million euro in 2019)
- Net cash flow before dividends: +248.8 million euro (+344.1 million euro in 2019), +207.6 million excluding positive impact of convertible bond
- Net Financial Position: -3,258.4 million euro, an improvement compared with -3,507.2 million euro on 31 December 2019
- Liquidity Margin: 3,034.4 million euro, financial debt maturities guaranteed until June 2024 in case of extension of bank debt maturing in June 2022
- Research & Development spend: 194.6 million euro in 2020 (4.5% of sales), of which 182.5 million euro destined to *High Value* activities (6.0% of segment revenues)
- Leadership confirmed in the main sustainability indices at the global level
- Targets for CO_2 emissions' reduction validated by the Science Based Targets Initiative (SBTi)
- Over 50% of electric energy used by the group comes from renewable sources

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2021 TARGETS

- **2021 outlook improving: the global car tyre market expected to grow by "high single digit" levels. "Double digit" growth seen for Car ≥18'' market which in 2021 will return to 2019 levels**

- **Pirelli aims to strengthen leadership in Car ≥18'' and, in general, in High Value**

- **Revenues expected at around 4.7 – 4.8 billion euro (around 4.3 billion in 2020)**

- **Adjusted Ebit Margin expected between >14% and around 15% (11.6% in 2020)**

- **Net cash flow before dividends about 300-340 million euro (207.6 million in 2020 excluding the impact of the convertible bond) after investments equal to about 7% of sales**

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Milan, 10 March 2021 – The Board of Directors of Pirelli & C. Spa met today and reviewed preliminary and unaudited results for the year ended on 31 December 2020.

The Tyre sector in 2020 was greatly impacted by the Covid-19 emergency and the deterioration of the economic outlook, with a general fall in consumption and production. The demand for car tyres registered a volumes' decline of 15.3% and was particularly marked in the first half (-28%), with an improvement in the second (-3.2%) thanks to the recovery of demand for Car ≥18" (+3.6% in the second half and -9.5% for the full year) confirming it as the most resilient segment.

Pirelli reacted quickly to the profound changes in the global scenario, implementing an action plan to guarantee the health and safety of its workers, protect profitability and cash generation, strengthen its asset structure, consolidate collaboration with the main Premium and Prestige carmakers and the sales network, strengthen its high-end leadership.

In 2020 the benefits stemming from the costs' competitiveness plan and actions to counter the Covid-19 scenario were in line with the forecasts announced on 13 May 2020: 142 million euro net of inflation and the slowdown (around 3% of the 2019 cost base, or around 3.3% of sales), gross benefit of 270 million euro. In particular:

- The "costs' competitiveness plan" (cost of product, manufacturing, organization and SG&A) contributed around 110 million euro net of inflation (gross benefit 160 million euro);
- The "Covid Actions" costs' containment plan, including short term actions on SG&A, marketing and communication, manufacturing and R&D, contributed about 32 million euro net of the production slowdown (gross benefit 110 million euro).

In particular, in the **fourth quarter**, the benefits net of inflation and the slowdown amounted to 58 million of which 37 million euro deriving from the Competitiveness Plan and 21 million euro derived from the "Covid Actions".

Pirelli closes 2020 with results in line with targets

Revenues totaled 4,302.1 million euro (target ~4.18-4.23 billion euro), supported by the market recovery in the fourth quarter. The organic variation in revenues, on an annual basis, was -14.1% (-19.2% including the forex effect/Argentina hyperinflation). High Value reached 70.4% of group sales (66.5% in 2019).

Revenues in the **fourth quarter** were 1,208.3 million euro, with organic growth of 1.7% (-6.1% including the forex effect/Argentina hyperinflation).

Revenues (*euro millions*)	31/12/2020	% of total	31/12/2019	% of total	Variation y/y	Organic variation y/y
High Value	3,029.8	70.4%	3,539.9	66.5%	-14.4%	-12.3%
Standard	1,272.3	29.6%	1,783.2	33.5%	-28.6%	-17.9%
Total	**4,302.1**	**100%**	**5,323.1**	**100%**	**-19.2%**	**-14.1%**

Revenues variants		31/12/2020
Volumes	*o/w High Value -9.0%* *o7w Standard -21.4%*	-15.3%
Price/Mix		+1.2%
Forex/Argentina hyperinflation		-5.1%
Total variations (2020 vs 2019)		-19.2%

The performance of Pirelli volumes in 2020 (-15.3%) was better than expected (November target -17% /-18%) in both segments. High Value volumes registered a decline of 9% (compared with a target of -11%) while Standard posted a fall of 21.4%, lower than the target of -25%.

In particular, in Car ≥18", Pirelli posted a fall of 7.8%, out-performing the market (-9.5%):

- In Original Equipment (Pirelli volumes -6.3%, market -13.2%), thanks to exposure to Premium and Prestige carmakers and the broadening of the client portfolio (new contracts in North America and APac beginning from the second half of 2019). There was a marked improvement in the trend in the **fourth quarter** (Pirelli volumes +19.1%, market +9.1%), which benefitted from the strong recovery in Premium and Prestige car production (+14%);
- In the Replacement channel (Pirelli volumes -8.9%, market -6.9%) the company progressively improved its performance, impacted in particular in the first half by inventory reductions at its main distribution partners in Europe and North America. The performance in the **fourth quarter** was particularly significant: +6.5% compared with the market's +2.5%, with a strengthening of the leadership in Apac, a consolidation of its position in Europe and an improvement in sales in North America.

In **Car ≤17"** the reduction in **Pirelli volumes in 2020** (-22.6%) was more accentuated than the market's (-16.5%), in line with the strategy of reducing exposure to less profitable segments. The exception was South America, where Pirelli won market share in both channels in the second half, benefitting in the Replacement channel from the reduction of import flows and in Original Equipment from production increases by the main carmakers that Pirelli serves in the Region, in view of new model launches at the beginning of 2021.

Total **Pirelli volumes** in the **fourth quarter** grew by 1.1%, driven by High Value, whose volumes increased by 10.3%, on the other hand Standard was negative (Pirelli volumes -7.3%).
In Car ≥18" Pirelli volumes grew by 12.6% (compared with a market that grew by 5.3%) supported in particular by Original Equipment demand.

The improvement of price/mix in 2020 was +1.2% (more contained compared with the target of about +1.5%) as a result of greater sales in Original Equipment compared with the Replacement channel, above all in the fourth quarter. Overall, the price/mix performance reflects differing quarterly trends:

- Negative in the first quarter (-1.3%), with a temporary fall in the Region mix due to the sharp fall in demand in China, the first country struck by the pandemic, and a channel mix impacted by the more marked decline of Replacement as a consequence of the reduction of inventories by European and North American distribution networks;
- Positive in the second and third quarters, (respectively +3.3% e +2.3%), thanks to improvements in the product mix, Region mix (with the recovery of sales in China beginning from the second quarter) and the channel mix (positive in the second quarter, neutral in the third as a consequence of the more balanced trend between Original Equipment and Replacements channels);
- In the fourth quarter (+0.6%) the price/mix trend was effected by the already cited strong volume growth in the Original Equipment channel compared with the Replacement channel.

In **2020, the impact of exchange rates/Argentina hyperinflation** was negative 5.1% (in line with November guidance) because of the strengthening of the euro against all the main currencies and because of the volatility of emerging market currencies. In the **fourth quarter** the impact of exchange rates/Argentina hyperinflation was -7.8%.

Profitability

Profitability *(euro millions)*	31/12/2020	% of revenues	31/12/2019	% of revenues	Variation y/y
Adjusted Ebitda	**892.6**	**20.7%**	**1,310.0**	**24.6%**	**-31.9%**
Ebitda	725.1	16.9%	1,250.0	23.5%	-42.0%
Adjusted Ebit	**501.2**	**11.6%**	**917.3**	**17.2%**	**-45.4%**
Ebit	219.1	5.1%	742.7	14.0%	-70.5%

The **Adjusted ebit in 2020** was 501.2 million euro (917.3 million euro in 2019), with an Adjusted ebit margin of 11.6%, (target ~11.5%-12%). Profitability improved in the **fourth quarter,** with a margin of 18.3% (**Adjusted ebit** at 220.8 million euro) compared with 18.1% in the same period of 2019 (Adjusted ebit 232.3 million in the fourth quarter of 2019).

In 2020, the efficiency actions and costs' reduction program linked to the Covid-19 emergency, contributed to the containment of the external context (great weakness in demand, slowdown, forex volatility and inflation of the costs of production factors). In detail:
- The Costs' Competitiveness plan (160 million euro of gross structural efficiencies) offset the impact of inflation (-50 million euro), forex (-60 million euro) and the increase in raw material costs (-20 million euro);
- The Covid Actions costs' reduction plan (110 million euro) more than made up for the impact of the slowdown (-78 million euro);
- The price/mix had a positive effect of 20 million euro), while negative were the effects of volume (-351 million euro), amortizations (-30 million euro) and other costs (-117 million euro, of which 55 million were not monetary). The latter were linked to the transformation process (digitalization), increased provisions for credits and remainders and other costs of a non-monetary nature linked to the reduction of the value of inventories.

Ebit was 219.1 million euro (742.7 million euro in 2019) and includes:
- Amortizations of intangible assets identified in the context of PPA of 114.6 million euro (in line with 2019);
- one-off, non-recurring and restructuring charges and other of 107.7 million euro (131 million euro in 2019) mainly relative to actions linked to the rationalization of structures, as well as the value adjustments of some UK pension funds in the context of a buyout operation (11 million euro) and the retention plan approved by the Board on 26 February 2018 of 8.4 million euro (6.9 million euro in 2019);
- direct costs linked to the Covid-19 emergency of 59.8 million euro, mainly related to personal protection material (9.8 million euro), donations for Covid-19 (2.7 million euro), cost of semi-finished goods which were rendered unusable because of the sudden plant closures (11.5 million euro) , and non-discretionary costs for sponsorships for events that were cancelled or reduced in visibility (33.3 million euro).

The **result for shareholdings** was -5.3 million euro, compared with -11 million euro in 2019.

Net financial charges were 156.4 million euro compared with 109.4 million euro in 2019 (216.7 million euro was the 2019 figure excluding the impact of non-recurring benefits linked to fiscal credits in Brazil).

The **cost of debt** on an annual basis (calculated as the average of the last 12 months) fell to 1.94% compared with 2.83% on 31 December 2019.

In 2020 **fiscal charges** were 14.7 million euro against a pretax profit of 57.4 million euro with a tax rate of 25.6%.

Net profit in 2020 came to +42.7 million euro (+457.7 million euro in 2019). The net profit in the **fourth quarter** was positive 60.5 million euro (+72 million in fourth quarter 2019).

The **net cash flow before dividends in 2020** was positive 248.8 million euro (344.1 million euro in 2019). It includes the payment of sanctions of 33.7 million euro regarding a cables' cartel, imposed by the EU Tribunal, and a benefit of 41.2 million euro linked to the accounting effects of a convertible bond issue that took place in 2020. Excluding the effect of the convertible bond issue, cash flow was 207.6 million euro (target indicated in November was around 190 million euro) thanks to the strict management of working capital. There was a significant reduction of inventories during the year: around 257 million euro (around 154 million euro excluding forex effects) mainly because of a reduction of finished products (around 2.6 million pieces in Car and around 300,000 in Moto, which took place in the second and third quarters). **The net cash flow in the fourth quarter** was positive 994.1 million euro (an improvement compared with 973 million euro in the fourth quarter of 2019) thanks to the positive seasonality of working capital that typifies the last quarter of the year.

In 2020 **expenditure in Research & Development** totaled 194.6 million euro (4.5% of sales), of which 182.5 million euro were destined to *High Value* activities (6.0% of segment revenues).

The **net financial position** was negative 3,258.4 million euro (-3,299.6 million euro excluding the positive effect of the convertible bond), an improvement from -3,507.2 million euro on 31 December 2019 and -4,252.5 million euro on 30 September 2020.

The liquidity margin on 31 December 2020 was 3,034.4 million euro and guarantees coverage of debt maturities towards banks and other financiers up to January 2023, therefore covering two years of maturities. Further, considering the option of extending the maturity of the "unsecured Facilities" financing by an additional two years, this coverage would extend until June 2024.

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In 2020 significant improvements achieved in terms of sustainability performance

Pirelli achieved significant results in sustainability despite it being a particularly challenging year in environmental and social terms because of the global pandemic.

Revenues from Eco & Safety Performance grew, that is for tyres that perform particularly well both in terms of reducing environmental impacts and improving people's safety, reaching 58% (55.8% in 2019) of total car tyres sales. As a percentage of revenues from **High Value** products, Eco & Safety accounted for 63.8% (63.3% in 2019). The average **rolling resistance** of tyres produced by Pirelli worldwide saw further **reduction** compared with 2019, falling by over one basis point to bring it to -9% compared with 2015 (reference year for reduction targets).

The investment in **"health and safety"** was of primary importance, with the accidents' index **falling 15%** compared with 2019 and the introduction of new programs to **sustain people's psycho-physical wellbeing** and with attention to resilience to the pandemic's impact.

In terms of environmental performance, in 2020 Pirelli registered **significant growth in the use of electricity from renewable sources, which accounted for 52%** of total electricity use by the group at the global level, **with absolute CO_2 emissions falling by 23%** from 2019.

In June 2020, further, Pirelli's targets for the reduction of **CO_2** emissions were validated by the **Science Based Targets Initiative** (SBTi) which judged them to be in line with the actions needed to keep climate warming well below 2°C.

In November, following the annual review of the Dow Jones Sustainability indices by S&P Global, the company was confirmed **Sustainability Leader at the world level in the Automobiles & Components sector in the Dow Jones Sustainability World and Europe** indices.

Pirelli was subsequently confirmed as part of the **United Nations Global Compact Lead,** –the only one of its sector at the global level among the companies identified as the most committed to the implementation of the Ten Principles of the United Nations Global Compact.

In addition, Pirelli was confirmed as one of the **global leaders** in the fight against climate change obtaining a position on the **Climate A list prepared by the CDP** (formerly Carbon Disclosure Project).

The company was also the **only one** in the "Auto Components" sector worldwide to earn "**Gold Class Distinction" in the Sustainability Yearbook 2021** published by S&P Global.

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2021 Outlook

In 2021, the global tyre market is expected to register "*high-single-digit*" growth. Car **≥18''** confirmed as the segment with the greatest growth and in 2021 is expected to increase by "Double digit" level thanks to a recovery of demand in both channels, Original Equipment and Replacement, which will return to 2019 levels.

In this context Pirelli aims to:

- **Reinforce leadership in High Value**, thanks also to strong growth in *pull-through* demand in Car ≥19'', driven by homologations garnered by Pirelli in recent years with the main Prestige and Premium carmakers. The growth of Car ≥18'' volumes will be more balanced between Original Equipment and Replacement, compared with what happened in 2020.
- **Renew its product range** for the **Replacement** channel
- **Further strengthen its positioning in China**, also leveraging the on-line channel
- **Continue with implementation of "Cost Competitiveness" efficiencies plan**, as presented to the market on 19 February 2020
- **Invest in digitalization, improving mix and quality**

Pirelli 2021 forecasts:

- **Revenues: around 4.7-4.8 billion euro (4.3 billion in 2020),** sustained by the above mentioned over-performance of the Car ≥18" segment and improvement of the price/mix. Negative forex impact;
- **Adjusted Ebit Margin:** seen at between **>14% and around 15%. Price/mix** will compensate for the increase in materials' cost.
- **Confirmation of net benefits foreseen from the competitiveness plan** presented in February 2020 which will broadly offset costs linked to certain activities which were suspended in 2020 as foreseen in the Covid Action Plan;
- **Net cash flow before dividends** expected at between about 300 and about 340 million euro (207.6 million in 2020 excluding the impact of the convertible bond) after investments equal to approximately 7% of sales.

More details of the 2021 outlook will be provided during the Investor Day presentations on 31 March 2021.

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Conference call
The preliminary results for the year ended 31 December 2020 will be illustrated today, 10 March 2021, at 18.30 in a conference call involving the Executive Vice Chairman and CEO of Pirelli & C. SpA, Marco Tronchetti Provera, and the top management. Journalist will be able to follow the presentation by telephone, without the possibility of asking questions, at **+39 02 805 88 27**. The presentation will also be webcast– in real time – at www.pirelli.com in the Investors area, where the slides will also be available.

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The Manager Responsible for the preparation of the company accounting documents for Pirelli & C. S.p.A., Dr Francesco Tanzi, declares in accordance with paragraph 2 of article 154 bis of the Testo Unico della Finanza that the accounting information contained in the present press release complies with the accounting books and records.

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Pirelli preliminary asset economic and financial data on 31 December 2020

(in millions of euro)	**2020**	**2019**
Net sales	**4.302,1**	**5.323,1**
EBITDA adjusted (°)	**892,6**	**1.310,0**
% of net sales	20,7%	24,6%
EBITDA (°°)	**725,1**	**1.250,0**
% of net sales	16,9%	23,5%
EBIT adjusted (°)	**501,2**	**917,3**
% of net sales	11,6%	17,2%
EBIT	**219,1**	**742,7**
% of net sales	5,1%	14,0%
Net income/(loss) from equity investments	(5,3)	(11,0)
Financial income/(expenses) (°°)	(156,4)	(109,4)
- of which financial income from Brazilian tax credits	-	*107,3*
Net income/(loss) before tax	**57,4**	**622,3**
Tax income/(expenses)	(14,7)	(164,6)
Tax rate %	25,6%	26,5%
Net income/(loss)	**42,7**	**457,7**
Eanings/(loss) per share (in euro per share)	0,03	0,44
Net income/(loss) adjusted	245,5	514,3
Net financial (liquidity)/debt position	**3.258,4**	**3.507,2**
Net cash flow before dividends paid by the Parent Company and convertible bond impact	**207,6**	**344,1**
Net cash flow before dividends paid by the Parent Company	**248,8**	**344,1**
Net cash flow	**248,8**	**167,2**
Investments in tangible and intangible assets (CapEx)	140,0	390,5
Increases in rights of use	68,5	51,2
Research and development expenses	194,6	232,5
% of net sales	4,5%	4,4%
Research and development expenses - High Value	182,5	215,7
% of sales High Value	6,0%	6,1%
Employees (headcount at end of period)	30.510	31.575
Industrial sites (number)	19	19

(°) Adjustments refers to one-off, non recurring and restructuring expenses to the amount of euro 99.3 million (euro 124.1 million in 2019), expenses relative to the retention plan approved by the Board of Directors on February 26, 2018 to the amount of euro 8.4 million (euro 6.9 million in 2019), and COVID-19 direct costs to the amount of euro 59.8 million; in 2019 it had also included income from Brazilian tax credits to the amount of euro 71.0 million. With reference only to EBIT, amortization of intangible assets recognised as a consequence of Business Combinations amounting to euro 114.6 millions (114.6 millions in 2019).

(°°) The item includes the impacts deriving from the application of the accounting standard IFRS 16 - Leases to the amount of euro +103.9 million on EBITDA (euro +104.3 million in 2019) and euro -22.3 million on financial expenses (euro -24.0 million for in 2019).

ALTERNATIVE PERFORMANCE INDICATORS

This document, in addition to the financial measures provided for by the International Financial Reporting Standards (IFRS), also includes measures derived from the latter, even though not provided for by the IFRS (Non-GAAP Measures). These measures are presented in order to allow for a better assessment of the results of the Group's operations and should not be considered as alternatives to those required by the IFRS.

In particular, the Non-GAAP Measures used were as follows:

- **EBITDA:** is equal to the EBIT, but excludes the depreciation and amortisation of property, plant and equipment and intangible assets. The EBITDA is used to measure the ability to generate earnings, excluding the impacts deriving from investments;
- **EBITDA adjusted:** is an alternative measure to the EBITDA which excludes non-recurring restructuring and one-off expenses, COVID-19 direct costs, and expenses relative to the retention plan approved by the Board of Directors on February 26, 2018;
- **EBITDA margin:** is calculated by dividing the EBITDA by revenues from sales and services (net sales). This measure is used to evaluate operating efficiency, excluding impacts deriving from investments;

- **EBITDA margin adjusted:** is calculated by dividing the EBITDA adjusted by revenues from sales and services (net sales). This measure is used to evaluate operating efficiency excluding, the impacts deriving from investments, operating costs attributable to non-recurring, restructuring and one-off expenses, COVID-19 direct costs, and expenses relative to the retention plan approved by the Board of Directors on February 26, 2018;
- **EBIT:** is an intermediate measure which is derived from the net income/(loss) but which excludes, the net income/(loss) from discontinued operations, taxes, financial income, financial expenses and net income/(loss) from equity investments. The EBIT is used to measure the ability to generate earnings, including the impacts deriving from investments;
- **EBIT adjusted:** is an alternative measure to the EBIT which excludes, the amortisation of intangible assets relative to assets recognised as a consequence of Business Combinations, operating costs attributable to non-recurring, restructuring and one-off expenses, COVID-19 direct costs, and expenses relative to the retention plan approved by the Board of Directors on February 26, 2018;
- **EBIT margin:** is calculated by dividing the EBIT by revenues from sales and services (net sales). This measure is used to evaluate operating efficiency;
- **EBIT margin adjusted:** is calculated by dividing the EBIT adjusted by revenues from sales and services (net sales). This measure is used to evaluate operating efficiency excluding, the amortisation of intangible assets relative to assets recognised as a consequence of Business Combinations, operating costs attributable to non-recurring restructuring and one-off expenses, COVID-19 direct costs, and expenses relative to the retention plan approved by the Board of Directors on February 26, 2018;
- **Net income (loss) adjusted;** is calculated by excluding the following items from the net income (loss) related to continuing operations;
    - the amortisation of intangible assets relative to assets recognised as a consequence of Business Combinations, operating costs attributable to non-recurring restructuring and one-off expenses, COVID-19 direct costs, and expenses relative to the retention plan approved by the Board of Directors on February 26, 2018;
    - non-recurring expenses/income recognised under financial income and expenses;
    - non-recurring expenses/income recognised under taxes, as well as the tax impact relative to the adjustments referred to in the previous points.
- **Net financial debt:** is calculated pursuant to the CONSOB Communication dated July 28, 2006, and in compliance with ESMA/2013/319 Recommendations. Net financial debt represents, borrowings from banks and other financial institutions net of cash and cash equivalents, other current financial assets at fair value through the Income Statement, current financial receivables (included in the Financial Statements under the item *"Other receivables"*), and current derivative financial instruments included in the net financial position (included in the Financial Statements under current assets as *"Derivative financial instruments"*);
- **Net financial position:** this measure represents the net financial debt less the *"non-current financial receivables"* (included in the Financial Statements under *"Other receivables"*), and non-current derivative financial instruments included in the net financial position (included in the Financial Statements under non-current assets as *"Derivative financial instruments"*). Net financial position is an alternative measure to net financial debt which includes non-current financial assets;
- **Net cash flow before dividends paid by the Parent company and convertible bond impact** is calculated by adding the change in the net financial position due to extraordinary transactions and the management of investments, to the net cash flow before dividends and extraordinary transactions/investments;
- **Net cash flow before dividends paid by the Parent company:** is calculated by adding the impact on the net financial position due to the recognition of the convertible bond, to the net cash flow before dividends paid by the Parent company and convertible bond impact;
- **Net cash flow:** is calculated by adding the change in the net financial position due to the payment of dividends by the Parent company, to the net cash flow before dividends paid by the Parent company;
- **Investments in tangible and intangible assets (CapEx):** this is calculated as the sum of investments (increases) in intangible assets, and investments (increases) in property, plant and equipment excluding any increases relative to the rights of use;
- **Increases in the Rights of Use:** is calculated as the increases in the rights of use relative to lease contracts.